

Gerochi, Hope

**Working Paper**

## Tagum City: Development at the Crossroads

PIDS Discussion Paper Series, No. 2004-44

**Provided in Cooperation with:**

Philippine Institute for Development Studies (PIDS), Philippines

*Suggested Citation:* Gerochi, Hope (2004) : Tagum City: Development at the Crossroads, PIDS Discussion Paper Series, No. 2004-44, Philippine Institute for Development Studies (PIDS), Makati City

This Version is available at:

<https://hdl.handle.net/10419/127867>

**Standard-Nutzungsbedingungen:**

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

**Terms of use:**

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*

*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*



Philippine Institute for Development Studies  
*Surian sa mga Pag-aaral Pangkaunlaran ng Pilipinas*

## Tagum City: Development at the Crossroads

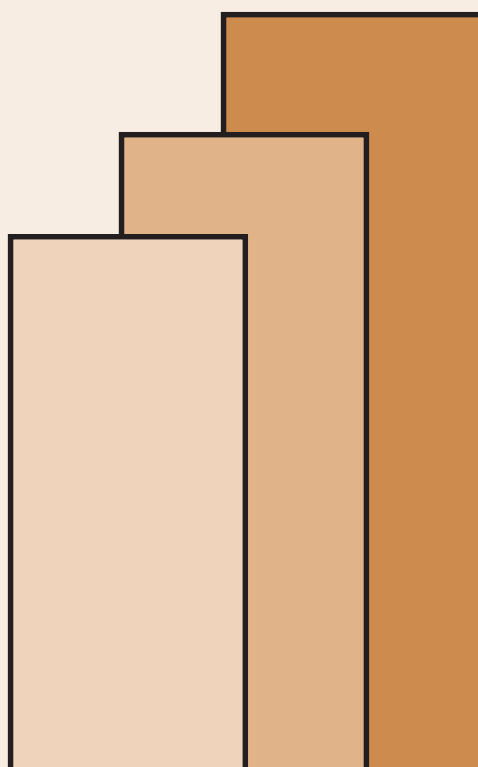
*Hope Gerochi*

**DISCUSSION PAPER SERIES NO. 2004-44**

The *PIDS Discussion Paper Series* constitutes studies that are preliminary and subject to further revisions. They are being circulated in a limited number of copies only for purposes of soliciting comments and suggestions for further refinements. The studies under the *Series* are unedited and unreviewed.

The views and opinions expressed are those of the author(s) and do not necessarily reflect those of the Institute.

Not for quotation without permission from the author(s) and the Institute.



December 2004

For comments, suggestions or further inquiries please contact:

The Research Information Staff, Philippine Institute for Development Studies  
3rd Floor, NEDA sa Makati Building, 106 Amorsolo Street, Legaspi Village, Makati City, Philippines  
Tel Nos: 8924059 and 8935705; Fax No: 8939589; E-mail: [publications@pidsnet.pids.gov.ph](mailto:publications@pidsnet.pids.gov.ph)  
Or visit our website at <http://www.pids.gov.ph>

# **Tagum City: Development at the Crossroads<sup>1</sup>**

*By Hope Gerochi in cooperation with Moises Villacorta*

---

<sup>1</sup> Case study undertaken under the POPCOM-PIDS Population, Urbanization and Local Governance Project.

## **Abstract**

Population processes and outcomes (in this case, urbanization) influences and changes the development of an area and vice versa. In the case of Tagum City, its growing economy is presumed to be attracting considerable movement of people which proves to present both opportunities and challenges for the local government. The well-developed transportation network and the gold rush in the early 80's have contributed to the development of the City. Rapid urbanization soon ensued. Population increase has slightly slowed down in recent years but still above national and regional averages with the increase mostly attributed to high birth rates. The City specially puts heavy emphasis on infrastructure, which by and large has so far shaped its development. Tagum's local government is credited for taking bold steps (notwithstanding the short electoral calendar) in influencing its development path – from massive infrastructure development right after its elevation to a City, to initiating fiscal discipline in its economic enterprises and improving measures in increasing local revenues, to undertaking a radical population management program. These efforts signify the innovativeness of the local government in serving its constituents and in meeting the increasing demand brought by a high incessant population growth. Yet challenges still remain in providing adequate manpower to social services, setting up a feedback mechanism on its various interventions and increasing avenues for participation of its constituents in setting development priorities.

**Keywords: Tagum City, Davao del Norte, urbanization, population, population management, local government, local governance.**

## **Executive Summary**

Population processes and outcomes (in this case, urbanization) influences and changes the development of an area and vice versa. In the case of Tagum City, its growing economy is presumed to be attracting considerable movement of people which proves to present both opportunities and challenges for the local government. This case study seeks to determine how the local government has responded as well as shaped the development and population processes.

Tagum City is strategically located at the heart of Davao del Norte and is the seat of the Provincial Government. Two major road networks intersect at the center of the city – the Davao-Mati and Davao-Agusan national highway. This feature made Tagum very accessible and convenient place for traders to do their business thus spurring the development of marketplaces at transshipment points – such as at the crossroads like Tagum. Relying mostly on agricultural goods during the early stages of its development, the gold rush during the late 70's and early 80's in less accessible neighboring municipalities provided an impetus for Tagum to be a major trading hub for gold. Soon thereafter commercial and business establishments mushroomed in Tagum. Rapid urbanization ensued and Tagum was later elevated to a component city in 1998. Population increase has slightly slowed down in recent years but still above national and regional averages. The increase is mostly attributed to high birth rates.

The increase in the City's IRA made it possible for the City to undertake massive infrastructure projects particularly the main road networks vital to its economy. Economic enterprises proved to be an emerging source of local revenues. It is specially noted that the City have well-managed, independent and earning economic enterprises. Health and social services continue to be highly demanded by constituents and the inadequate facilities and manpower for these services poses a major challenge.

The local government recognizes the importance in managing population in development. A radical population program was implemented in 2001-2003 wherein the City government provided financial incentive to males willing to undertake vasectomy. More visible population program includes pre-marriage counseling and seminars on responsible parenthood. Other indirect interventions includes the plan to set up the new City Hall at a less densely populated barangay to disperse economic activity from the crowded Poblacion.

Exactly how responsive is the government in terms of determining the development needs of the City's constituents? The Minimum Basic Needs survey was undertaken in 1999 to ascertain the needs of the population. However results from the 2001 GOFORDEV index ranked Tagum second to the last among the pilot areas where the index was administered – revealing that it somehow lacks the necessary feedback mechanism to know what its constituents deem as urgent and important needs and whether the local government has adequately addressed them. Avenues for increased participation of its constituents that will provide them with a hand in charting the direction of the City's development need to be explored. Nevertheless, Tagum's proactive stance in infrastructure development, local government finance and population management displays the City's drive to be of better service to its constituents as well as to become world-class.

## 1 Introduction

Population processes and outcomes (in this case, urbanization) influences and changes the development of an area and vice versa. In the case of Tagum City, its growing economy is presumed to be attracting considerable movement of people which proves to present both opportunities and challenges for the local government. How opportunities are taken advantage of vis-à-vis the burden of providing adequate services will depend on how governing institutions, (planning, monitoring, programming and budgeting systems of the city government) are able to adjust to such changes and deliver adequate services.

This case study is organized first by examining Tagum's economy and its emergence. Next, population and urbanization process will be discussed. The third section then examines on how the City provided services and its outcomes given the backdrop of an increasing number of constituents while the fourth section will discuss the various institutional factors that come into play in influencing service delivery as well as population outcomes. The last section covers issues and lessons learnt.

### *1.1 Tagum City: Location and Background*

Tagum City is strategically located at the heart of Davao del Norte and is the seat of the Provincial Government (see maps in Annex 2). The municipalities of Asuncion and New Corella lies in the north while the Municipalities of Carmen and Dujali bound the city in the west. The Municipalities of Maco and Mawab of Davao Oriental lies in its eastern side while the Davao Gulf lies in the south. Two major road networks intersect at the center of the city – the Davao-Mati and Davao-Agusan national highway. This feature makes the city very accessible – whether going to the northern regions of Mindanao or to the Region XI capital, Davao City, at some point, Tagum City will be at the crossroads.

Most of Tagum's land area is still mainly allocated for agricultural production (about 115.044 sq. km), representing nearly 60 percent the total land area. Land for residential use (40 sq. km.) with a consolidated area of around 40.229 square kilometer, representing 20.55 percent of the entire land area of Tagum. Other land uses are distributed to commercial (3.98%), industrial (3.02%) , institutional (3.08%) fishpond (6.38%) Eco-Tourism (2.07%).

### *1.2 Emerging Market Economy*

#### *1.2.1 Transportation economies, trade and the development of a City*

Two important elements can be said to have contributed to Tagum's development: a) The Davao-Agusan and Davao Mati National Highway intersection and b) the discovery of abundant mineral resources, specifically gold, in the neighboring areas such as in the nearby Municipality of Maco, which lies on the east of Tagum City.

Tagum's pattern of development stems from the presence of scale economies in transportation. A well-developed road network makes it possible to transport goods at a lower cost. Traders will eventually exploit transportation scale economies by locating themselves at places convenient for them to collect, transport and distribute

goods at a lower cost. This causes the development of marketplaces at transshipment points – such as ports, river junctions and, like the case of Tagum, at the crossroads<sup>2</sup>. The main highway going north to Agusan as well as to the east to Davao Oriental and to Mati proved to be a critical stimulus for attracting migrants to the area. Tagum acted as a “gateway” to the northern provinces of Mindanao; providing a land transportation node, which draws traders of agricultural (especially in the early stages of Tagum’s development), manufacturers and investors in the services sector.

Largely agricultural, the abaca sector and the coconut industry contributed to Tagum’s early development in the 50’s<sup>3</sup>. However come the 70’s, these industries started to decline but the emerging banana plantations in and around Tagum have propelled the development of Tagum during this era. In the 80’s a slight downturn in the banana industry was experienced but the discovery of abundant mineral resources, specifically gold, in the neighboring areas in Davao boost the local economies of Tagum and in the neighboring municipalities. Tagum became a trading hub for small-scale gold miners and soon, with heightened economic activity and rising average incomes, business establishments as well as other commercial activities soon mushroomed in Tagum.

Undoubtedly, the location decision of traders has created an impetus for rapid urbanization of Tagum. People employed by trading firms decide to live near the marketplace to cut down on commuting costs. Likewise the growing number of services locating in Tagum attracted migrants. At this time in the late 80’s and early 90’s, rapid urbanization took place with urban population increasing as high as 10% per year. Soon thereafter, Tagum was elevated to a first class municipality and by 1998 Tagum achieved component city status by virtue Republic Act 8472.

### *1.2.2 Primacy of trade and services*

Though agriculture, particularly banana, has propelled the city in the early 70’s, Tagum is now identified as the center for trade and commerce in Davao del Norte. Despite the seemingly agricultural and rural landscape (agricultural areas takes up more than 60% of Tagum’s land area), its economic structure has veered towards trade and services (See **Figure 1 & 2**). Based on the registration of new businesses with DTI, trade and services account for as much as 95% of its total new investment. The City Business Permit and License Section likewise reports that retailers, services and dealers make up more than half of their clients.

