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Local Government Financing of Social Service Sectors in a Decentralized Regime: Special Focus on Provincial Governments in 1993

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Local Government Financing of Social Service Sectors in a Decentralized Regime: Special Focus on Provincial Governments in 1993 and 1994

> Rosario G. Manasan DISCUSSION PAPER SERIES NO. 97-04

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February 1997

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FINAL REPORT Not for Quotation

LOCAL GOVERNMENT FINANCING OF SOCIAL SERVICE SECTORS IN A DECENTRALIZED REGIME: SPECIAL FOCUS ON PROVINCIAL GOVERNMENTS IN 1993 AND 1994

Rosario G. Manasan

August 1996

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EXECUTIVE SUMMARY

LOCAL GOVERNMENT FINANCING OF SOCIAL SERVICE SECTORS IN A DECENTRALIZED REGIME: SPECIAL FOCUS ON PROVINCIAL GOVERNMENTS IN 1993 AND 1994

Rosario G. Manasan

- * The mandated transfer to LGUs of functions previously discharged by national government agencies caused a major shift in the size and composition of LGU budgets. Aggregate LGU expenditure rose from 1.9 percent of GNP in 1991 (the year prior to the implementation of the Local Government Code) to 3.3 percent in 1994 (the second year of devolution). The share of social services in the LGU budget expanded from 15.4 percent to 27.0 percent. In the case of provincial governments, their total expenditure grew from 0.5 percent of GNP in 1991 to 0.8 percent of GNP in 1994. The share of social services in provincial governments' budgets increased from 17.9 percent to 36.3 percent.
- In 1993 and 1994, a good number of provinces failed to allocate adequate resources to preserve their 1991 expenditure levels on the social sectors in real terms after adjusting for the cost of devolved functions. For instance, 32 provinces in 1993 (13 provinces in 1994) allocated less on the social sectors in the aggregate than what is needed to maintain their 1991 expenditure level in real terms after adjusting for the cost of devolved functions. Similarly, 47 (22) provincial governments spent less resources on health in 1993 (1994) than what one would expect if they had preserved their 1991 expenditure level in real terms. Likewise, 27 (30) provinces allotted less resources on social welfare in 1993 (1994) than what is needed to preserve the 1991 real expenditure level.
- * An analysis of the determinants of LGU spending on social services and human development priorities in 1993 and 1994 show that:

(i) Higher per capita IRA tends to be associated with higher per capita social sector expenditure and higher per capita human priority expenditure.

(ii) Provincial governments which were relative losers in 1993/1994 (in terms of their per capita net resource transfer¹) tend to spend a higher portion of their IRA on the margin on social services and human development priority. Despite this, however, many

¹Net resource transfer is equal to the difference between the increase in the IRA and the cost of devolved functions resulting from the implementation of the Local Government Code.

provincial government which had low net resource transfer in 1993 and 1994 were not able to maintain their 1991 social sector spending in real per capita terms in 1993. (iii) the budget allocation of provincial governments on the social sectors (and on human development priorities) is not consistent with objective indicators of need (i.e., human development status). That is, provincial government expenditures on social services and human development priorities appear to be unrelated to the human development index in the current year.

- * The findings of the study suggest the need to establish the link between social service expenditures and human priority expenditures, on the one hand, and human development outcomes, on the other hand, in the consciousness of local government officials.
- * There is also a need to review the IRA allocation formula with the end in view of developing a system that will equalize net fiscal capacities (i.e., revenue potential less expenditure need) of LGUs. While the revision done in 1994 attempted to address this problem more remains to be done.

1. INTRODUCTION

The enactment of the Local Government Code (LGC or the Code) of 1991 represents a major shift in local governance. It mandates the devolution to local government units (LGUs) of many of the functions previously discharged by central government agencies. Prior to the implementation of the Code, the functions assigned to LGUs were limited to levving and collecting local taxes, issuing and enforcing regulations (primarily those related to the operation of business activities in their jurisdictions), and administering certain services and facilities like garbage collection, public cemeteries, public markets, and slaughterhouses. Then, LGUs played a secondary role in agricultural planning and extension, construction and maintenance of local roads and public buildings, and operation of high schools, hospitals/health services with national government agencies carrying the primary responsibility for the delivery of said services. In contrast, the LGC mandated the transfer from national government agencies to LGUs of the primary responsibility and authority for delivering basic services and facilities within their localities in the following areas: agricultural research extension, social forestry, environmental management and pollution control, primary health care and hospital care, social welfare services, repair and maintenance of infrastructure facilities, water supply projects and communal irrigation projects and land use planning (Table 1). The devolution is substantial not only in terms of the sheer number of functions that were shifted but more so in terms of number of personnel transferred (Table 2) and the corresponding reductions implied in national agency budgets (Table 3).

The Code also provides for a higher LGU share in internal revenue taxes and in the proceeds from the development and extraction of natural resources. Furthermore, it allows LGUs greater autonomy not only in mobilizing revenue from local sources but also in allocating their resources to their various needs. Thus, the Code expanded the tax base of LGUs to include products, activities and sectors (like agricultural products sold by non-marginal farmers and fishermen, forest concessions and products sold by the concessionaire themselves, mines, mining operations and mineral products when sold domestically by the primary producers themselves, printing and publication of newspaper, magazine, review or bulletin appearing at regular intervals and having fixed prices for subscription and sale, banks and other financial institutions) that used to be outside the reach of local taxation. At the same time, the Code increased the maximum allowable rates at which most local taxes may be levied. However, it effectively reduced the assessment levels (for purposes of real property taxation) for residential land, all types of buildings and improvements, and all types of machinery.

The Code, likewise, repealed some of the statutory requirements that limited the latitude of LGUs in allocating their budgets. For instance, the mandatory contribution to the Philippine National Police (equal to 18 percent of LGUs' annual general fund regular income) and to hospitals operated by the Department of Health (equal to 3-5 percent) were abolished. However, other mandatory expenditure items like the statutory reserves for calamities were increased. The Code also increased the number of mandatory positions in the local bureaucracy.

Table 1 DEVOLVED FUNCTIONS OF NATIONAL GOVERNMENT AGENCIES*

NGAs	FUNCTIONS
Department of Agrarian Reform	 land and homw development improvement projects.
Department of Agriculture	 agricultural and fishery extension services; regulation of agricultural and fishery activity; conduct of agricultural and fishery research activities; procurement and distribution of certified seeds; purchase, expansion and conservation of breeding stocks; construction, repair and rehabilitation of water impounding systems; support to fishermen, including purchase of fishing nets and other materials.
Department of Budget and Management	- local government budget officer services.
Department of Environment and Natural Resources	 forest management services; mine and geo-sciences services; environmental management services; reforestation projects; integrated social forestry projects; watershed rehabilitation projects.
Department of Health	 extension of medical and health services through provincial health office, district, municipal and medicare community hospitals; purchase of drugs and medicines; implementation of primary health care programs; field health services; aid to puericulture; construction, repair, rehabilitation and renovation of provincial, district, municipal and medicare hospitals; and provision for the operation of 5-bed health infimaries.

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Table 1 DEVOLVED FUNCTIONS OF NATIONAL GOVERNMENT AGENCIES*

NGAS	FUNCTIONS	
Department of Public Work and Highways	 repair and maintenance of infrastructure facilities; water supply projects; and communal irrigation projects. 	
Department of Social Welfare and Development	 implementation of community-based program for rebel returnees; provision for the operation of a day-care center in every barangay; provision for poverty alleviation in low-income municipalities and depressed urban barangays. 	
Department of Tourism	 domestic tourism promotion; tourism standard regulation. 	
Department of Trade and Industry	 promotion and development of trade, industry and related institutional services. 	
Department of Transportation and Communication	 telecommunication services; transportation franchising and regulatory services. 	
Cooperatives Development Authority	 promotion, development and regulation of cooperatives function; cooperatives field operation function. 	
Housing and Land Use Regulatory Board	 regulation of human settlement plans and programs function. 	
Philippine Gamefowl Commission	 regulation and supervision of cockfighting function. 	

 In addition, functions and locally-funded projects of the Commission on Population, Fiber Industry Development Authority, National Agricultural Fishery Council, Livestock Development Council and National Meat Inspection Commission are also devolved.