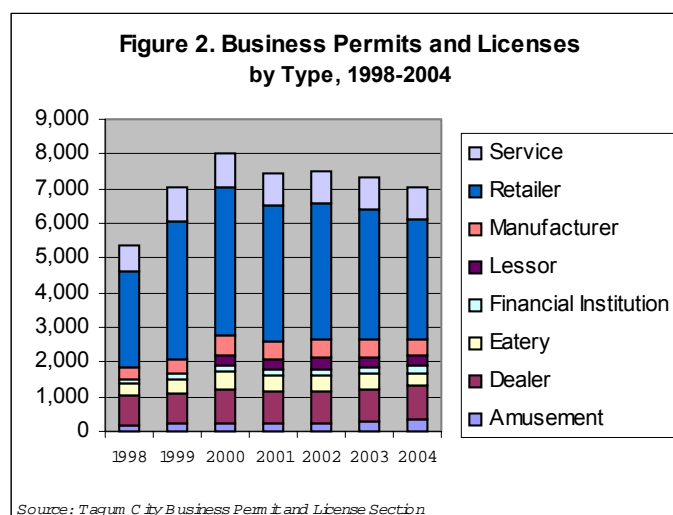
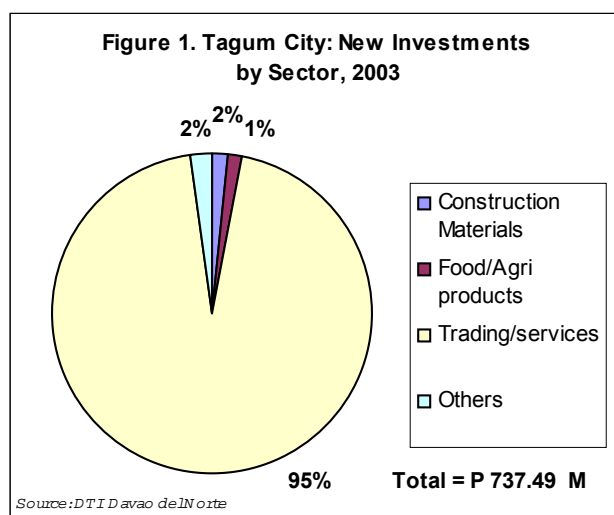
Tagum City primarily accounts for 61% of DTI new investment levels (see **Table 1**) and 56% of newly registered firms in Davao del Norte for 2003. Out of the 1,164 new firms involved in trading and services, 56% are located in Tagum. Agriculture products might have figured prominently in the early development of Tagum but currently it takes up only 2% of Tagum’s total new investments (**Figure 1**) and

---

<sup>2</sup> As can be seen in the maps in the Annex section of this paper, the pattern of spatial development reveals that a clustering of population and establishment is observed around the intersection of the two national highways.

<sup>3</sup> Historical account of the economy of Tagum in the succeeding paragraphs is largely based on the City Comprehensive Development and Land Use Plan and interviews with locals.

accounts for only 38% and 30% of Davao del Norte's new agri-related firms and investment for 2003.



**Table 1. Davao Del Norte Investment and Employment, by Sector, 2003**

Sector	Davao Del Norte			% share of Tagum City		
	Firms	Employment	Investment In M Pesos	Firms	Employment	Investment
Construction Materials	42	154	14.65	48	40	80
Food/Agri products	99	1,099	34.69	38	16	30
Trading/services	1,164	2,845	1,138.40	56	58	61
Others	121	461	29.26	57	48	54
Total	1,426	4,559	1,217.00	55	46	61

Source: DTI Davao del Norte

### 1.2.3 Agriculture Sector

Despite the current primacy of trade and services, agriculture and its related industries continues to be an important sector. Apart from agriculture providing incomes for rural communities and adequate food for urban dwellers, the emerging banana chips industry has the potential to further boost the rural economy of Tagum. Two prominent manufacturers of banana chips – El Coco Manufacturing and Trading Corporation and Royce Food Corporation – are both located in Tagum City and both caters solely to the export market. Also, Tagum houses 4 banana corporate plantations with a combined area of 3,035 has (see **Table 2.**). Compared to the rest of Davao del Norte Province, this translates to having the third largest private area devoted to banana, next to Panabo City and the Municipality of Sto. Tomas. Cooperatives of Agrarian Reform Communities make up most of the land area devoted to banana production.



**Table 2. Banana Plantations (Corporate Farm) in Davao del Norte**

	Area Operated by Corporate Farms	
	Has.	%
Tagum	3,035.57	16.22
Panabo	10,081.62	53.89
Asuncion	220	1.18
Sto. Tomas	3,169.39	16.94
Kapalong	2,202	11.77
Davao del Norte Total	18,708.58	100

*Source of basic data: Davao del Norte Provincial Socio-Economic Report, 2001*

Banana however ranks only second to Coconut in terms of production area (4,620 and 7,768 has. respectively). Rice on the other hand comprises the third major crop of Tagum. Crops also grown in Tagum are corn, durian, mango, papaya, pomelo, vegetables and calamansi. Also some coastal barangays are involved in aquaculture, harvesting milkfish, prawns, shrimps, crabs, shellfish, marine finfishes and gleener's catch. But the size of their catch are small.

### *1.2.3 Provincial Agro-industrial Centers*

Tagum City was designated as a Provincial Agro-industrial Center for Region 11, along with Panabo City. PEZA-accredited APO Estate Corporation lies in Barangay Madaum. Dubbed as the "little Subic", it boasts a seaport catering to different banana carrying vessels for Japan. It also houses warehouses, a cold storage facility. An airfield is also available to accommodate light aircrafts. The estate aims to be Davao del Norte's primary gateway to East ASEAN trading neighbors. Aside from providing a business environment for light and medium enterprises and employment opportunities for the Madaum community, its tourism-related facilities offers a relaxing retreat for businessmen, workers, tourists and sports enthusiasts.

Other similar estates are proposed to be put up in the next 10 years: the Magdum industrial estate for light and medium industries that caters to assembly plants, processing and manufacturing of agri and non-agri products and the proposed Pandapan/Magdum Heavy Industrial Zone. These Agro-industrial centers are expected to generate adequate employment for the population of Tagum City.

### *1.2.4 Private investments in Construction*

With the considerable infrastructure projects undertaken by the City government in 1998 and 1999, and the relatively stable peace and order condition, the growing business confidence soon made it possible for private investments in construction to flourish. As evident in the recent data (Table 3), residential and commercial construction has been increasing throughout the years.

**Table 3. Number of Building Permits and Value of Construction**

Type of Construction	1997		1998		1999		2000		2001	
	# of Permits	Value ('000)	# of Permits	Value ('000)	# of Permits	Value ('000)	# of Permits	Value ('000)	# of Permits	Value ('000)
Residential	577	71,145	480	65,020	491	56,453	655	90,229	522	372,706
Commercial	45	61,609	26	23,729	44	72,427	31	10,102	47	52,537
Miscellaneous*	37	73,384	16	1,006,113	31	2,892,268	88	64,781	18	40,037
<b>Total</b>	<b>659</b>	<b>206,138</b>	<b>522</b>	<b>1,094,862</b>	<b>566</b>	<b>3,021,148</b>	<b>774</b>	<b>165,112</b>	<b>587</b>	<b>465,280</b>

\* other infrastructures

Source: City Planning and Development Office

## 2 Urbanization process

### 2.2 Population and urbanization trends

#### 2.2.1 Total population and urban growth

Tagum City's population grew annually at 2.93%, higher than the national, regional and Davao del Norte growth rates (**Table 4**). Its growth rate is even higher than Davao City's .

**Table 4. Comparative Population, 1995 and 2000**

	1995	2000	Annual Growth Rate
Philippines	68,616,536	76,498,735	2.34
Region 11	4,604,158	5,189,335	2.62
Davao City	1,006,840	1,147,116	2.83
Davao del Norte	671,333	743,811	2.22
<b>Tagum City</b>	<b>156,588</b>	<b>179,531</b>	<b>2.93</b>
Panabo City	117,877	133,950	2.12
New Corella	41,615	44,590	1.49
Asuncion	57,072	60,383	1.22
Sto. Tomas	77,182	84,367	1.93
Kapalong	62,183	68,593	2.13
Talaingod	12,853	16,594	5.63
Carmen	51,055	55,144	1.67
B.E. Dujali	17,913	18,050	5.09
IgaCoS	76,995	82,609	1.52

Source: Davao del Norte PPDO, Davao City Government Website

Historically, higher population growth rates occurred in the earlier decades (**Table 5**). Tagum's total population grew at 6% annually in 1970-1980 but later tapered off in the succeeding decades – 4.5% in 1980-1990 and later growing only 2.8% annually in 1990-2000. Though total population growth has consistently slowed down through the years, urban population growth shows a different story. Growing steadily at about 7% per year between 1970-1980, urban population growth peaked between 1980-1990 at double-digit growth rates. Urban population share to total population dramatically changed, from less than half in 1980 its share expanded to 76% in 1990. The phenomenal rise of urban areas was due to the rapid development of Tagum's

economy brought about by the gold rush in neighboring provinces. Soon thereafter, the urbanization tempo slowed down, showing growth rates closer to its total population growth. Except for the recent census population growth rate, urban population grew markedly higher than the City's total population. However, in absolute levels, the increase still favors urban areas though urban growth and share to total population declined to 2% and 73%, respectively.

**Table 5. Tagum City Population, 1970-2000**

Census Year	Population Total	Density People/Sq.km	Urban		Annual Growth Rate*	
			Urban	% Urban	Total	Urban
1970	47,324	246	17,301	37		
1975	64,225	335	24,885	39	6.11	7.27
1980	86,201	449	35,785	42	5.89	7.27
1990	135,440	705	103,474	76	4.52	10.62
1995	156,588	816	118,916	76	2.72	2.61
2000	179,531	935	130,363	73	2.93	1.97
1970-1980					5.9966	7.2676
1980-1990					4.5185	10.6179
1990-2000					2.8217	2.3100

\*Compounded Annual Growth Rate

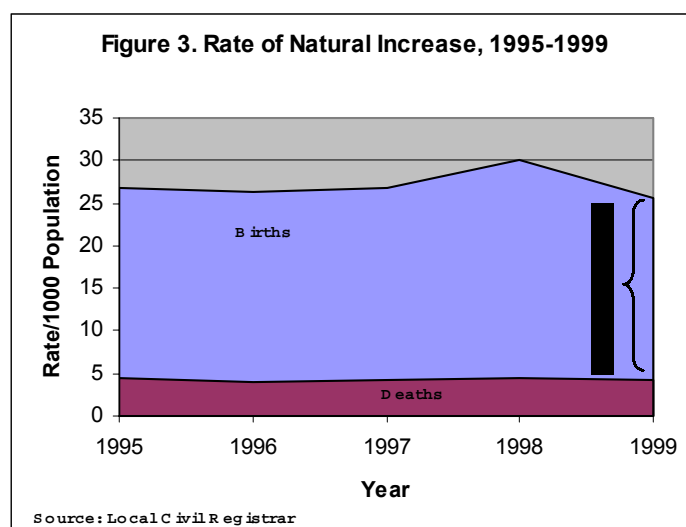
Source of basic data: NSO

### 2.2.2 Sources of population growth

Given the limited data available, the source of population growth is presented in **Table 6** and in **Figure 3**. It is quite difficult to have an accurate picture given the limited length of the series. For the period 1995-1999, on average, crude birth rate stands at 27.1 per 1000 population while death rate is around 4.3 per 1000 population. Rate of natural increase between 1995 and 1999

was about 23 persons per 1000 population. Though both birth and death rate affects the rate of increase in the population, the increase has been affected more by the increase/decrease of births. As can be seen in **Figure 3**, death rates are relatively stable all through out the series.

Apart from births, the influx of migrants from other areas can contribute to population increase. Net migration fluctuates from year to year (see **Table 6**) but on average, in-migration is observed within the 1995-1999 period. The recent increase in population growth however is attributed largely to natural increase.



**Table 6. Population Increase Decomposition, 1995-1999**

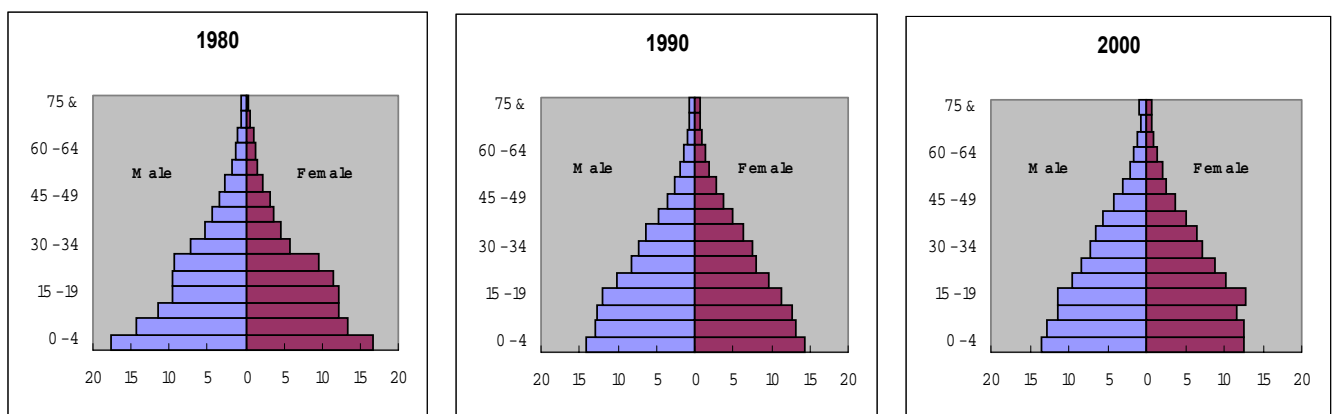
	1995	1996	1997	1998	1999	1995-1999
CBR	26.8	26.4	26.8	30.0	25.6	27.1
CDR	4.4	4.0	4.3	4.4	4.2	4.3
Rate of Natural Increase	22.4	22.4	22.5	25.6	21.4	22.9
Total Natural Increase	3,511	3,894	3,729	4,350	3,736	19,220
Population (estimates)	156,588	160,218	165,705	169,316	174,057	
Total Population Growth	4,893	3,630	5,487	3,611	4,741	22,362
Total Net Migration	1,382	(264)	1,758	(739)	1,005	3,142

Basic data: Local Civil Registrar, CPDO

### 2.2.3 Population: Age and Sex

The population structure has not changed dramatically (**Figure 4 and Table 7**). Tagum's population structure is depicted as an expansive pyramid with a broad base, indicating a very young population or a high level of fertility, corroborating the earlier findings that high birthrates have figured prominently in Tagum's population increase. For all the census years since 1980, individuals between ages 15 and 49 constitute more than 50% of Tagum's population. With a relatively large number of people entering or in the reproductive age, population increase has been and is inevitable. However, given a narrower population pyramid compared in 1980, population increase will be at a much slower rate.

The productive age group composing of individuals 15-64 years old, has increased relatively more than the rest of the age group. In 1980, about 57 percent of the total population belonged to the productive age group while in 2000, it has increased to 62 percent.

**Figure 4. Tagum City Population Pyramid 1980, 1990 and 2000**

**Table 7. Population by Age Group 1980 – 2000**

	1980		1990		2000	
Age Group (in years)	No.	%	No.	%	No.	%
0-14	36,988	42.91	53,881	39.94	62,415	34.88
15-64	47,421	55.01	78,171	57.94	111,204	62.15
65 and over	1,792	2.08	2,867	2.12	5,302	2.97
Total	86,201	100	134,919	100	178,921	100

The number of male to females is always almost in parity. Trade and services dominated the economic scenery starting early 80's this would have conventionally would indicate a lower male-to-female ratio in the labor force, Tagum's population pyramid however is almost symmetric<sup>4</sup>.

### *2.2.3 Household income, expenditure and poverty profile*

Mean per capita income for Tagum has not increased as much vis-à-vis the other cities in Region 11; on expenditure basis on the other hand, the increase is comparable with the Region 11 average expenditure. In real terms however, income has substantially declined for the three cities of Region 11 with Tagum have the most substantial decrease. In terms of expenditure, there was a slight improvement for Tagum City while Davao City and General Santos' household per capita expenditure have declined by 11%. The decline in average incomes follows after El Nino hit the agricultural sector at the same time the Asian financial crisis occurred in late 1997. Boosting respective local economies remains a significant challenge for local government units who have substantial agricultural components in their economy.

The poverty profile of Region 11 is reported in Table 8b. Tagum City has the second lowest % of poor households among the cities reported for both 1997 and 2000 survey of the Family Income and Expenditure Survey; it also has a better poverty profile than the provincial average. Also worth noting is the decline in the household poverty incidence of Tagum City unlike the two other cities in the sample set (Davao and General Santos) which experienced slight increases in the number of households classified as poor.<sup>5</sup>

These figures reflect that though not as prosperous as Davao City, Tagum City's poverty situation has improved despite the decrease in average incomes.

<sup>4</sup> A slight spike in the 15 to19 age group for females however can be observed which can be surmised to be attributed to the service sector attracting young female migrant workers.

<sup>5</sup> A better estimate of the movement of poverty indicators throughout time can be done by examining the same households who were both interviewed in the 1997 and 2000 survey. The panel data will yield more insights on chronic and transitory poverty.

**Table 8a. Mean per capita income and expenditure, 1997 and 2000**

	Income			Expenditure		
	1997	2000	% Change	1997	2000	% Change
<b>In Nominal Terms</b>						
Other Davao del Norte	15,917	19,224	20.77	13,234	17,008	28.52
Tagum City	29,535	29,643	0.36	21,633	25,479	17.78
Davao City	34,832	35,254	1.21	27,914	29,079	4.17
General Santos City	26,670	28,838	8.13	21,721	22,651	4.28
Region 11	23,322	26,496	13.61	18,292	21,572	17.93
<b>In 1994 Prices</b>						
Other Davao del Norte	12,841	13,178	2.63	10,676	11,659	9.21
Tagum City	23,827	20,320	(14.72)	17,452	17,467	0.09
Davao City	28,100	24,167	(14.00)	22,519	19,934	(11.48)
General Santos City	21,516	19,769	(8.12)	17,523	15,528	(11.39)
Region 11	18,814	18,163	(3.46)	14,757	14,788	0.21

Source: NSO FIES

**Table 8b. 1997 and 2000 Poverty Profile of Households, Region 11**

Province/City	1997				2000			
	Poor	Nonpoor	Total	% Poor	Poor	Nonpoor	Total	% Poor
Davao del Norte	112	214	326	34	125	205	330	38
Other Davao del Sur	125	199	324	39	101	231	332	30
Davao Oriental	94	139	233	40	77	150	227	34
Other South Cotabato	91	177	268	34	84	196	280	30
Saranggani	62	80	142	44	64	71	135	47
Tagum	30	104	134	22	24	113	137	18
Davao City	43	376	419	10	44	364	408	11
General Santos City	40	139	179	22	68	115	183	37

Note: using provincial threshold

Source: NSO FIES

### 3 Consequences and responses

#### 3.1 Service Delivery and Outcomes

##### 3.1.1 Education

Though service delivery in education is still mainly the responsibility of the Department of Education, Tagum's City government has been active in easing the shortage of education inputs. Since it became a City, the LGU has embarked on designing, renovating and building schools. Soon enough, the run-down pilot school in one of its barangays became a presentable three-storey structure with each classroom fully furnished with mono-block type chair-cum-desk and adequate electric fans. The design was conceptualized by the local government in close coordination with DepEd and DPWH. The City government funded majority of the classrooms that has been built while the rest were financed by congressional funds. Dubbed as

“Tagum style” schools, the vertical orientation of the structures made it possible for the school to allocate more space for outdoor activities of its students. The presentable and well-equipped classroom on the other hand, makes learning more conducive. The cost per classroom varies depending on which floor the room is located, a first floor classroom costs considerably more given the architectural foundation that needs to be laid out – about P750 thousand pesos; a second floor classroom around P650 thousand and a third floor classroom is budgeted at P600 thousand pesos<sup>6</sup>. These estimates are inclusive of the furnishings e.g. chairs/desks, electric fan and tables. This seems to be considerably more than what the DPWH usually budget for a classroom (P450 thousand), yet it should be noted that the Tagum style classrooms by design, aside from having a slightly bigger floor area, also emphasizes aesthetic value.

Aside from school buildings, the City government augments the teacher resource pool of DepEd by hiring 27 contractual teachers (as of 2002) – a fraction (about 1/25) of the number of teachers in elementary level.

**Table 9 and 10** gives a snapshot of the adequacy of the inputs in Davao del Norte for 2002. For public elementary schools, Tagum’s pupil-teacher ratio is about the same as the provincial average, armchair-pupil ratio a little better than most of the other municipalities (a lot better than the other component city of the province, Panabo City). For classroom-pupil ratio however, the figures place Tagum rather near the end of ranking. Secondary school indicators however are much better, with ratios higher than the provincial average and better than Panabo City’s. Benchmarking to a standard 1:45 student-teacher and student-classroom ratio, teachers are adequately supplied for both the secondary and elementary schools in Tagum, classrooms however are above the standard ratio. Apparently, despite the City’s effort in providing for more classrooms, keeping up with the growing number of school-going population is still a concern.

**Table 9. Davao del Norte Public Elementary Indicators, 2002**

City/Municipality	Teacher-Student Ratio	Classroom-Student Ratio	Armchair-Student Ratio
<b>Tagum City</b>	<b>1:41</b>	<b>1:49</b>	<b>1:4</b>
New Corella	1:44	1:41	1:3.7
Asuncion	1:42	1:46	1:4.2
Sto. Tomas	1:41	1:45	1:4.2
Kapalong	1:43	1:46	1:3.6
Talaingod	1:42	1:55	1:5.7
Panabo City	1:42	1:47	1:10.9
Carmen	1:40	1:48	1:10.5
B.E. Dujali	1:40	1:42	1:9.1
IgaCoS	1:37	1:45	1:3.8
<b>Davao del Norte</b>	<b>1:41</b>	<b>1:47</b>	<b>1:4.8</b>

Source: DECS, Davao del Norte (Enrolment/ Inventory)  
Computation at PPDO

<sup>6</sup> Costs in 1999 prices.

**Table 10. Davao del Norte Public Secondary Indicators, 2002**

City/Municipality	Teacher-Student Ratio	Classroom-Student Ratio	Armchair-Student Ratio
<b>Tagum City</b>	<b>1:35</b>	<b>1:67</b>	<b>1:1.49</b>
New Corella	1:45	1:65	1:4.71
Asuncion	1:36	1:77	1:3
Sto. Tomas	1:37	1:56	1:1.14
Kapalong	1:35	1:58	1:1.8
Talaingod	1:27	1:57	1:2.02
Panabo City	1:44	1:75	1:2.1
Carmen	1:35	1:73	1:2.7
B.E. Dujali	1:51	1:64	1:1.15
IgaCoS	1:69	1:117	1:8.07
Davao del Norte	1:41	1:72	1:2.04

Source: DECS, Davao del Norte (Enrolment/ Inventory)  
Computation at PPDO

For education outcomes, mean percentage scores from the elementary assessment tests have increased with Science increasing the least. For secondary scores, Tagum's scores are generally above the regional average. Science seems to be a hurdle for Tagum City students, having the least improvement in scores in the NEAT in 1995-2000 and NSAT scores below provincial average.

Also, the City government also implements a college scholarship program (City Educational Scholarship Program or CESPPO) and the secondary level scholarship program under the Sulong-Dunong program under the City Social Welfare Department for poor deserving students. Aside from shouldering their tuition and miscellaneous fees, the scholars receive a P1,000 monthly stipend and P1,000 per semester book and uniform allowance.

In efforts to reach out to the muslim tribes residing in the city, the City community affairs office facilitated an Arabic literacy class and put up 7 tribal centers for the muslim indigenous tribes residing in Tagum. The City provided honorariums to the Arabic teachers while materials are provided by DECS. The City government hopes to institutionalize this worthwhile activity to enhance better understanding and cooperation with indigenous tribes in Tagum.

**Table 11. Tagum City NEAT Mean Percentage Scores, 1995 and 2000**

	1995	2000	CAGR
Math	42	63	8%
Hekasi	45	64	7%
Science	47	59	5%
English	39	56	7%
Average	43	61	7%

Basic data from NETRC

**Table 12. NSAT Mean Percentage Scores**

	Tagum City 2000	Davao del Norte 2000
English	50	44
Science	38	41
Math	46	45
Filipino	59	61
Average	49	47

Tagum: basic data from NETRC; Davao del Norte from PPDO



#### 4.1.2 Health

Tagum has two health centers in addition to the Provincial Hospital (Davao Regional Hospital) and four private hospitals situated in the City. The latest available data on bed capacity and health manpower inventory is provided in **Table 13**. As can be gleaned from this table, hospital bed capacity is well above the standard 1:2,000 population ratio. It should be noted however that these hospitals also cater to the population of nearby municipalities. On health professionals, there also seems to be adequate personnel (standard doctor-population ratio is 1:4,000) though dentist to population ratio are high.