Source: Executive Order 507

fn: lgctb1.wk1 8-9-96

Table 2 NUMBER OF DEVOLVED PERSONNEL, 1992

DEPARTMENT/AGENCY	NUMBER OF PERSONNEL BEFORE DEVOLUTION	NUMBER OF PERSONNEL AFTER DEVOLUTION	NUMBER OF DEVOLVED PERSONNEL
Department of Agriculture	29,638	11,965	17,673
Office of the Secretary	29,234	11,570	17,664
National Meat Inspection Commission	404	395	9
Department of Budget and Management	3,532	1,882	1,650
Department of Environment and Natural Resources	21,320	20,425	895
Department of Health	74,896	29,000	45,896
Department of Social Welfare and Development	6,932	2,788	4,144
Other Executive Offices	191	166	25
Philippine Gamefowl Commission	191	166	25
Total	136,509	66,226	70,283
		- 	

Source: 1993 National Expenditure Program, Regional Coordination Staff

fn: lgctb2.wk1 8-9-96

Table 3 AGENCY BUDGETS AND DEVOLUTION, 1992((In thousand pesos)

DEVOLVED AGENCY	BUDGET BEFORE DEVOLUTION	BUDGET AFTER DEVOLUTION	DEVOLVED BUDGET
Department of Agrarian Reform Department of Agriculture Department of Budget and Management Department of Environment and Natural Resources Department of Health Department of Public Works and Highways Department of Social Welfare and Development Department of Tourism Department of Transportation and Communication Philippine Gamefowl Commission	1,842,374 5,210,028 465,379 1,941,782 9,991,392 27,109,267 1,320,708 207,721 7,563,929 15,208	1,832,985 4,154,408 292,532 3,774,107 6,140,313 26,012,920 454,288 204,968 7,563,832 6,503	9,389 1,055,620 172,847 167,675 3,851,079 1,096,347 866,420 2,753 97 8,705
Total	<u> </u>	<u>50,436,856</u>	7,230,932

Based on the 1992 Expenditure Program and incorporates full year impact of the functions/projects/activities devolved.

Captures only expenditures of devolving agencies (i.e., Office of the Secretary of Departments except for the Department of Agriculture which also includes the National Meat Inspection Commision).

Source: 1993 National Expenditure Program

fn: lgctb3.wk1 8-9-96

Since the implementation of the Code, significant progress has been achieved in devolving personnel, assets and functions from national government agencies to LGUs. At the same time, the LGU share in internal revenue taxes (most commonly referred to as the internal revenue allotment or IRA) has more than doubled relative to GNP and in real per capita terms between 1991 and 1994. The present study documents how LGUs are budgeting the larger resource pool that is now available to them in the new decentralized regime. The importance of this exercise is grounded on three points. First, while the increase in the IRA is sufficient to cover the cost of the devolved functions in the aggregate, it cannot be denied that there is a mismatch of the financial resources and the expenditure responsibilities that were transferred to LGUs as a result of the 1991 LGC at the micro level. Thus, the increase in the IRA share of some LGUs in 1993 and 1994 is not enough to finance the functions that were devolved to them. This problem was particularly pronounced in 1993. The partial realignment of the IRA distribution formula (with the distribution of the cost of devolved functions) in 1994 alleviated but did not totally eliminate the problem. Second, the IRA is an unconditional block transfer from the national government. As such, the provision of adequate funding support for devolved functions through the IRA does not necessarily guarantee that LGUs will in fact set aside the appropriate level of resources for these functions. Devolved functions will have to compete with other spending priorities of local officials. Third, LGU spending behavior, particularly with respect to the social sectors, bears close monitoring at this point because a substantial portion of health and social welfare functions have been shifted to LGUs. Unlike before, it is no longer enough to keep track of changes in the size and composition of central government expenditures. More than ever, it is critical that one accounts for local government expenditures on the social sectors.

1.1. Objectives

The general objective of this paper is to determine whether local governments, in general, and provincial governments, in particular, allocate their budget resources in accordance with human priority development imperatives in the context of the more decentralized environment. More specifically, this study aims:

* to analyze the expenditure pattern of provincial governments before and after devolution;

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- * to relate provincial governments' spending on social and human priority needs to the provinces' human development status; and
- * to investigate the impact of local revenues and IRA shares on the expenditure pattern of provincial governments.

While the Code itself took effect in 1992, the devolution program was completed only in 1993. In response to pressure from LGUs which experienced difficulties in financing devolved activities, the central government decided in 1994 to provide each LGU an amount equivalent to 50 percent of the total cost of devolved functions before apportioning the remaining IRA (after deducting the amount distributed according to the cost of devolved functions) according to the distribution formula prescribed in the LGC. Thus, being a transition period, the situation in 1993/1994 was rather fluid as LGUs adjust to the new environment. Admittedly, this condition limits the conclusions of this study. However, it cannot be denied that a better understanding of the transition and early problems of Code implementation is important in itself if the decentralization process is to be sustained.

Finally, it should also be emphasized that efficient expenditure management (i.e., ensuring that the government gets the biggest bang for the buck) is as important as securing adequate levels of government expenditure on social and human development priorities. Thus, by focusing only on the social and human development priority ratio and on per capita levels of social and human development expenditures, this paper does not quite capture the possibility that some local governments may derive better outcomes from the same expenditure levels than others.

1.2. Organization of the Study

The next Chapter provides an overview of the trends in fiscal decentralization in 1985-1994 using four alternative measures: the revenue decentralization ratio, the expenditure decentralization ratio, the modified expenditure decentralization ratio and the financial autonomy ratio. Chapter 3 paints a picture in broad strokes of the changing size and composition of local government income while Chapter 4 focuses on local government expenditure. Chapter 5 evaluates whether LGUs have indeed contributed positively to increasing public sector spending on social services in the post devolution period. It is argued that it is not enough to compare the nominal levels of LGU expenditure before and after devolution. Rather, it is essential that the analysis takes into account adjustments for the cost of devolved functions. Chapter 6 studies the determinants of the LGU social sector spending using regression analysis. Finally, Chapter 7 summarizes the study and draws some of policy implications.

2. DEGREE OF FISCAL DECENTRALIZATION

In this section, four alternative indicators of fiscal decentralization were used. First, the venue decentralization ratio (RDR) measures the relative significance of local revenues in neral government revenue.¹ It is defined as the share of LGUs in total general government venue. Second, the expenditure decentralization ratio (EDR) measures the importance of local penditures in general government expenditures. It is defined as the share of LGUs in general government expenditure. Third, the modified expenditure decentralization ratio (MEDR) takes into account the fact that some government expenditures like those on debt service are difficult to decentralize. The MEDR, thus, nets out debt service from total expenditures in arriving at the expenditure decentralization ratio. Finally, the financial autonomy ratio (FAR) provides an

¹General government is comprised of the central government and local government units.

indication of local government independence from central government funding. It is the percentage of locally raised revenue to total local expenditure.

The financial autonomy ratio as well as the revenue decentralization ratio focus on the relative significance of locally sourced revenues. As such, these indicators may be misleading indicators of local autonomy in cases (like the Philippines) where taxes assigned to LGUs are rather limited and where transfers from the central government to the local governments are mandated by law to be substantial. It should be noted that while Philippine LGUs have relatively little scope for raising own source revenues, they do exercise considerable autonomy in deciding how to spend their total resources including their share in internal revenue taxes collected by the central government. Moreover, while the IRA is a transfer from the national government to LGUs, it is not clear that it should be viewed as a grant but rather as the rightful share of local governments in national taxes. However, LGU-to-LGU variations in the RDR and the FAR do measure the extent to which some LGUs are more (or less) financially autonomous relative to others. That is, LGUs that impose higher local taxes and collect them more efficiently will score higher on the RDR and the FAR than others.

In sum, the expenditure decentralization ratio provides a better picture of the degree of fiscal decentralization over time in the Philippine case. It captures very well the shift in expenditure responsibilities that devolution brought about. However, the revenue decentralization ratio and the financial autonomy ratio are superior in focusing attention on how well local governments have performed to relative each other in utilizing their revenue raising powers to finance local needs.

2.1. All LGUs

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Public sector finance in recent Philippine history is largely concentrated at the center with local governments accounting for 4.9 percent of total general government¹ revenue on the average between 1985 and 1991 (Table 4). Contrary to initial expectations, the revenue decentralization ratio rose only slightly to 5.4 percent in 1992-1994. This occurred as the share of LGUs in general government revenue declined from 4.6 percent in 1991 to 4.4 percent in 1992 before making a quick recovery to 6.4 percent in 1993 and finally settling down at 5.4 percent in 1994.