**Table 13. Population to Health Inputs\*  
Ratio, 2001**

	Levels	Ratio
Hospital Bed	362	1:516
Doctors	104	1:1,796
Nurses	156	1:1,197
Midwives	29	1:6,442
Dentist	3	1:62,269

*\*Includes private hospitals*

*Basic data: CPDO*

The City government mainly influences health outcomes through its two health centers. At present, the City health office are understaffed with only one doctor supervising both clinics and nurses (12) doing administrative tasks on top of their duties. Most of the support staff at the health center are on contractual arrangement. The health centers are cramped given the number of clients coming in for health concerns everyday. To augment and complement the services given by the health centers, barangay health workers were trained to be at the front line of service at the barangay level. A referral system is being implemented, wherein barangay health workers in 33 barangay health centers will first screen clients, and according to severity and urgency, will then be referred to a nurse at the health center and then to the doctor when needed. Charges to health services are minimum; it is free if the client is classified as an indigent. Determining who is indigent however is arbitrary; no formal screening procedures are enforced.

Acute respiratory infection, bronchitis and pneumonia are the top three causes of morbidity. For mortality, the top leading causes has been consistently pneumonia and cardio-vascular disease.

#### 3.1.4 Infrastructure

##### *Roads*

When Tagum became a component city in 1998, it focused its attention to building the necessary infrastructure and structures. Drawing its economic base from its strategic location (where two important national highways in Mindanao intersect), it is not a surprise that the City government gives emphasis on the maintenance and expansion of its road network to take advantage of positive spillovers. Also, as economic activity picked up during the 80's, influx of migrants created a demand for subdivisions. Real estate development ensued at the eastern side of the city. Such development had lead to opening up of more roads; with some of the private roads being turned over to the City government to make these areas more accessible. Despite the expansion in Tagum's road network, much still needs to be done with the quality of its local roads. As can be gleaned in **Table 14**, much of the barangay roads

are still unpaved and only a little more than half of the length of city roads are paved. It is expected though that with the recently purchased Asphalt Plant, the City government will be able to service its remaining unpaved roads.

**Table 14. City and Barangay Road Infrastructure\*  
2000-2003**

	Length in kms.	% Change*	% Paved
<b>City Roads</b>			
2000	101.86		41%
2003	112.758	10.699	52%
<b>Barangay Roads</b>			
2000	154.3		3%
2003	163.423	5.91251	9%
<b>Total</b>			
2000	256.16		18%
2003	276.181	7.81582	27%

*\*does not include national and provincial roads traversing the Tagum*

*Source: City Annual Reports, City Engineering Office*

Aside from its maintenance and construction activities of local roads (city and barangay), the newly proclaimed City government in 1999 also took up responsibility of concreting 6 lanes of the national highway traversing its territory. With a bigger IRA purse and the newly purchased light and heavy equipment, the City coordinated with DPWH and offered to widen the national highways passing through Tagum. Maintenance, paving and construction of national roads are under the purview of DPWH. Apparently perceiving that it will take awhile for DPWH to provide the necessary improvement, the City government (with full consent from DPWH), concreted around 4kms. of national roads for about P7M.<sup>7</sup> This estimated cost is much lower than the standard cost of P5.8M per kilometer benchmark set by DPWH<sup>8</sup>. The road network is of primary economic importance to the infant city since it serves as a catalyst for its burgeoning trade and commerce activities. Data for the national and provincial roads traversing Tagum showed that around 89% and 15.5% are already paved, as of year 2000.

<sup>7</sup> City engineer staff estimate

<sup>8</sup> Figures cited in [www.cyberdyaryo.com/features/f2000\\_1204\\_01.htm](http://www.cyberdyaryo.com/features/f2000_1204_01.htm)

## Water

Aside from undependable electricity<sup>9</sup>, adequate water supply has been Tagum's perennial problem. The Tagum Water District (TWD) supplies the population of Tagum City (mostly in the Poblacion area) and it has been struggling with inadequate water supply from deep well sources. TWD is also unable to

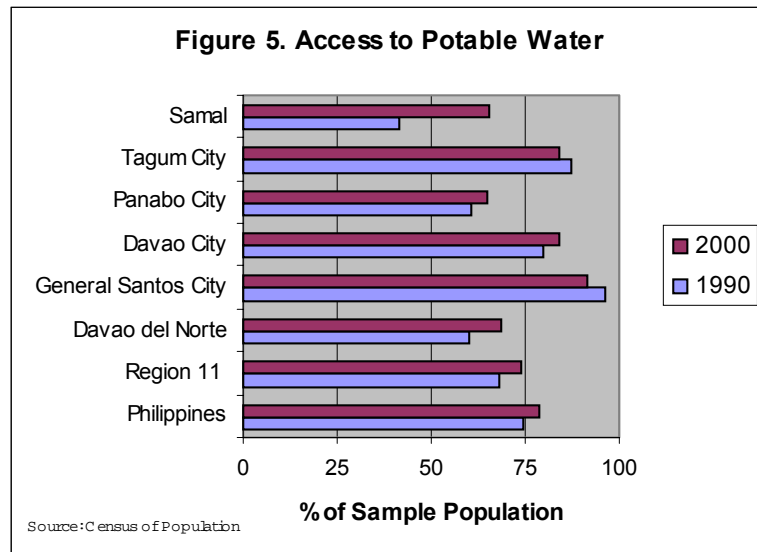
expand its service area due to supply and financial constraints. As of 2000, only 54% of Tagum is serviced by TWD or about 70% of TWD's service area, the remaining underserved areas of Tagum make use of shallow and deep wells provided by the City government while some areas are served by functional barangay waterworks system.

Data based on the 10% sample of the Census of Population reveals that potable water (faucet/piped water, deep and shallow well) access rates for Tagum decreased from 87% to 84%. Tagum have higher access rate for 1990 compared to Davao City (79% compared to Tagum's 87%). Now both have the same percentage of population having potable water. Access rates for the City are relatively higher than provincial, regional and national estimates.

Projects undertaken by the City government to service the unserved areas include the installation of steel water tanks to serve as a water reservoir to be filled up by the City's Mobile Water Tanker; the provision of jetmatic pumps and the construction of artesian wells. To address the potable water needs of employees, the LGU housed a water filtering station at the City Motorpool. Thus instead of buying commercial mineral water, government offices get their ration from the City government.

## Drainage

Aside from the Hijo and Tagum rivers, Tagum has four major creeks that serve as a major waterway of the poblacion and rural barangays. Often, overflows from the major rivers during heavy rains resulted to flooding of low lying barangays. The inadequacy of drainage facilities has been a major contributing factor in the occasional flooding in different areas of the City. As of 2000, it is estimated that the City needs roughly 322 kms. of drainage system but only have 251 kms put in place. Also, the poor maintenance of drainage system and improper waste disposal has compounded the drainage problem.



<sup>9</sup> Discussion on electricity services is left out, as the local government does not have any interventions in the power sector. Tagum's electricity, as with the rest of the province, is provided by the Davao Del Norte Electric Cooperative, Inc. (DANECO).

## *Solid Waste Management*

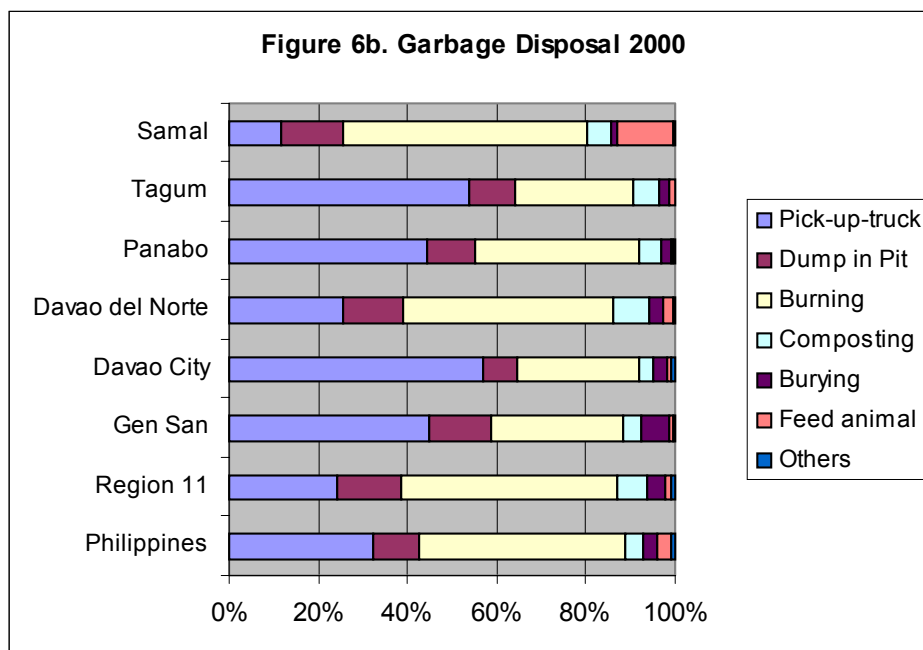
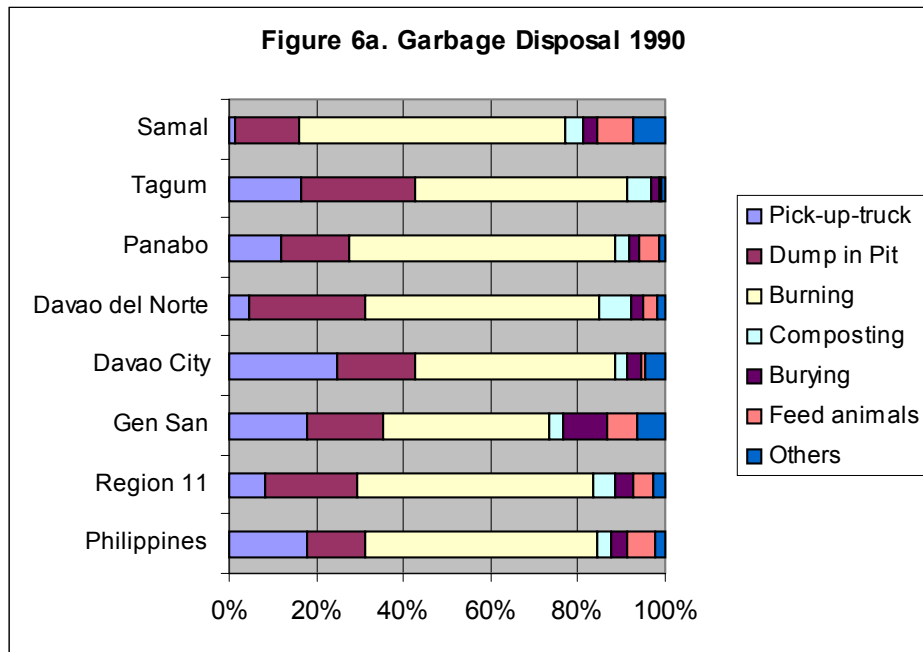
With an above national average population growth rate, a growing urban population and increasing number of business establishments, the volume of garbage being disposed likewise has increased. Have the garbage collection services able to keep up with the times? Current (2003) garbage generation is approximately 389 cu./day however collection capability is pegged at 280 cum./day. The City employs 16 garbage trucks (4 dump trucks, the rest are of compactor truck type; as of July 2003 half are under repair), each of which makes four trips per day. Despite the gap in collection capacity, the City's garbage collection service today is a big improvement from 10 years ago. As depicted in **Figures 6a and b**, Tagum's manner of disposing garbage in 1990 was burning – consistent with national trend as well as with comparative cities in Region 11. Davao City has the most number of households who had their garbage picked-up by garbage trucks. By year 2000, the sample region 11 cities (except for Samal) have improved markedly vis-à-vis region 11 and the national trend; Tagum is now even in-league with Davao City.

The City's refuse is dumped in an open dumpsite in Barangay San Agustin, operating without an environmental compliance certificate since it was opened in 1997. Adverse health and environmental effects have already surfaced – residents of nearby barangays complain of skin irritation aside from the foul smell and TWD have already expressed concern of pollutants leaking/migrating into water aquifer<sup>10</sup>.

This open dumpsite is said to be nearing its capacity limit thus prompting the City government to search for an alternative solid waste management technology. Currently, the City has asked the help of the Environmental Management Bureau in identifying potential sites for a sanitary landfill.

---

<sup>10</sup> CPDO (2001), Tagum City Socioeconomic Profile



### *Housing*

With the rapid increase of population in the urban areas, informal settlers have propped up in about 9 blighted areas in the various parts of the City. To date, the City government acquired resettlement areas near Barangay Apokon. To date, the site has been developed and has accommodated 102 families who were once living near the downstream section of the Magugpo Creek.

### 3.1.6 Employment

In 1997 the mining industry have contributed to generating employment opportunities for Tagum's population but its importance to the economy has declined in recent years. Worth noting is the fact that back in 1997, majority (24%) of Tagum's population are employed under wholesale/retail sector with the agriculture sector coming in second (16%). For the recent data available however, the trend is reversed. The increase in employment in the agriculture perhaps came from the active involvement of the LGU in providing means of increasing the livelihood of farmers. Low income is the top unmet minimum basic needs (MBN) for rural barangays and as part of its intervention, the City government implements a Plant Now Pay Later (PNPL) program wherein soft loans (loans without interest) for farm inputs are provided for farmers with a payback period scheduled after harvest season. This allows farmers particularly those who lack production capital to acquire necessary farm inputs. To date, there are already 172 beneficiaries for high-valued-fruit tree production with 106.90 has. planted with durian.<sup>11</sup>

**Table 15. Employment by Sector, 1997-2000**

Sector	1997				2000			
	Tagum City	Davao City	General Santos City	Region 11	Tagum City	Davao City	General Santos City	Region 11
Agriculture	16.1	12.6	24.4	47.0	22.4	16.4	30.7	45.3
Mining	6.3	0.6	1.9	2.0	0.9	0.6	1.8	1.9
Manufacturing	7.1	8.9	13.1	7.0	12.9	12.1	9.8	7.0
Electricity, Gas & Water	3.6	1.4	-	0.6	0.9	0.6	-	0.5
Construction	11.6	17.0	13.1	8.0	11.2	10.2	9.2	6.6
Wholesale/retail	24.1	21.8	15.0	11.6	20.7	24.9	19.0	15.1
Transportatn, Stor. & Comm.	9.8	12.6	11.3	8.0	12.1	15.5	15.3	9.4
Finance/Business	2.7	5.3	3.8	2.3	3.4	6.2	1.2	2.1
Community/Social	18.8	19.8	17.5	13.5	15.5	13.6	12.9	12.0

Source: NSO FIES

### 3.1.7 Other Social Services

Apart from health and financial assistance for medicines and burial services to indigents, the City also provides regular social welfare programs such as early childhood development and for senior citizens and persons with disabilities. With only 13 personnel serving the City's 23 barangays making the City Social Welfare and Development grossly undermanned as indicated by a 1:13,828 manpower-client ratio in 2000. Community based organizations in effect have contributed to extending social welfare services to different barangays in Tagum City.

<sup>11</sup> Tagum City Comprehensive Development and Land Use Plan

## 3.2 Resource generation and allocation

### 3.2.1 Resource generation

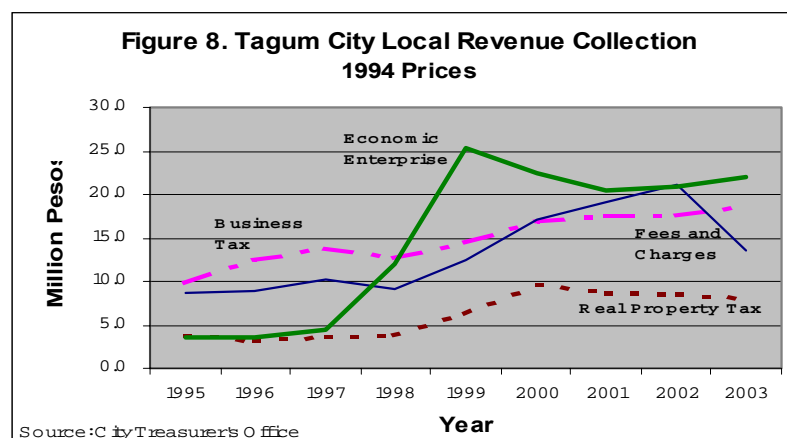
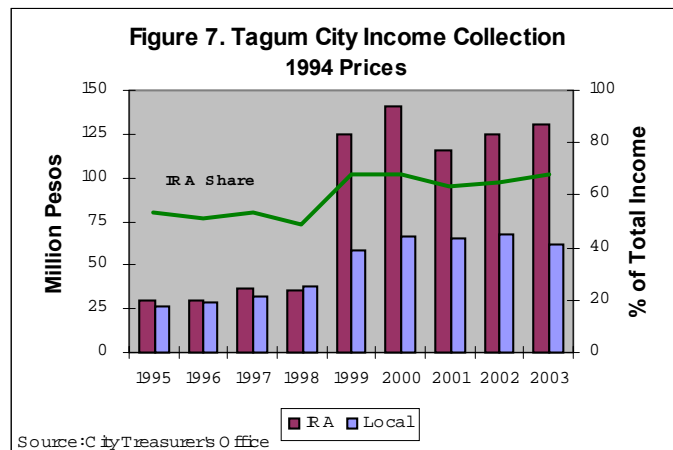
#### 3.2.1.1 IRA

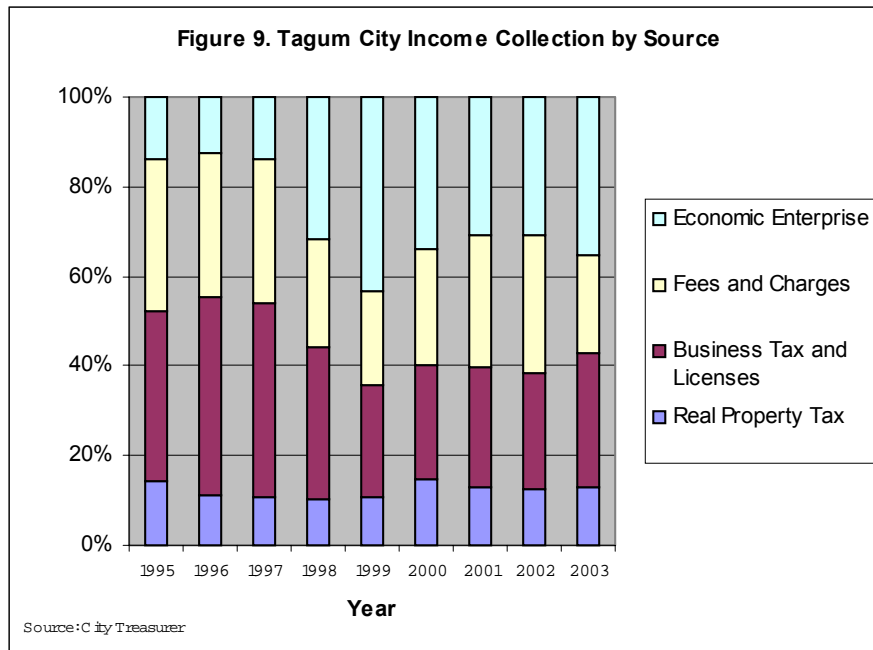
Tagum's elevation to component city has paved the way for a larger IRA share and, as can be gleaned from the **Figure 7**, apparently a heavier reliance on it. In fact, its IRA share went up as high as 68% after it became a component city. Prior to receiving a higher IRA after its cityhood, IRA share to total revenues is a little more than half (average share is 52%).

#### 3.2.1.2 Local Revenues

Collection of local taxes likewise has increased, but not as drastic as Tagum's IRA. Total revenues increased as much as 56% (in real terms) in 1999 after Tagum's

proclamation as Davao del Norte's component city (IRA increased by more than 200% during this time). Business and real property taxes has increased gradually but has been somewhat steady since 2000 (see **Figure 8** below). The share of business taxes surprisingly has weakened. Prior to cityhood, business taxes are the largest component of locally sourced revenues (the second largest contributor to total income next to the IRA). The transformation of the LGU to a 'city' provides an opportunity for the local government to collect higher business taxes and levy higher assessment values to its parcels of land. However, after 1997, business taxes began to play a secondary role in supplying the local purse, though its levels have steadily been increasing and in more recent years, its contribution has started to pick-up. For real property tax, despite having revised assessment values in 2000, collection has been stagnant if not slowly decreasing.





The lack-luster performance of business taxes and real property taxes, as depicted in the almost constant collection trend, can be partly attributed to an archaic tax revenue code. To allay fears of any backlash on the abrupt increase in taxes as a consequence of Tagum's elevation to component city level in 1998, the local government adopted a 5-year moratorium on its tax rates. To cope with its changing structure, the City resorted to passing various revisions and insertions to its 1992 Municipal Tax Code. Lately, the provisions governing the real property tax has not been as dynamic either; revisions have yet to be made to the 2000 assessment values, though the City has been faithful to the re-assessment schedule (every three years) stipulated by the 1991 Local Government Code.<sup>12</sup> Both the Tax Code and the re-assessment of land values were scheduled for revisions in 2003. However, with the nearing 2004 election, a revision would mean political suicide for the aspirations of incumbent local officials. With hands tied on the tax code, the City government depended on its IRA and strengthened its drive to generate local revenues from other sources particularly its economic enterprises. With the operation of the newly relocated and expanded transport terminal and market and livestock auction center, economic enterprises contributed stably around 11% of total income starting 2000 from a peak of 14% in 1999. As can be seen in **Figure 9**, its share to total local revenues has doubled after 1998, averaging about 35% in the last five years. The City's economic enterprises undoubtedly made up for the bland performance of the other sources of local revenues. It is in this sphere where the Tagum City local government has exhibited the most creativity and interest. In 2003, the Sanguniang Panglungsod enacted the 'Code of Economic Enterprises of Tagum City' – a compilation and refinement of city ordinances addressing the various enterprises owned and managed by the City Government. It operates a Public Market and Slaughterhouse, the Tagum City Overland Transport Integrated Terminal, a Livestock Auction Center and a Cultural and Trade Center. In addition to these enterprises, the City was able to operate its

<sup>12</sup> Re-assessment of land values were done every three years since 1991, taking effect the next fiscal year i.e. 1992, 1995, 1997 and 2000.



own asphalt plant in 2002.<sup>13</sup> Though the asphalt plant basically services the City's road maintenance and construction needs, it has earned the local government some 11M pesos more in its first year of operation and 1.4M pesos for year 2003<sup>14</sup>. The revenues came from nearby municipalities and provinces, such as Compostela Valley, which contracted out asphalt paving services to the City.

Aside from contributing to local revenue generation, Tagum's economic enterprises are able to cover more than its operation and maintenance cost (See **Table 16**). Even when management and other personnel costs were factored in, overall, the City's economic enterprises seem to be self-reliant and self-sustaining.

**Table 16. Tagum City Economic Enterprises Income to Expenditure\* ratio**

Year	Total Economic Enterprises**	Public Utilities*	Market	Slaughterhouse/ Auction Center	Asphalt Plant
1997	0.48	-	0.49	1.04	n.a.
1998	0.94	0.22	1.01	1.09	n.a.
1999	1.91	2.24	1.78	1.95	n.a.
2000	1.27	1.72	1.69	1.84	n.a.
2001	1.25	2.53	1.07	1.59	n.a.
2002	1.42	2.40	1.18	1.58	1.44
2003	1.12	1.29	1.01	1.76	1.18

\*Expenditure figures includes PS, MOOE and CO

\*\*Includes enterprise management office expenditures and public cemeteries

\*\*Tagum City Overland Transport integrated Terminal

Source of basic data: Tagum City Accounting Office

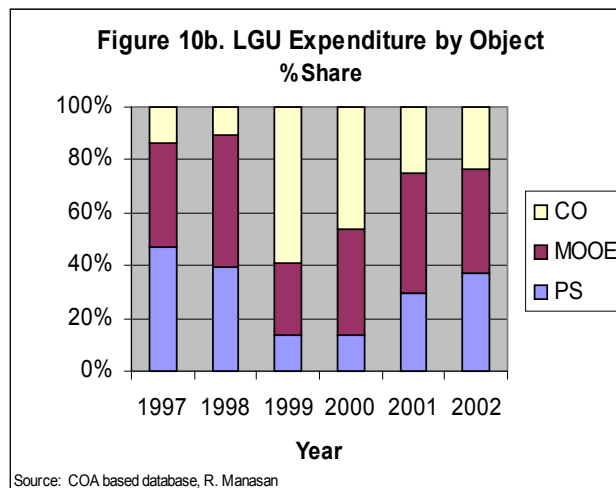
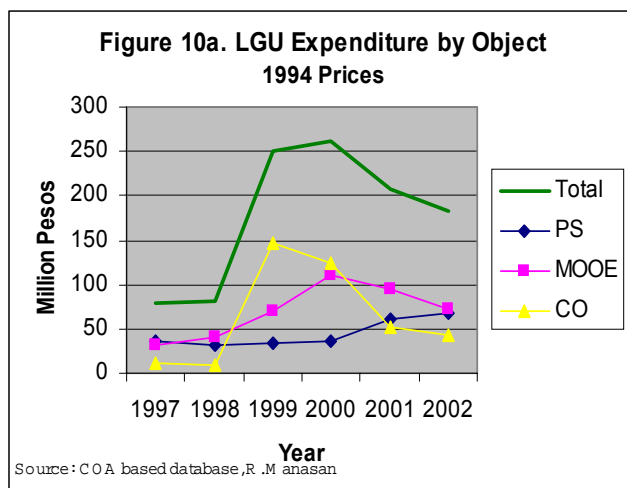
Collection of fees and charges likewise has exhibited a steeper increase after 1998 and continue to do so except for the latter years where collection has decreased by almost 36%. Prior to 1998, fees and charges have contributed around 16% to the total income.