However, the degree of fiscal decentralization appears to be slightly higher and to have intensified significantly with the enactment of the 1991 LGC if one looks at the expenditure decentralization ratio. Thus, LGUs accounted for 7.0 percent of general government expenditure (or 1.6 percent of GNP) in 1985-1991. As expected, fiscal decentralization deepened in 1992-1994 with the share of LGUs rising to 12.6 percent of general government expenditure or 2.7 percent of GNP (Table 4). The discrepancy between the two measures of decentralization cited above is due to the higher levels of intergovernmental transfers (in the form of IRA) in 1992-

¹General government is comprised of the central or national government and local government units or LGUs.

	RDR	EDR	MEDR	FAR
1985	5.93	9.12	11.42	51.10
1986	5.50	6.92	9.06	52.90
1987	4.52	5.70	10.04	50.90
1988	4.67	6.21	10.48	49.20
1989	4.85	7.36	10.62	55.90
1990	4.87	6.75	11.21	51.40
1991	4.55	7.70	12.61	44.60
1992	4.35	18.98	14.26	42.14
1993	6.36	12.88	19.97	43.33
1994	5.41	15.09	21.87	34.00
Average	9			
1985-199 1992-199 1985-199	91 4.86 94 5.41 94 5.12	. 7.04 12.56 9.42	11.00 19.10 14.54	51.60 38.80 44.20

Table 4Decentralization Ratios for All LGUs, 1985-1993

Notes:

RDR	=	Ratio of LGU revenue from local sources to general government revenue
EDR	=	Ratio of LGU expenditure to general government expenditure
MEDR	Ξ	Ratio of LGU expenditure net of debt service to general government
		expenditure net of debt service
FAR	=	Ratio of LGU revenue from local sources to LGU expenditure

fn: lgctb4.wk1 (8/6/96)

1994 which supported the increased levels of LGU spending even if local resource mobilization was basically stagnant.

The degree of fiscal decentralization rises some more if one looks at the modified expenditure decentralization ratio (MEDR), i.e., the share of LGUs in general government expenditure net of debt service. The modified expenditure ratio was 11.0 percent on the average in 1985-1991, 4 percentage points higher than the simple expenditure decentralization ratio. Similarly, the modified expenditure decentralization ratio was 19.1 percent in 1992-1994, 6.5 percentage points greater than the simple expenditure decentralization ratio.

The financial autonomy ratio (FAR) is still another way of measuring the degree of fiscal decentralization. It is defined as the ratio of LGU revenue to LGU expenditure. In contrast to the other measures of decentralization discussed above, the FAR declined with the implementation of the Code. Thus, the FAR dropped from 51.6 percent in 1985-1991 to 38.8 percent in 1992-1994 as a result of the higher IRA mandated by the Code (Table 4).

Some variation in the financial autonomy ratio across different levels of local governments is evident. Table 5 shows that cities enjoy the highest degree of financial autonomy. In 1985-1991, their FAR was highest at 66.4 percent compared to the municipalities' 48.3 percent and the provinces' 34.3 percent. With the implementation of the Code, the FAR of all levels of local government declined. Nevertheless, cities continued to post higher FAR than municipalities and provinces. In 1992-1994, the FAR of cities was 49.7 percent, that of municipalities was 38.7 percent and that of provinces was 23.6 percent.

2.2. Provincial Governments

The financial autonomy ratio for individual provincial governments exhibit the same trend.² However, Annex Table 1 shows that the FAR of individual provincial governments is widely dispersed. In 1991, the FAR of provincial governments ranged from a low of 0.4 percent (Lanao del Sur) to a high of 72.1 percent (Bulacan). In 1994, the FAR ranged from 1.2 percent (Maguindanao) to 44.2 percent (Bataan). The top 10 provinces and the bottom 10 provinces with respect to FAR are presented in Table 6.

LGU INCOME

This chapter provides a broad picture of the changing size and composition of LGU income in 1991-1994. The dramatic rise in the share of the IRA in LGU income during the period at all levels of government is notable.

²It is not possible to measure the revenue decentralization ratio nor the expenditure decentralization ratio at the micro level because data on the geographical distribution of central government revenue/expenditure are not available.

	Provinces	Municipalities	Cities
1985	31.79	55.19	64.23
1986	31.49	57.01	67.13
1987	30.73	53.45	65.03
1988	32.31	44.65	68.61
1989	48.71	48.89	72.39
1990	36.02	48.63	68.45
1991	28.24	43.07	61.55
1992	29.72	41.98	50.98
1993	24.04	48.88	51.09
1994	20.51	28.90	48.29
Average			
1985-1991 1992-1994 1985-1994	34.32 23.59 28.65	48.33 38.74 42.75	66.41 49.70 56.65

Table 5Financial Autonomy Ratio of Different Levels of Local Governments1985-1993

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 Table 6

 Top 10 and Bottom 10 Provinces with Respect to Financial Autonomy Ratio

		994	
Top 10		Bottom 10	
Bataan	44.16	Maquindanao	1 18
Laguna	42.72	Abra	2.02
Rizal	41.84	Biliran	2.13
Misamis Oriental	41.45	Sulu	3.25
Bohol	40.03	Northern Samar	3.27
Batangas	39.34	Kalinga Apayao	4.04
Cavite	38.17	Quirino	4.18
Ilocos Sur	36.18	lfugao	4.39
Bulacan	35.61	Western Samar	4.56
La Union	33.05	Batanes	4.69
	1	993	
Top 10		Bottom 10	
Rizal	60.08	Tawi-Tawi	0 17
Laguna	49.48	Sulu	1 73
Misamis Oriental	49.23	Maguindanao	1.76
Bohol	42.89	lfugao	1.97
Bataan	42.47	Abra	2.68
Albay	39,81	Northern Samar	2.89
Cavite	39.03	Kalinga Apayao	3.61
Batangas	36.99	Camiguin	3.76
Camarines Sur	33.14	Quirino	3.86
Bulacan	32.69	Mountain Province	4.47
		· · · · · · · · · · · · · · · · · · ·	
	•	1991 	
Тор 10		Bottom 10	
Bulacan	72.07	Lanao del Sur	0.36
Bohol	57.51	Tawi-Tawi	1.31
Rizal	56.90	Sulu	1.76
Bataan	55.97	Mountain Province	4.57
Tarlac	52.86	Biliran	5.26
Negros Occidental	47.91	Basilan	5.57
Davao del Norte	46.46	Palawan	5.96
Misamis Oriental	45.33	Eastern Samar	7.69
Cavite	41.63	Southern Leyte	8.06
Leyte	40.76	vvestern Samar	8.07
	····		

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3.1. All LGUs

Total receipt of all LGUs in the aggregate was equal to 1.7 percent of GNP on the average in 1985-1991 (Figure 1). This amount was divided almost equally between locally sourced revenue and externally sourced revenue. In 1992-1994, the share of income from external sources (largely derived from the IRA and other intergovernmental transfers) to total LGU receipts registered a marked increase from 52.0 percent in the earlier period to 63.9 percent (Figure 2). This occurred as the LGU income from external sources rose dramatically from 0.9 percent to 1.8 percent of GNP while LGU income from local sources inched up from 0.8 percent to 1.0 percent of GNP (Figure 1).

There is substantial variation in the importance of externally sourced income in the total receipts of different levels of local governments. Provinces are largely dependent on non-local sources of income which comprised 65.1 percent of their total income in 1985-1991 (Figure 2). On the other hand, externally sourced income contributed 54.2 percent of the total income of municipalities and 38.6 percent of the total income of cities in the same period. In all cases, the contribution of externally sourced income to the total receipts of LGUs was magnified in 1992-1994, reaching an average of 77.9 percent in provinces, 63.3 percent in municipalities and 54.8 percent in cities. Moreover, the share of IRA alone in total LGU income rose from 42.3 percent in 1991 to 74.9 percent in 1994 in the case of provinces, from 41.7 percent to 69.6 percent in the case of municipalities, and from 35.3 percent to 47.2 percent in the case of cities.

3.2. Provincial Governments

The changing size and composition of the total income of individual provincial governments before and after Code implementation is summarized in Annex Table 2 and Annex Table 3. As expected, the contribution of IRA to total receipts of individual provincial governments expanded markedly between 1991 and 1994. While per capita IRA of provinces almost quadrupled on the average between 1991 and 1994, the increase in their per capita locally sourced revenue was minimal (Annex Table 2).