### 3.2.2 Resource Allocation

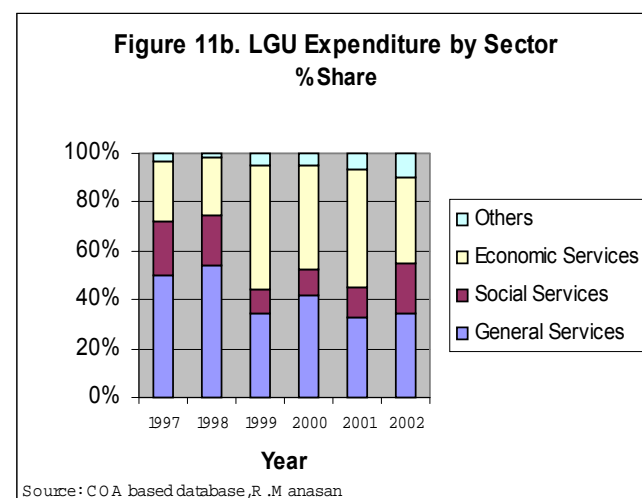
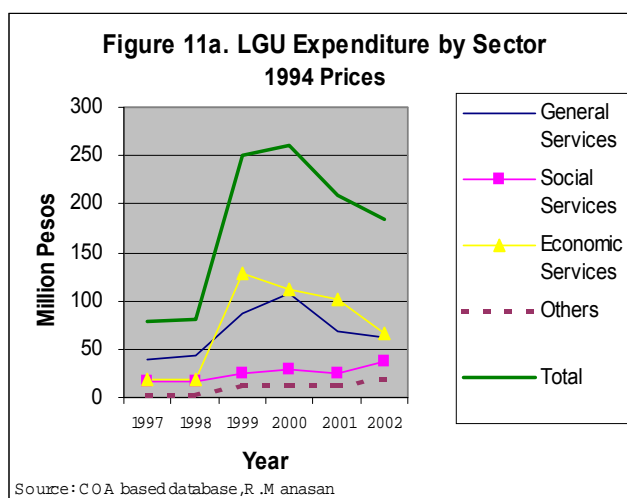
Over the years, Tagum City's expenditures are largely allocated to MOOE, taking up around half of the expenditures for most years (See **Figure 10a and b**). The surge in capital outlays right 1998 when Tagum was elevated as component city is indication of the primary priority of the new city government in enhancing its physical infrastructure – mainly roads and other structures. Spending on PS surprisingly does not factor in as prominently. Expenditures after the 2000 have decreased following a decline in capital outlay spending.

<sup>13</sup> Acquired through a loan from Land Bank in 1999, part of the financing also came from the IRA.

<sup>14</sup> About three percent (3%) of total income for 2002 and around 0.4% in 2003



On sectoral allocation (see **Figure 11a and b**), over the years the City have put more emphasis on economic services. This basically makes up for the massive infrastructure projects it has undertaken right after 1998. General services likewise increased during the same period but not as much as the economic services. The increase is due to the new bodies created accompanying Tagum's cityhood. Social services expenditures on the other hand increased only slightly for the first three years



as a component city but increased by 60% for the recent year.

### 3.2.3 Fiscal Balance

For fiscal balance, **Table 17** shows that Tagum has fairly run some deficits in current operations but augment its expenditures with the balance it had incurred in the previous year. On average, expenditure makes up 92% of its total income; with savings less than 10%

**Table 17. Total Income vis-à-vis Actual Annual Expenditures, in M Pesos**

Year	Annual Income (Net borrowings and transfers)	Annual Expenditures	Income less Expenditures from Current Operations	Beginning Balance	Income less Expenditures
1998	96.06	103.29	(7.24)	9.61	2.37
1999	269.45	224.01	45.44	9.61	55.05
2000	323.90	339.49	(15.59)	32.11	16.52
2001	300.67	318.80	(18.13)	20.19	2.06
2002	335.19	299.70	35.49	2.75	38.24

Source: City Budget Office

## 4 Institutional capacity building

### 4.1 Management, Planning, Monitoring and Evaluation Systems

#### 4.1.1 Fiscal Management

Tagum's fiscal management prowess, as measured in collection efficiency, is impressive (**Table 18**). This perhaps partly indicates the drive of the local government to increase local revenue collection. Some of the notable revenue collection undertakings of the local government are:

- Tax mapping
- A one-stop shop for tax collection
- A Revenue Task Force was formed composing of the various representatives of the local government offices whose signatures are required in order to have a business permit renewed, e.g. police, fire department, engineering, mayor's office, treasurer and health office. Instead of clients trooping down to the City Hall, the task force visits the establishments and brings the renewal process right at their doorstep. Business permits and licenses can be renewed instantly. The task force also conducts actual monitoring and inspection of activities to validate the tax declarations of businesses.

**Table 18. Local Revenue Collection Efficiency**

Year	Estimated In M pesos	Actual In M Pesos	% Actual to Estimate
1997	40.38	39.08	97%
1998	63.80	47.34	74%
1999	92.93	90.31	97%
2000	96.27	110.35	115%
2001	107.55	111.86	104%
2002	121.11	118.30	98%
2003	116.37	119.93	103%

Note: Does not include borrowings

Source: City Accounting Office, City Budget Office

In budget preparation, the Executive Agenda of the Local Chief Executive (Mayor) serves as the main guide in coming up with budget allocation. For budget planning the City's budget office adheres as much as possible to Department of Budget and

Management (DBM) guidelines. The Budget Officer also make use of other tools in budgeting, such as the “skin and bone” approach wherein a trend of the expenses will first be examined for the first six months (skin), upon which an actual budget will be based (bone); a “balance budgeting” wherein the objective is matched with a budgeted expenditure; a “zero budgeting” wherein expenses are matched against income trend and the “performance budgeting” wherein a department’s performance with respect to its plans are the basis for budget allocation. The local budget office also executes a “Closing Special Budget” which, according to the Budget Officer, not many LGUs do. In its adherence to good local budget management, the LGU has earned an award as “Most Outstanding LGU in Budget Administration in 1999 and 2000” for component city category by the DBM and the Philippine League of Local Budget Officers, Inc.

Good fiscal management is surprisingly also evident in the City’s Economic Enterprises. As noted in the previous sections, the City operates viable economic enterprises such as the Tagum City Overland Transport Terminal. On its own, given an established source of demand – the intersection of two national highways – the City’s terminal is a viable venture. But demand tells only half of the story. Since becoming a component City in 1998, Tagum has laid out its intent to establish and operate viable and stable economic enterprises. By emulating the management of private enterprises, fiscal discipline is instilled by treating the revenues generated from the economic enterprises as a separate account and earmarked for the enterprises’ own administrative, operating, improvement and debt servicing expenses. Going a step further, the City recently enacted its “Code of Economic Enterprises” which codifies and refines the various ordinances governing its economic enterprises – the transport terminal, public market, livestock auction center, cultural trade center, slaughter house and public cemetery. It serves as the “bible of the overall management of the city economic enterprises.” New provisions were also included, most notable of which is the creation of the Economic Enterprises Regulatory Board that will ensure and oversee the effective and efficient management of the enterprises. Two private sector representatives, one from an accredited stallholders/vendors organization and another from a consumer’s group, are given a seat in the Board.

#### *4.1.2 Development Planning*

The City’s Planning and Development Office make use of the Minimum Basic Needs approach in determining the development needs of the City’s constituents. The Comprehensive Development and Land Use Plan was updated in 2001. Planning processes basically revolves around the updated CDLUP. The planning office make use of secondary data and public consultations with stakeholders through the City Development Council for inputs to the plan. In terms of prioritizing, plans are ranked according to the urgency of the need, relevance and budgetary soundness.

#### *4.1.3 Policy Development*

The City Council or the Sanguniang Panlungsod (SP) also is an active entity in shaping the development of the City. Though the basis for passing ordinances lies mainly in the pronouncement of the local chief executive, public consultations not only occurs at the legislative hall but also in barangays. The different City Council Committees partner with other local officials in visits to barangays and other

activities. The City Council also has also a program in continuing legal education of “purok” leaders by inviting speakers. These undertakings provided a good monitoring and at some point an informal feedback mechanism on the ordinances passed by the SP. Feedback however needs to be strengthened, as admitted by the SP’s presiding officer (the City’s Vice Mayor). In line with the planned re-organization of the City government, a legislative backstopping committee is to be organized to provide concrete feedback by undertaking research on the effectiveness and the implementation of the legislations passed by the City Council.

## **5 Linking Governance and Population Needs**

### *5.1. Population and Development Planning*

The City’s approach to development basically centers on the CDLUP. The plan does consider the future population increase – health, education and basic infrastructure input requirements are based on growth estimates of the City’s population. Though it does not explicitly consider the impact of the policies or plans on the fertility, mortality and population distribution, the plans indirectly illustrates the City government’s role in influencing the development and population outcomes such as congestion, the increase of informal settlers, etc. An example of which is the plan to relocate the City Hall to a less developed and less densely populated area in Apokon. It is envisioned that such a move will disperse the economic activity in the crowded Poblacion and spur economic activity in the surrounding barangays. A planned City Library will still be situated at the old City Hall’s cite as well as the SP building.

The high population growth is considered an issue by the LGU and the City has taken steps in influencing the tempo of the population increase. Pre-marriage counseling and seminars on responsible parenthood are typically well-recognized popular and accepted interventions. The City Government at one time (2001-2003) also has implemented a radical population program by providing an incentive for males who would voluntarily undergo a vasectomy. Each volunteer who had undergone the procedure would be given P5,000. Currently, the City does not have a POPCOM officer but under the proposed new organizational structure (the LGU’s still operates under its Municipal staffing pattern) a plantilla would be provided for a population management section with two POPCOM officers handling population management programs.

### *5.2 Minimum Basic Needs*

The local government relies heavily on the Minimum Basic Needs Survey approach in determining the top unmet needs of its constituents. The survey was last administered in 1999. For rural barangays, the most common problem is low income, with around 34% of rural population having an income below P3,000 a month. Also the lack of access to potable water and lack of employment opportunities are also some of the major inadequacies cited by rural respondents. For the urban barangays however, the number one need seem to be lack of space for backyard gardening followed by low income and lack of livestock. These responses are perhaps more of an indication of what they lack rather than a basic need given that these respondents live in densely populated areas where space is highly valued. Nevertheless such responses indicate the need for less space–constrained housing arrangements that would provide for an

opportunity for them to grow edible crops for consumption and raise livestock perhaps to augment meager incomes.

Overall, the most common need for the population of Tagum is low income. In order to address these needs, the City Government provided livelihood programs in agricultural areas as well as in urban barangays. For the housing needs, as mentioned in the previous section, the City acquired four resettlement areas. Beneficiaries for the LGU's housing programs were targeted using the results of the MBN survey.

### *5.3 Results from the GOFORDEV Index, 2001<sup>15</sup>*

The MBN approach seeks to identify the needs of the City's constituents, but exactly how responsive is the City Government to the population's needs? A pilot calibration of a governance index, the Governance for Local Development Index (GOFORDEV Index), was undertaken by the Philippine Center for Policy Studies to determine how well selected LGUs respond to the demand for basic services. Two provinces were considered for the project: Bulacan and Davao del Norte. Tagum City was chosen as one of the sites (as a control) for Davao del Norte.

Constituents demand public services from the LGU and LGU in turn provides the required public services given its constraints, in an ideal world, a perfect matching would ensue. But given real conditions are far from perfect, the direct participation of the constituents in public decision-making becomes crucial. For one, the participation of constituents minimizes risk of erroneous government decisions due to 'lack of information, corruption, indifference or sheer incompetence.' Three indices comprises the composite GOFORDEV Index (definitions and methods for the measurement of the Index is presented in the Annex):

1) Development Needs Index (DNI) – indicates how well the local constituents regard the performance of their local government in terms of providing basic public services (day care services, health and safe drinking water), improving their family condition and solving pressing local problems. The score is obtained from household surveys; it then computes for the proportion of the local population that positively appraises their local government in the provision of the basic services mentioned.

2) Development Orientation Index (DOI) – takes the point of view of the local government. Based on the LGU's fiscal data, the DOI measures the local government's relative preference for social services and economic services, which include health, education, housing, social welfare, livelihood projects and infrastructures.

3) Participatory Development Index (PDI) – based both from the household surveys and public documents. Often, a direct matching of needs and (levels and quality) services does not always result to the provision of the right service, thus necessitating some form of mechanism that will bridge the gap between public service provision and needs. One set of effective mechanism is the people's participation in local

---

<sup>15</sup> Heavily based on Capuno, et al. (2000)

planning activities and wider or more genuine consultations. This index measures how participatory and consultative local planning processes are.

For all indexes, the closer the score to 100, the higher the score of the LGU.

**Table 19** shows the scores of the Davao del Norte pilot sites. Tagum City disappointingly ranked 5<sup>th</sup> out of 6 in the subcomponents of the Index. Overall, its GOFORDEV index is 52 (with 100 being the highest), second to the last – besting only the Municipality of Sto. Tomas. One glaring figure in the subcomponents - index is the dismal rating of Tagum for the Family Condition index. It indicates that only 7% of the families interviewed say that the local government have contributed positively to their current living condition. The result of the GOFORDEV index perhaps only strengthen an emerging finding that despite the best practices in service delivery the City has achieved it somehow lacks an adequate feedback mechanism to know what its constituents deem as urgent and important needs and whether the local government has adequately addressed them. The MBN approach seems to be not enough.

Table 19. Davao del Norte GOFORDEV Index, 2001

Pilot Areas	Overall	Development Needs Index						Dev't. Orien. Index  Development Expenditure Priorities	Participatory Development Index				
		Family Condition	Public Problem	Day Care	Health Service	Drinking Water	Total		School Board	Local Dev't. Coun.	Brgy. Consul tation	Brgy. Meetings	Total
B.E. Dujali*	79	12	58	99	93	57	64	78	100	100	89	91	95
Panabo City**	58	10	29	95	15	79	46	56	100	100	61	22	71
IGACOS*	60	4	57	94	77	54	57	28	100	100	99	86	96
Sto. Tomas**	44	15	43	97	68	65	58	36	0	0	89	61	38
Tagum City**	52	7	20	81	54	53	43	43	100	100	62	22	71
Asuncion*	57	12	32	98	73	52	53	29	100	100	88	64	88
<b>RANK TAGUM</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>4</b>			<b>5</b>	<b>5/6</b>	<b>5/6</b>

Note: \* Relatively low level of socioeconomic development ; \*\* Relatively high level of socioeconomic development.

Source: Capuno, et al. (2001)



## 6 Issues and lessons

Tagum's case illustrates a good example of a City capitalizing on its strategic advantages and putting them to good use to benefit its constituents. The City puts heavy emphasis on infrastructure, which by and large has so far shaped its development. This perhaps is an important undertaking for a relatively new city whose physical attributes have yet to resemble one and whose economy has emerged due to road network externalities. As in any decision, trade-offs in terms of quality, quantity and social impact of investment and service will always be present. Trade-offs are tricky, to say which need will be given attention or importance vis-à-vis another is the City government's take on what it perceives to be its constituent's urgent need: two relatively aesthetically pleasing and well-built classroom at the expense of three simple classrooms; a paved national road to increase the network effects of the City's transport node at the expense of a paved barangay road important to providing access to small-scale farmers or the competing need for more classrooms versus the current state of public health services offered in the City's health centers which hardly can accommodate the increasing demand. There is perhaps no wrong choice; the matter rests in perceiving correctly the priority needs to be met. The monetary resources needed to provide the services do not seem to pose a major constraint. It seems that the main limitation is that a feedback mechanism, if ever present, is inadequate. Thus, the issue at hand is a matter of allocating these resources appropriately to suit the needs of the City's constituents.

Also the continued adoption of its municipal staffing levels is proving to be a hindrance for the City government to innovate in improving service delivery and governance. As discussed previously, the departments catering to social services (e.g. Health and the Social Welfare and Development units) are severely facing shortage in manpower to meet the increasing demands. Of course a bigger bureaucracy does not always result to good governance, but setting an adequate level of civil servants to priority services is vital in meeting the needs of the population.

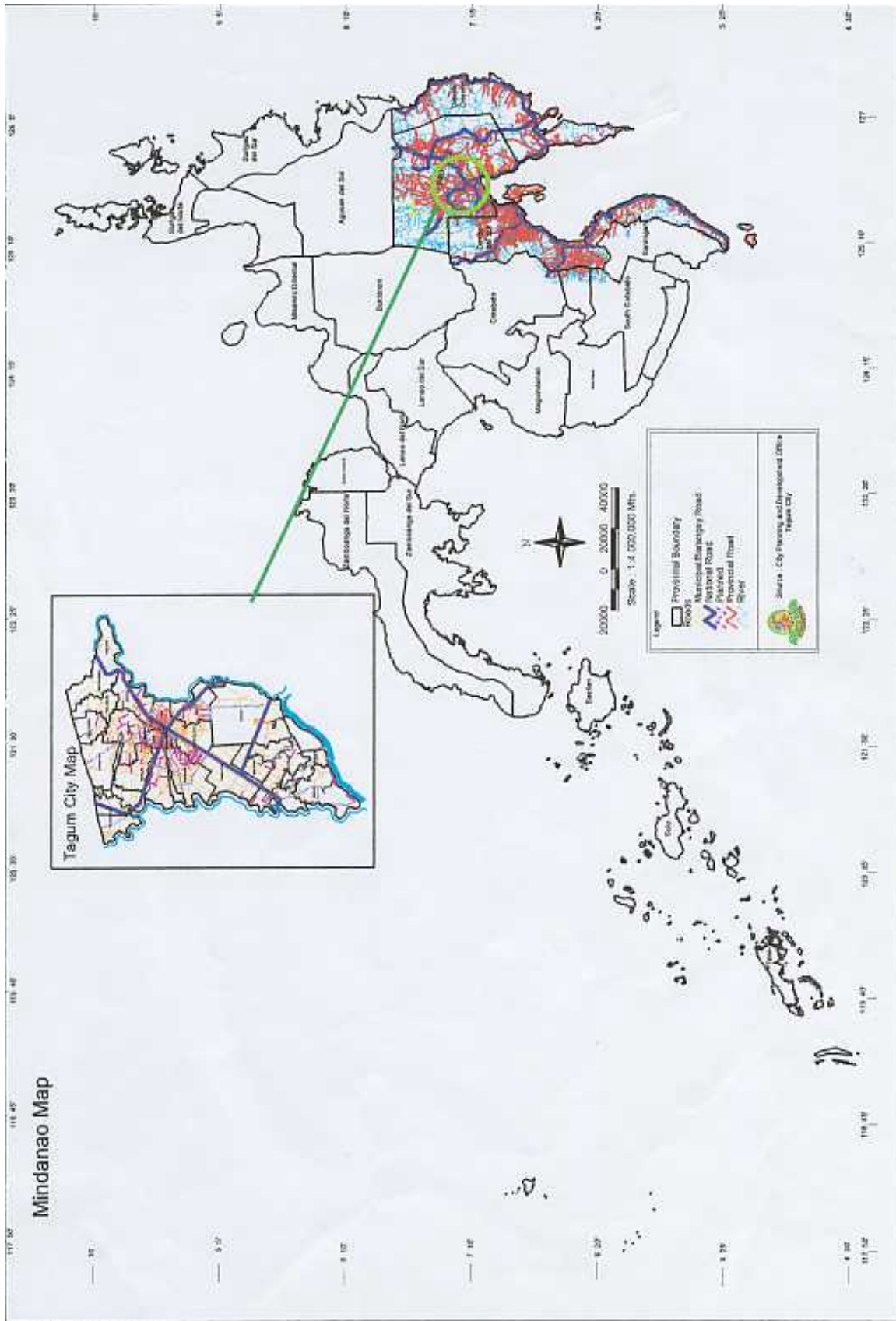
Overall, Tagum's strength lies in taking bold steps (notwithstanding the short electoral calendar) in influencing its development path – from massive infrastructure development right after its elevation to a City, to initiating fiscal discipline in its economic enterprises and improving measures in increasing local revenues, to undertaking a range of population management programs. These efforts signify the innovativeness of the local government in serving its constituents and in meeting the increasing demand as influenced by a high incessant population growth. Often during field interviews, local government officials try to relate their ideas in further developing their City not by comparing to what they see in local premier cities such as Davao City nor in Metro Manila but in comparison with East Asia's competitive cities such as Singapore, Hong Kong and Bangkok. Perhaps this made all the difference – setting standards not locally but globally. Surely in the long run, such foresight will prove to be advantageous for the people of Tagum City.

## Annex 1. GOFORDEV Index

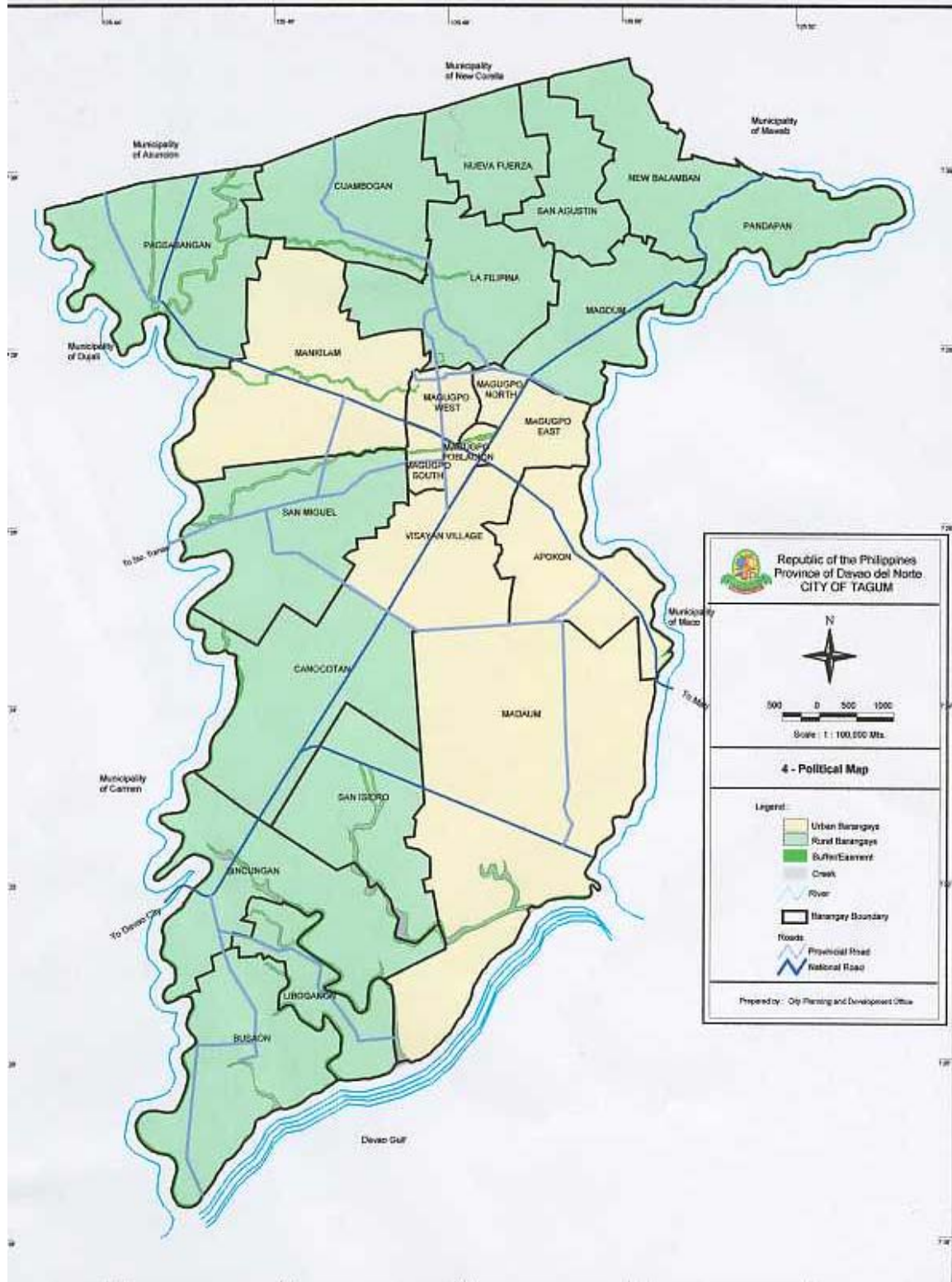
Table 1. The GOFORDEV Index and its Component Indicators