Large differences in the composition of total LGU income are evident across individual provincial governments. The share of IRA in their total income varied from a low of 11.5 percent (Cebu) to a high of 99.6 percent (Lanao del Sur) in 1991 and from 44.4 percent (Rizal) to 98.0 (Abra) in 1994 (Annex Table 3) (?). Per capita revenue from local sources ranged from P1.06 (Sulu) to P176.28 (Rizal) in 1991 and from P2.37 (Maguindanao) to P198.77 (Misamis Oriental) in 1994. On the other hand, per capita IRA varied from P38.09 (Laguna) to P314.79 (Batanes) in 1991 and from P109.98 (Rizal) to P2628.92 (Batanes) in 1994 (Annex Table 2). The top 10 provinces and the bottom 10 provinces with respect to per capita revenue from local sources and per capita IRA in 1991, 1993 and 1994 are presented in Table 7.

Table 7 Top 10 and Bottom 10 Provinces with Respect to Per Capita IRA & Per Capita Local Source Revenue

			19	94			
	Per Ca	pita IRA			Per Ca	pita LSR	
Top 10		Bottom 10		Тор 10		Bottom 10	
Batanes	2628.92	Rizal	109.98	Misamis Oriental	198.77	Maguindanao	2.37
Camiguin	696.33	Pampanga	139.20	Bataan	183.12	Sulu	4.19
Siguijor	640.63	Bulacan	139.49	Balanes	135.80	Abra	9.65
Quirino	604.83	Laguna	153.47	Laguna	124.91	Northern Samar	9.95
Mountain Province	595.73	Cavite	154.89	Rizal	112.71	Western Samar	15.61
' Kalinga Apayao	560.82	Itoilo	162.93	llocos Sur	106.55	Biliran	17.18
líugao	503.45	Pangasinan	164.41	Bohol	102.90	Eastern Samar	17.75
Aurora	493.27	Camarines Sur	167.82	Batangas	97.92	Isabela	18.61
Abra	481.98	Tarlac	168.29	Cavite	89. 95	Zamboanga del Sur	18.96
Palawan	449.13	Cebu	172.35	La Union	86.08	Sultan Kudarat	19.01
			19	93			
	Per Ca	pita IRA			Per Caj	pita LSR	
Тор 10		Bottom 10		Top 10		Bottom 10	
Batanes	1871.39	Bulacan	101.49	Bataan	166.33	Tawi-Tawi	0.37
Camiquín	539.06	Pampanga	104.30	Misamis Oriental	155.49	Sulu	2.78
Quirino	472.00	Rizal	108.21	Batanes	127.90	Maguindanao	3.31
Mountain Province	458.13	Laguna	112.11	Rizal	101.58	Northern Samar	7.40
Siguijor	452.33	Camarines Sur	112.79	Laguna	95.46	Ifugao	7.42
Aurora	411.94	Cavite	114.26	Bohol	90.32	Zamboanga del Sur	7.78
Kalinga Apayao	411,21	lloilo	127.00	Albay	83.49	Abra	7.79
Palawan	362.32	Tarlac	127.48	Benguel	79.84	Eastern Samar	10.33
Abra	357.65	Cebu	127.82	Marinduque	69.96	llocos Sur	13.33
lfugao	354.43	Pangasinan	131.61	Batangas	65.53	Pangasinan	15.50
			1	991			·····
	Pe	r Capita IRA			Per Ca	pita LSR	
Top 10		Bottom 10		Top 10		Bottom 10	
Balanes	314.79	Laguna	38.09	Rizal	176.28	Sulu	1.06
Kalinga Apayao	120.19	Cavite	38.42	Cebu	158.37	Biliran	4.52
Quirino	115.01	Rizal	42.30	Balanes	129.51	Masbate	4.70
Aurora	109.77	Bulacan	42.65	Bataan	79.58	Basilan	5.81
Camaguin	108.62	Pampanga	43.15	Tarlac	63.27	Maguindanao	6.18
Siquijor	101.92	Batangas	45.24	Bohol	62.42	Mountain Province	6.63
Mountain Province	100.45	Pangasinan	45.26	Misamis Oriental	53.93	Southern Leyte	6.63
Abra	97.99	Cebu	45.36	Laguna	40.88	Western Samar	7.01
Palawan	96.79	lloilo	46.80	Davao del Norte	39.33	Eastern Samar	7.08
líunan	93.43	Albav	48.33	Negros Occidental	38 41	llocos Sur	7.26

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Figure 1 REVENUE STRUCTURE OF ALL LOCAL GOVERNMENTS, (Ratio to GNP in Percent)

1981-1994



Figure 2 REVENUE STRUCTURE OF ALL LOCAL GOVERNMENTS, (Ratio to Total Income in %)



4. LGU EXPENDITURES

This chapter describes the changing size and composition of LGU expenditures in 1991-1994. Consistent with the devolution program, LGU spending on social spending rose markedly at all levels of government during the period.

4.1. All LGUs

LGU expenditure was equal to 1.6 percent of GNP on the average in 1985-1991 (Figure 3). During this period, 42.8 percent of total LGU expenditure was spent on general public services, 32.9 percent on economic services and 20.5 percent on social services (Figure 4).

The composition of LGU expenditures varies according to the level of government. Thus, general public services captured the lion's share of municipal government budgets while the plurality of provincial government spending went to economic services. In contrast, the expenditure of city governments were more evenly distributed across sectors. During this period, the social allocation ratio of provinces was highest at 21.1 percent while that of municipalities was lowest at 14.7 percent.³

The mandated transfer to LGUs of functions previously discharged by national government agencies caused a major shift in the size and composition of LGU expenditure. Thus, aggregate LGU expenditure rose from 1.9 percent of GNP in 1991 to 2.7 percent of GNP in 1993, the first year devolution was implemented, to 3.3 percent in 1994 (Figure 3). Most of the increment in LGU spending went to social services (whose budget increased by 0.5 percent of GNP between 1991 and 1994) and general public services (whose budget also increased by 0.5 percent of GNP). In contrast, LGU spending on economic services rose by

* social allocation ratio - the percentage of government expenditure set aside for social services;

* social priority ratio - the percentage of government social expenditure allocated for human priority concerns; and

* human expenditure ratio - the percentage of national income earmarked for human priority concerns.*

The HDR noted that the human expenditure ratio may need to be in the vicinity of 5 percent if a country wishes to perform well in terms of human development. Various combinations of values for the public expenditure ratio, the social allocation ratio and the social priority ratio will yield the targeted human expenditure ratio. However, the report pointed out that "a preferred option is to keep the public expenditure ratio moderate (around 25 percent), allocate much of this to the social sectors (more than 40 percent), and focus on the human priority areas (giving them more than 50 percent of total social sector expenditures)."

³ To help governments design and monitor expenditure programs that are highly focused on the attainment of human development objectives, the Human Development Report (UNDP 1991) recommends the use of four ratios:

^{*} public expenditure ratio - the percentage of GNP that goes into government expenditure;

^a The Human expenditure ratio is a product of three ratios: (a) the public expenditure ratio, (b) the social allocation ratio and (c) the social priority ratio.



Figure 3 RATIO TO GNP OF LOCAL GOVERNMENT EXPENDITURES

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only 0.2 percent of GNP during the period. Consequently, while the share of social services in total LGU expenditure rose by 11.6 percentage points to 27.0 percent, that of economic services and general public services contracted by 9.5 percentage points and 4.5 percentage points to 26.3 and 40.1 percent, respectively, between 1991 and 1994 (Figure 4).

In all levels of local government, there was an expansion of the budget share of the social sectors relative to the economic sectors and general public service sectors. Consistent with the fact that provinces absorbed the bulk of devolved social service functions, their social allocation ratio expanded the most (by 18.4 percentage points from its 1991 level to 36.3 percent in 1994). Likewise, the social allocation ratio of municipalities rose substantially (by 12.5 percentage points to reach 21.8 percent in 1994). In contrast, the share of social services in total expenditure of cities also increased (by 5.0 percentage points to 26.2 percent) but to a lesser degree (Figure 4).

The increase in LGU expenditure on social services between 1991 and 1994 went to health, education, housing and community development, and social welfare, in that order. This is largely due to the fact that the cost of devolved health functions accounted for more than half of the total cost of all devolved functions. At the same time, the cost of devolved social welfare functions, although not as large, was also significant. Thus, higher LGU spending on health and social welfare in 1994 is consistent with the new expenditure functions assigned to them. Meanwhile, higher LGU expenditures on education and housing in 1993 largely reflect the higher priority that local officials assign to these sectors in the more decentralized regime since the direct impact of the devolution program on these sectors was not substantial.

4.2. Provincial Governments

Annex Table 4 shows that, on the average, per capita spending of provincial governments on all the social sectors combined rose dramatically from P8.95 in 1991 to P91.70 in 1994. The biggest growth was posted by health expenditures, a sixteen-fold increase. Meanwhile, per capita expenditures on human development priorities increased 7 times, from P4.11 to P28.21.

Similarly, the average social allocation ratio of provincial governments expanded from 9.3 percent in 1991 to 34.9 percent in 1994. Likewise, their human development priority ratio increased from 4.3 percent to 10.7 percent (Annex Table 5). Despite these improvements, the average social allocation ratio of provincial governments is still some 6 percentage points below the UNDP target of 40 percent while their average human development priority ratio is just about half of the UNDP 20/20 target.

The top 10 provinces and the bottom 10 provinces with respect their per capita social service expenditures and per capita human priority expenditures in 1991, 1993 and 1994 are presented in **Table 8**. On the other hand, the top 10 provinces and the bottom 10 provinces with respect to their social allocation ratios and their human development priority ratios are shown in **Table 9**.

Table 8 Top 10 and Bottom 10 Provinces with Respect to Per Capita Total Social Service Expenditures & Per Capita Human Priority Expenditures

			19	194			
Per Ca	ipita Total S	ocial Expenditures		Per Ca	pita Human P	riority Expenditures	
Top 10		Bottom 10		Top 10		Bottom 10	
Batanes	950.27	Maguindanao	3.15	Batanes	923.67	Aurora	0.42
Kalinga Apayao	330.04	Sulu	3.69	Catanduanes	166.29	Mountain Province	0.76
Bataan	264.53	Davao del Norte	35.16	Siquijor	166.22	Misamis Occidental	2.05
Quirino Surizzo del Nerte	257.35	Sarangani Narth Catabata	42.12	Itugao	154.60	llocos Norte	2.33
Sungao del Norte	230.77	Nonn Cotabato	45.91	Batangas	101.23	Capiz	2.38
Mountain Province	200.93	Bukidnon	40.00	liocos Sur	90.28	Western Samar	2.40
	195.75	Cebu	49.07	Kalinga Apoveo	78.49	Billinan	2.45
Siguijor	181 58	Sultan Kudarat	54.81	Anusan del Sur	74.01	Akian Comorinee Nerte	2.58
Biliran	179.72	Pampanga	54.85	Quezon	70.29	Abra	2.61
			19	93			
Per Ca	pita Total S	ocial Expenditures		Per Ca	pita Human F	riority Expenditures	
Top 10		Bottom 10		Top 10		Bottom 10	
Batanes	745.95	Tawi-Tawi	1.15	Batanes	619.72	Maquindanao	0.78
Bataan	271.74	Maguindanao	2.64	Catanduanes	135.85	Mountain Province	1.02
Camiguin	213.51	Sulu	6.25	Lanao del Norte	117.44	Tawi-Tawi	1.15
Catanduanes	179.25	North Cotabato	26.23	Siquijor	101.06	Ifugao	1.19
Isabela	175.23	Abra	26.45	Isabela	98.09	Oriental Mindoro	1.63
Kalinga Apayao	174.01	Pangasinan	28.16	Aurora	88.32	Zamboanga del Nort	1.80
	1/2.37	Davao del Norte	31.59	Guimaras	68.66	Rombion	2.07
Misamis Occidental	159.81	Bukianon	33.53	Kalinga Apayao	64.28	Tarlac	2.43
Lanao del Norte	146 17	Sarangani Sultan Kudarat	37.38	Southern Leyte	61.21	Abra	2.56
Mountain Province	140.17	Sulan Kugarat	30.04		57.45	Bataan	2.62
			1	991			
Per Ca	ipita Total S	ocial Expenditures		Per Ca	epita Human I	Priority Expenditures	
<u>n na sun seconde de la martin de la destrucció</u>	<u>en 1913 (2015) (201</u>	<u>Milling of Bolling in Address and the State</u>	<u>a di sharakanjade</u> shi	<u>na na na na sana sa sa</u>	<u>2 1949 2000 2000 2000 2000 2000 2000 2000 2</u>		
Тор 10		Bottom 10		Top 10		Bottom 10	
Bataan	48.21	Abra	0.05	Tarlac	13.74	Sorsogon	0.04
Rizal	36.76	Lanao del Norte	0.68	Laguna	12.05	Northern Samar	0.04
i arlac	23.21	Biliran	0.75	La Union	8.85	Abra	0.05
Bulacan	20.20	Siguijor North Cotobata	0.89	Pampanga	8.61	Siquijor	0.06
Batanes	10.00	North Cotabato Agusan dal Norta	1.22	Quezon	8.53	Biliran	0.07
Nerros Oriental	17.50	Agusan der Norte Oriental Mindoro	1.30	Cagayan Benguet	7.78	Kombion	0.48
Nueva Ecija	14.94	Maguindanao	1 77	llocos Norte	6 99 6 99	Sumaras North Cotoboto	0.55
Laouna	14 65	Sultan Kudarat	1.78	Rizal	00.0 A A	Adusan del Norto	0.75
Quirino	11.77	Misamis Occidental	1.90	Levte	6.34	Mountain Province	0.09
					0.07		1.24

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Table 9 Top 10 and Bottom 10 Provinces with Respect to Social Allocation Ratio and Human Development Priority Ratio

	Social Alloc	ation Ratio	19	94 Huma	in Developn	nent Priority Ratio	
Top 10		Bottom 10		Тор 10		Bottom 10	
Bataan Kalinga apayao Isabela Batangas Iloilo Pangasinan Laguna Romblon Quezon Camarines Sur	63.79 58.86 56.66 54.95 50.19 48.41 45.68 44.11 43.40	Maguindanao Sulu Davao del Norte Sarangani Camarines Norte Misamis Oriental Palawan Basilan Aurora Biliran	1.57 1.98 14.12 16.12 16.95 19.99 20.44 21.51 22.00 22.29	Batangas Catanduanes Quezon Pangasinan Ifugao Batanes Ilocos Sur Siquijor Lanao del Norte North Cotabato	40.68 39.65 34.93 32.25 32.13 31.92 30.65 26.61 25.12 21.63	Aurora Mountain Province Biliran Misamis Occidental Camiguin Abra Western Samar Palawan Ilocos Norte Aklan	0.07 0.11 0.30 0.45 0.57 0.57 0.70 0.76 0.77 0.79
	Social Alloc	ation Ratio	19'	93 Huma	ın Developn	nent Priority Ratio	
Top 10		Bottom 10		Тор 10	<u></u>	Bottom 10	<u>, and de les situat</u>
Bataan Isabela Iloilo Nueva Ecija Misamis Occidental Ilocos Sur Catanduanes Capiz Romblon Batangas	69.39 66.12 54.53 50.51 48.77 48.59 48.13 47.76 47.42 47.18	Tawi-Tawi Maguindanao Sulu Abra North Cotabato Pangasinan Misamis Oriental Bohol Davao del Norte Lanao del Norte	0.53 1.40 3.89 9.11 15.38 19.36 20.74 21.99 22.30 22.49	Isabela Catanduanes Southern Leyte Aklan Batanes Siquijor Aurora Davao Oriental Negros Oriental Guimaras	37.01 36.48 29.90 28.05 28.01 25.98 23.92 22.80 20.90 20.20	Mountain Province Ifugao Maguindanao Tawi-Tawi Camiguin Bataan Zamboanga del Nort Palawan Abra Oriental Mindoro	0.24 0.32 0.42 0.53 0.56 0.67 0.75 0.86 0.88 0.96
	Social Alloc	ation Ratio	19	91 Hum	an Developi	ment Priority Ratio	
Тор 10		Bottom 10		Top 10		Bottorn 10	
Bulacan Bataan Nueva Ecija Batangas Iloilo Negros Oriental Tarlac Quirino Pampanga Quezon	39.51 33.90 22.82 22.06 21.44 20.43 19.39 16.65 15.66 15.07	Abra Siquijor Biliran Lanao del Norte Agusan del Norte Palawan Misamis Occidental North Cotabato Oriental Mindoro Camiguin	0.07 0.62 0.87 1.04 1.57 1.81 1.82 1.82 1.83 1.95	Pampanga Quezon Laguna Tarlac La Union Cagayan Iloilo Leyte Bukidnon Zamboanga del Sur	14.20 12.06 11.63 11.48 11.00 10.17 8.35 8.06 7.79 7.64	Northern Samar Siquijor Abra Sorsogon Biliran Romblon Guimaras Palawan Mountain Province Cebu	0.04 0.07 0.08 0.09 0.60 0.70 0.74 0.85 0.93