Index	Objective	Indicators/Sub-Index	Formula
GOFORDEV Index	To measure the quality of local governance	Development Needs Index (DNI), Development Orientation Index (DOI) and Participatory Development Index (PDI)	$= 1/3 [DNI + DOI + PDI]$
Development Needs Index (DNI)	To measure relative access to and adequacy of basic public services	Adequacy of Health Services Ratio	Health Service = $[(\text{Number of respondents who are aware that there is rural health center with a regular doctor in their barangays}) / (\text{total number of respondents})] \times 100$
		Adequacy of Day Care Services Ratio	Day Care = $[(\text{Number of respondents who are aware that there is a day care center with a regular teacher or a social worker in their barangays}) / (\text{total number of respondents})] \times 100$
		Access to Sources of Drinking Water Ratio	Drinking Water = $100 - [(\text{Number of respondents who reported difficulty in getting drinking water}) / (\text{total number of respondents})] \times 100$
	To measure the perceived effectiveness at solving public problems	Addressing Public Problem Ratio	Public Problem Ratio = $(\text{Number of respondents who are aware of some pressing public problems and report that the local government addresses these problems}) / (\text{total number of respondents}) \times 100$
	To measure the perceived effect on family condition in life	Effect on Family Condition Ratio	Family Condition Ratio = $(\text{Number of families who report that their local governments contributed positively to the improvement of their condition in life}) / (\text{total number of families}) \times 100$
	To measure people's assessment of local government's performance	(see above)	$= 1/5 [EFCR + EAPPR + ADCSR + AHSR + ASDWR]$
Development Orientation Index (DOI)	To measure the relative prioritization for development-oriented public services	Development Expenditure Priorities	Development Expenditure Priorities = $[(\text{Expenditures on social services and economic services}) / (\text{Total expenditures})] \times 100$ *net of personnel services (Note that DOI is equal to Development Expenditure Priorities)
Participatory Development Index (PDI)	To measure the degree of people's direct participation in local consultative or decision-making bodies	Participation in Local (Municipal/City) Development Council	Local Development Council = 100 if the Municipal/City Development Council was convened at least twice last year with the presence of private sector representative(s); 0 if not
		Participation in Local School Boards	School Board = 100 if the Local School Board was convened at least once last year with the presence of the president or representative of the Parents-Teachers Association; 0 if not
	To measure the degree of public consultations	Barangay-Level Consultation Ratio (BLCR)	Barangay Consultation = $[(\text{Number of respondents who were consulted at least once last year by their mayor, vice mayor, barangay officials or members of the Sangguniang Bayan}) / (\text{Total number of respondents})] \times 100$
		Attendance in Barangay Meetings Ratio	Barangay Meeting = $[(\text{Number of respondents who reported that the mayor or the vice mayor attended at least one public meeting in their barangay last year}) / (\text{Total number of respondents})] \times 100$
	To measure the extent of democratic governance through participation and consultation	(see above)	$= 1/4 (\text{Local Development Council} + \text{School Board} + \text{Barangay Consultation} + \text{Barangay Meeting})$

## Annex 2. Tagum Maps

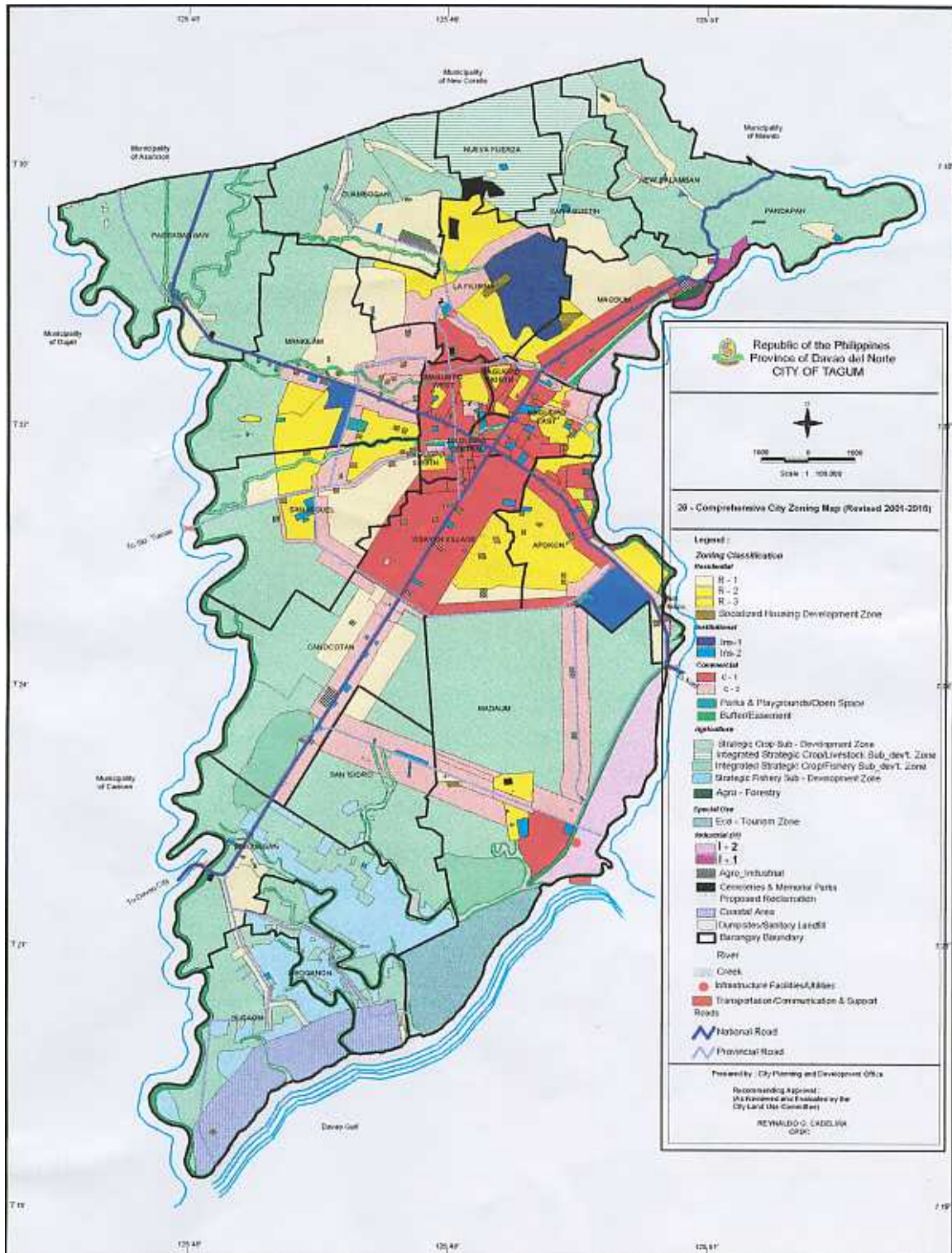


## Annex 2. Tagum Maps

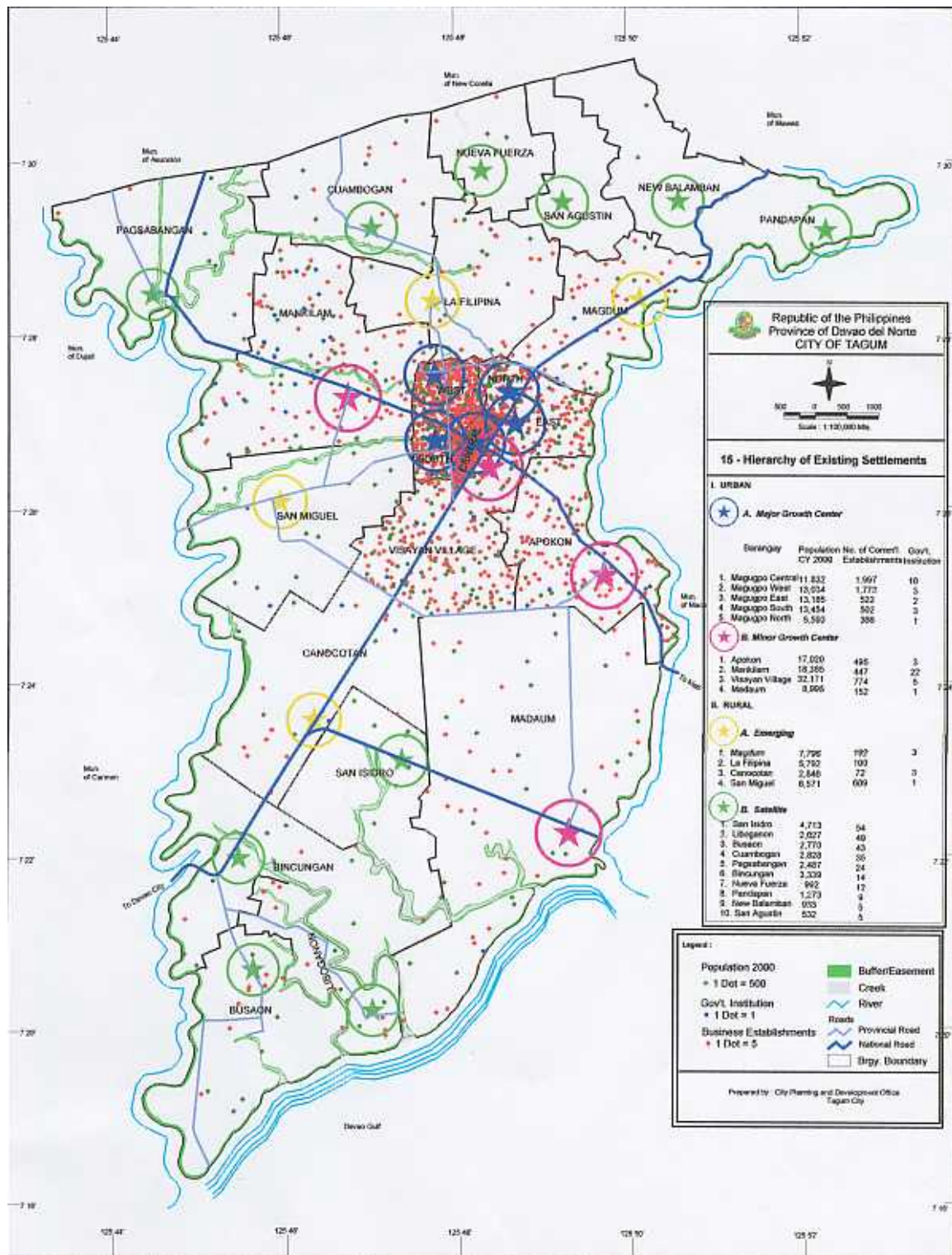




## Annex 2. Tagum Maps



## Annex 2. Tagum Maps





**Republic of the Philippines**  
**Province of Davao del Norte**  
**CITY OF TAGUIG**

**12 - Population Density Map**  
**Year 2000**

**Legend :**

**Population Density**

- 1 - 20
- 21 - 40
- 41 - 60
- 61 - 80
- 81 - 100
- 101 - 120
- 121 - 140

**Other Symbols:**

- Duffon/Estero
- Creek
- Municipality Boundary
- Road
- Waterway
- Provincial Road

**Data Source :** City Planning and Development Office