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5. SOCIAL SERVICE EXPENDITURES BEFORE AND AFTER DEVOLUTION

The previous chapter established that there has been a dramatic increase in local government social service expenditures in nominal terms in 1993 and 1994 following the implementation of the devolution program. Part of this increase may be explained by the significant shift in expenditure responsibilities from central government agencies (DOH and DSWD) to LGUs. Note that substantial amounts were simultaneously withdrawn from the budgets of these national government agencies because of the said transfer of some of their functions to LGUs. Consequently, it is not obvious whether the higher allocations of local governments to social services in 1993 and 1994 have indeed been enough to cover the cost of devolved social service functions so as to result in a real augmentation of total social service expenditures going to local communities. To be able to assess whether LGUs have indeed contributed positively to increasing public sector spending on social services, it is essential that the analysis takes into account adjustments for the cost of devolved functions.

5.1. All LGUs

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Table 10 attempts to answer the question: what would the LGU expenditure level in 1993/1994 be if LGUs continued to spend what they actually did in 1991 and if, in addition, they allocate an amount equal to what the national agencies used to spend on devolved functions prior to devolution? It provides three counterfactual estimates of local government expenditures after adjusting for the cost of devolved functions: (i) the levels that would have maintained government expenditures at their 1991 levels in nominal terms, (ii) the levels that would have preserved aggregate government expenditures at their 1991 level in real terms (i.e., after adjusting for inflation) and (iii) the levels that would have sustained government expenditures at their 1991 level in real terms (i.e., after adjusting for inflation) and (iii) the levels that would have sustained government expenditures (i.e., after adjusting for inflation and population of their 1991 level in real per capita terms (i.e., after adjusting for inflation and population of growth).⁴ These three counterfactual estimates are then compared with actual LGU expenditure level in 1993/1994.

Table 10 shows that, in the aggregate, actual LGU spending in 1993 was more than enough to maintain the 1991 spending level in real per capita terms. There is a great deal of intersectoral variation, however. While actual LGU spending on general public services and on social services were more than sufficient to sustain the 1991 level in real per capita terms, that on economic services was not even enough to preserve the 1991 spending level in real terms.

Within the social sectors, intra-sectoral variation was also pronounced. Actual LGU spending on education in 1993 was almost three times the amount necessary to keep up with both inflation and population growth (Table 10). In this regard, provinces, municipalities and cities consistently gave education high priority. Likewise, aggregate LGU expenditure on housing and community development in 1993 was more than 70 percent higher than the amount required to

⁴In arriving at this estimates, it is assumed that the national government maintains its spending level at the 1991 level (net of the cost of devolved functions) in nominal, real and real per capita terms, respectively. The inflation rate is computed based on the GNP Implicit Price Index (7.9 percent in 1992 and 6.7 percent in 1993) and population growth rate is assumed to be 2.3 percent.

Table 10 LOCAL GOVERNMENT EXPENDITURE BEFORE AND AFTER DEVOLUTION (In million pesos)

والمراجع والمستحي والمراجع		و و و													· · · · · · · · · · · · · · · · · · ·	· · ·
		1993 (ad	tual)		1993	(levels that would 1991 levels in nor	i have preserve ninal terms)	d	1993	(levels that would 1991 levels in m	l have preserve sal terms}	đ	1993 (lev 1991 le	els that would h vels in reat per i	ave preserve capita terms)	id
	Totai	Provinces	Munis	Cities	Total	Provinces	Munis	Cities	Tolal	Provinces	Munis	Cilies	Total	Provinces	Munis	Cities
				-												
GRAND TOTAL NET OF DEBT SERVIC	40361 3	10167 0	17450.3	12744 0	29235 4	9581.6	12098 4	7555 4	33664 6	11033.2	13931.3	B700.1	35231.0	11546.6	14579.5	9104.9
Total Economic Services	10411 5	2827.5	3755.1	3829.0	9626 8	3430 7	3516 8	2671.3	11085.3	3959.7	4049 6	3076.0	11601.1	4144.0	4238.0	3219.1
Total Social Services	11394 0	3865 6	4121.7	3406 7	81116	3530 2	2852.1	1729 3	9340 5	4065.0	3284.2	1991.3	9775.1	4254.2	3437.0	2083.9
	20+7 5	621.0	1331 R	1065.1	643.3	109.1	352.5	381 7	971.1	125.6	405.9	439.6	1016.2	131.5	424.8	460.0
Education	2917 9	2489.0	1746 5	997.6	4766.6	2471.0	1571 9	723 7	5488.7	2845.3	1810.1	833 3	5744.1	2977.7	1894.3	872.1
	5233 U 874 E	2400 5	493.6	277 0	1357 5	161.6	781.5	414.3	1563.2	166.3	899 6	477.1	1635.9	195.0	941.7	499.3
Social Welfare, Labor & Uther Soc. Se	2716	743.5	402.0	1067.1	1144 2	788.4	146.2	209.5	1317.5	907.8	168.4	241.3	1378.8	950.1	176.2	252.6
Housing and Community Development	2371.3	143.3	500 5	1001.1		100 4										
General Public Services	16630 9	3143 2	8908 2	4579 4	10586.9	2368 5	5365 4	2953 0	12306.0	2727.3	6176.3	3400.4	12878.6	2854.2	6465.7	3558.6
		2402.0	0004.0	4410.7	10593.3	2367.0	5341.6	2884 8	12198.2	2725.6	6150.B	3321.8	12765.7	2852.4	6437.0	3476.4
Public Administration	16327 5	3103.0	+02.2	150.9	916	2,007.0	23.8	68.2	107.8	1.8	27.5	786	112.0	1.9	28.7	82.2
Peace and Urder	303 4	40.3	105 5	133 0	55 5											
Others	1924 9	330 8	665 2	928 9	610 1	244 2	364 1	201 9	932 B	281.2	4192	232.5	976.2	294.2	438.7	243.3
i								;								
		1994 (act	ual)		1994	(levels that would 1991 levels in nor	have preserved unai terms)	1	1994 (lievels that would 1991 ievels in /e	have preserved al terms)	t	1994 (la 1991 l	vels that would i evels in real per	capita terms	ed ·
-	Tolal	Provinces	Munrs	Cries	Total	Provinces	Munis	Cibes	Total	Provinces	Munis	Cities	Folat	Provinces	Munis	Cities
	55670 4	13782 7	21555.2	20292 5	29235 4	9581.6	12098.4	7555 4	37041 3	12139.9	15328.6	9572.7	39656.4	12997.0	16410.8	10248.6
GRAND TOTAL NET OF DEBT SERVIC	55020 4	13/02.7	215552	10101 5	10100 4									۲		
Total Economic Services	14830 0	3872.8	4816 8	6140 4	9625 8	3436 7	3516 8	2671 3	12197 2	4356.9	4455.8	3384.5	13058.3	4664.5	4770.4	3623.4
Total Social Services	15206 1	5055.1	47202	5430 9	81116	3530 2	2852 1	1729 3	10277.4	4472.8	3613.6	2191.0	11003.0	4788.5	3868.8	2345.7
.		702.0	1766 7	1047.0	R41 3	109.1	352.5	381 7	1068.5	138.2	446.6	483.6	1143.9	148.0	478.1	517.0
Education	4003 2	1046 9	1980 3	1507.5	4756.6	2471.0	1571 9	723 7	6039 3	3130.7	1991.7	916.9	6465.6	3351.7	2132.3	981.7
Seciel Miniare Labor & Other Son Se	1255.0	210 2	607.4	417.3	1357 5	161.8	7815	414.3	1720.0	205 0	990.1	524.9	1841.4	219.4	1060.0	562.0
Social Weitare, Cabor & Other Soc. Se	3411.2	1075.0	777.2	1559 0	1144 2	766 4	146 2	209 6	1449 7	998.9	185 3	265 5	1552.0	1069.4	198.4	284.3
Hoosing and Community Development																
General Public Services	22579.2	4153.7	11070.1	7355 4	10686.9	2368 5	5365.4	2953 0	13540.3	3000.9	6798.0	3741.5	14496.2	3212.8	7277.9	4005.6
Sublic Admonstration	22220 7	4100 7	10983 3	71367	10593 3	2367 0	5341.6	2884.8	13421 7	2998.9	6767.8	3655.0	14369.2	3210.7	7245.5	3913.0
Peace and Order	358 5	53 0	86.8	218 6	93 6	15	23 B	68.2	1186	2.0	30.2	66.5	127.0	2.1	32.3	92.6
						244.2	367 1	201.0	1026 4	309.4	461.3	255.8	1098.9	331 2	493 A	273.A
Others	3005 1	701 1	948.1	1322 9	610.1	294 2	304 1	201.9	1020 4	303 4	401.0	2000	1000.0		799.0	
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from In:Ig9193f.wk1 & Igx9194f.wk1 (rgm)

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preserve the 1991 level in real per capita terms. Housing and community development expenditures of cities and municipalities exhibited significant growth in real per capita terms. However, housing and community development expenditure of provincial governments in the aggregate in 1993 was not sufficient to maintain the 1991 expenditure level in real terms.

In contrast, actual 1993 expenditure of all LGUs on social welfare was not enough to maintain the 1991 level even in nominal terms. This observation holds true for provinces, municipalities and cities. In like manner, the 1993 spending level of all LGUs on health was below the amount needed to sustain the 1991 level in real terms. This holds true for provincial and municipal governments. In contrast, 1993 health expenditure of city governments was a little larger than the amount needed to preserve the 1991 level in real per capita terms.

LGUs, in general, appear to have "underspent" on health and social welfare in 1993 if the spending levels of national government agencies on devolved functions prior to devolution is used as the reference point. A similar picture is observed for 1994 (Table 10).

5.2. Provincial Governments

An analysis analogous to that done in **Table 10** was conducted using provincial level data. The results indicate that, in 1993, 40 provincial governments (out of 66 provincial governments with complete data) allocated less in the social sectors in the aggregate than what is needed to maintain their 1991 expenditure level in real per capita terms (**Table 11**). Similarly, 52 (33) provincial governments did not allocate enough resources on health (social welfare) than what one would expect if they had preserved their 1991 expenditure in real per capita terms. In contrast, only 3 provincial governments reduced their 1993 education budgets in real per capita terms relative to 1991.

Complete data is available for 15 out of the 19 priority provinces under the Social Reform Agenda. After making adjustments for the cost of devolved functions, 10 of these provinces registered lower real per capita expenditures in total social services, in health and in social welfare in 1993 relative to 1991.

Table 12 presents the results for 1994. It shows some improvements. For instance, only 16 (out of 68 provincial governments with complete data) had lower total social sector expenditures in the aggregate than what is required to maintain their 1991 expenditure level in real per capita terms. Similarly, 32 (25) provincial governments did not provide sufficient resources on health (social welfare) than what one would expect if they had preserved their 1991 expenditure in real per capita terms.

On the other hand, only 5 of the 15 SRA provinces with complete data suffered effective reductions in real per capita total social service expenditures in 1994. Seven (6) of the SRA provinces likewise registered reductions in real per capita health (social welfare) expenditure.

Table 11 Difference Between 1993 and 1991Per Capita Real Expenditure Levels and Real Per Capita Net Resource Transfer

REGION/PROVICE (193) Name Name<	REGION/PROVINCE (1993)		Actual 1993 E	ipenditures Less 1 at of Devolved For	1991 expenditu	res Adjusted for	Inflation,	Net	
L KOCCS RECOM	R	REGION/PROVINCE (1993)		Education	Health & Population So	cial Welfare	Hu Total Social E	man Priority xpenditures	Transfers
1 Names Norm 1.48 0.70 0.87 0.73 0.73 0.73 0.74 0.75 <th0.75< th=""> 0.75 0.75 <</th0.75<>	L.	ILOCOS R	EGION						
2 Boothalm 7.23 1.237 D000 2.24 Loss List 1 Abo 7.23 1.237 D000 2.24 List Lis		1.	llocos Norta	1.88	(3.43)	(0.82)	(4.70)	(0.36)	10.3
4. Purganan 1 <		2. 3.	La Union	7.45	\$2.70	(0.20)	82.14	9.86	(13.5
CLA CONTRACTOR FORCE		4.	Pangasinan	1.29	(42.07)	Q.37	(32.13)	0.35	5.1
2 Description 11.09 7.02 0.19 16.37 0.25 0.00 <th0.00< th=""> 0.00</th0.00<>	CAR.	CORDILLI	Abo	0.79	(77.56)	4 90	(71.85)	2.50	11.0
• CLASS Approp. 1.23 (1.2.26) (1.2.27) (1.2.17) (2.	Benguet Kusan	11.99	7.02	0.19	18.37	8.36	(0.3 (58.6
L Description Description <thdescription< th=""> <thdescription< th=""> <thdescri< td=""><td></td><td>4.</td><td>Kalinga Apayao Malinga Apayao</td><td>1.52</td><td>(12.36) (89.19)</td><td>(1.27)</td><td>(12.11)</td><td>60.01</td><td>(42.9</td></thdescri<></thdescription<></thdescription<>		4.	Kalinga Apayao Malinga Apayao	1.52	(12.36) (89.19)	(1.27)	(12.11)	60.01	(42.9
L Location vector A CPUID 1 Bistana 6.22 (71 80) (12 74) (100 270) 4.4 (42 4) 2 Capara 6.22 (12 30) 6.33 (63 7) 9.44 (46 4) 4 Numerica 1.59 (21 37) 4.13 (12 7) (13 7) 6.44 (46 4) 1 Bataan 7.36 (16 0) 3.79 (24 1) (13 7) 6.73 (13 7) (13 7) (13 7) (13 7) (13 7) (13 7) (13 7) (13 7) (13 7) (13 7) (13 7) (13 7) (14 7)		2. CACAYAN		0.00	(*****)		(00.02)	(0.41)	(21.
2 Comparation 0.22 (0.53) 6.22 (0.63) 6.24 (0.63) 6.24 (0.63) 6.24 (0.63) 6.24 (0.63) 6.24 (0.63) 6.24 (0.63) 6.24 (0.63) 6.24 (0.63) 6.25 (0.63) 6.25 (0.63) 6.25 (0.63) 6.25 (0.63) 6.25 (0.63) 6.25 (0.63) 6.25 (0.63) 6.25 (0.63) 6.25 (0.64) 7.49 7.25 (0.64) 7.49 7.25 (0.64) 7.49 7.25 (0.64) 7.49 7.25 7.65	п.	CAGAIA	Balaces	6 22	(71.96)	(13 74)	(100.97)		(294.0
4 Name 137 (43.6) 138 (17.2) 4.44 (66.7) 1 Batan 23.6 (56.2) (64.5) (18.6)		2.	Cagayan Lashala	0.82	(6.53)	0.22	(6.99)	4.95	33. 22
L Control Long Long <thlong< th=""> Long Long <thl< td=""><td></td><td>4.</td><td>Nueva Viscaya Ouiring</td><td>5 27 11,99</td><td>(45.10) (21.37)</td><td>1.36</td><td>(37 29) (5 82)</td><td>4.84</td><td>(56.)</td></thl<></thlong<>		4.	Nueva Viscaya Ouiring	5 27 11,99	(45.10) (21.37)	1.36	(37 29) (5 82)	4.84	(56.)
Image: Control control 1 Balan 238 (10 47) 8 44 (10 7) (15 47) (16 47) (17 7)		CENTRAL	11120N		()		, <i>,</i>		
2. Bitland 17.9 (10, 13) 22.9.57 (11, 13) 2. New E Eris (13, 0) (15, 0) 23.9 (15, 1) 16.6 (13, 1) 17.9 3. New E Eris (13, 0) (15, 0) (13, 1) 17.9 (11, 1) 17.9 (11, 1) 17.9 (11, 1) 17.9 (11, 1) 17.9 (11, 1) 17.9 (11, 1) 17.9 (11, 1) 17.9 (11, 1) 17.9 (11, 1) 17.9 (11, 1) 17.9 (11, 1) 17.9 (11, 1) 17.9 (11, 1) 17.9 (11, 1) 17.9 (11, 1) 17.9 (11, 1) (11, 1) 17.9 (11, 1) 17.9 (11, 1) 17.9 (11, 1) 17.9 (11, 1) 17.9 (11, 1) 17.9 (11, 1) 17.9 (11, 1) 17.9 (11, 1) 17.9 (11, 1) 17.9 (11, 1) 17.9 (11, 1) 17.9 (11, 1) 17.9 (11, 1) 17.9 (11, 1) 17.9 (11, 1) 17.9	HB.	1	Autaan	23 96	(20.42)	(0.43)	92 94	(2.70)	(75
i isonganga b i <th< td=""><td></td><td>Z.</td><td>Bulacan Nueva Ecija</td><td>8 76 (0 48)</td><td>(16.18) 5 30</td><td>3.79</td><td>(10.13) 16.66</td><td>29.57 (0.35)</td><td>(13.)</td></th<>		Z.	Bulacan Nueva Ecija	8 76 (0 48)	(16.18) 5 30	3.79	(10.13) 16.66	29.57 (0.35)	(13.)
G. Zamelans 3.80 (9.7) (0.29) (6.59) 2.16 (2.46) 1. Aurora n.a.		4	Pampanga Tartar	6 00 (1,23)	(7 49) (3.03)	(0 52) 2 59	(0 58) (2 16)	(1.76) (13.39)	(2.)
NOME SOUTHERN TACALOG 1 Aurora 1.6.4		6.	Zambales	3.80	(9.97)	(0.39)	(\$.55)	2.16	(24.)
1. Auron n.a.	١V	SOUTHER	RN TAGALOG						
1 Control 344 (1) 01 377 (172) 323 (2) 4 Lispan 1544 (6) 10 1.44 (6,7) 331 (6) 6 Constant Machano 11 (6) 10 1.44 (6,7) 1.73 (6) 7 Decement Machano 11 (6,7) (1,7) (6) 1.73 (6) 9 Decement Machano 11 (6,7) (1,7)		1. 9	Aurora Batangas	n a. 16.50	n.m. (5 02)	n.a. (0 25)	n.a 19 06	n.a. 15.84	67 22
Structure 5.12 (6.61) 7.30 5.00 1.73 6.00 6. Coccental Mindero 3.13 3.39 (0.24) 8.66 1.63 1.7 7. Ornelad Mindero 3.13 3.39 (0.24) 8.66 1.63 1.7 9. Readin (5.37) (1.053) 1.03		3. A	Cavite	3.94 18.98	(11 01) (6.18)	3,17 1,44	(3 72) 14 47	3 23 9 31	(3 (6
7. Contrast Matcheor 313 539 (b 24) 8 0 (1 47) (1 5) (1 47) (1 5) (1 47) (1 5) (1 47) (1 5) (1 47) (1 5) (1 47) (1 5) (1 47) (1 5) (1 47) (1 5) (1 47) (1 5) (1 47) (1 5) (1 47) (1 5) (1 47) (1 5) (1 47) (1 5) (1 47) (1 5) (1 47) (1 5) (1 47) (1 5) (1 47) (1 5) (1 47) (1 5) (1 47) (1		5	Mannduque Occidental Mindom	5.12	(6 \$1) 0 99	7 30 (0 08)	5 60 3 33	1.73	(6. 13
5 Curstom 5.59 (11 47) (0 15) (12 77) (13 23) (10 10) (10 477) (13 23) (10 10) (10 477) (13 23) (10 10) (10 477) (13 23) (10 10) (10 477) (13 23) (10 10) (10 477) (13 23) (10 10) (10 477) (13 23) (10 173) (10 477) (13 23) (10 173) (11 10) <th< td=""><td></td><td>7.</td><td>Oriental Mindoro Palawan</td><td>3 13 11 15</td><td>5.39 (6.40)</td><td>(0 24) 1 00</td><td>8 06 5 90</td><td>163 125</td><td>17 76</td></th<>		7.	Oriental Mindoro Palawan	3 13 11 15	5.39 (6.40)	(0 24) 1 00	8 06 5 90	163 125	17 76
It Rombson 1 52 (p 33) (p 33) (p 38) (p 38) 1 52 (p 7) V BICOLREGION 1 54 (10 73) (1 54) (1 55) (1 54) <		9. 10	Quezon	5.99 (6 37)	(11 47) (0 53)	(0 15) 1 28	(4 77) (10 91)	(3 32) 10 66	(10
V BECOL REGION 1 Albay 154 (1073) (3.50) (1164) 2.86 (11 2. Carnances Norte 3.48 (14.91) 1.34 (155) 3.3.44 4 3. Carnances Norte 1.8 1.8 1.8 1.8 1.8 1.4 3. Carnances Norte 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.4 1.8 1.8 1.4 1.8 1.8 1.1 1.8 1.8 1.8 1.8 1.8 1.1 1.8 1.0 1.2 1.0 1.2 1.0 1.2 1.0 1.2 1.0 1.2 1.0 1.2 1.0 <t< td=""><td></td><td>11</td><td>Rombion</td><td>1 52</td><td>(36 33)</td><td>(0 39)</td><td>(36 88)</td><td>1 52</td><td>(57</td></t<>		11	Rombion	1 52	(36 33)	(0 39)	(36 88)	1 52	(57
1 Albay 194 (1073) (1350) (1164) 2.88 (11 2. Camanes Nore 3.48 (14.51) 134 (1953) 33.44 4 3. Camanes Nore n.8 n.8 <t< td=""><td>v</td><td>BICOL RE</td><td>GION</td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	v	BICOL RE	GION						
1 Canonizanis Sur na		1	Albay Camanges Norte	194 348	(1073) (1491)	(3 50) 1 34	(11 64) (9 55)	2 88 33 44	(11
j Justian na na <th< td=""><td></td><td>3.</td><td>Camarines Sur Catanduanes</td><td>6.3 6.4</td><td>6.0</td><td>04. 53</td><td>па. 6 а</td><td>n 3 6 a</td><td>(4. (111</td></th<>		3.	Camarines Sur Catanduanes	6.3 6.4	6.0	04. 53	па. 6 а	n 3 6 a	(4. (111
VI WESTERN VISAVAS 1 Anlan 5.36 (12.56) (6.17) 3.31 52.79 (25.92) 2 Anlaye 1.507 (16.57) 5.36 (11.36) 10.21 (22.22) 3 Capez 1.507 (16.57) 5.31 52.72 6.01 55.72 6.01 55.72 6.01 55.72 6.01 55.72 6.01 55.72 6.01 57.72 6.01 57.72 6.01 57.73 57.73 57.7 6 Namos Occodental 3.06 19.99 3.77 (4.54) 7.58 2.5 VII CENTRAL VISAVAS 1.30 (13.34) (0.26) (15.25) (26.24) 3.4 3.42 3.4 3.42 3.4 3.42 3.4 3.42 3.4 3.42 3.4 3.42 3.4 3.42 3.4 3.42 3.4 3.4 3.42 3.4 3.42 3.4 3.42 3.4 3.4 3.4 3.4 3.4 3.4 3.4		5	Masbate Sorsogon	na na	na na	na na	n a 11 a	64. 63	, ,
1 Astan 5.94 (12.58) (0.17) 3.1 5.279 (12.59) (13.50) (12.51)	vi	WESTER	N VISAYAS						
2 Antique 1.50 (10.50) (12.50) (12.50) (12.50) (12.50) (12.50) (12.50) (12.50) (12.50) (12.50) (12.50) (12.50) (12.50) (12.50) (12.50) (12.50) (12.50) (13.51)		!	Aklan	5 35	(12 58)	(0 17)	331	52 79	(26
4 Cumaras 3 - 40 21 - 4 1 - 32 2 - 33 0 - 30 3 - 30 3 - 30 1 - 30 3 - 30 1 - 30		3	Capiz	167	(15 34)	5 21	12 74	0 12	(9
6 Negro Locademat 5 co. (5 77) 5 rt. (1 5 77) (1 5 77) (1 5 77) (1 5 77) (1 5 77) (1 5 77) (1 5 77) (1 5 77) (1 5 77) (1 5 77) (1 5 77) (1 5 77) (1 7 7) (1 5 77) (1 7 7) (1 7		5	Guimaras Iloito	813	12 24	(0 11)	19 81	15 29	(7
VIII CERTINGLAUSARIAS 1 Bohol 2.52 (4.67) (0.78) (1.94) 3.42 3.3 2 Casu 9.00 (1.954) (0.25) (1.24) 4.23 4.43 (3.25) 3 Negros Onental 9.00 (1.604) (0.25) (1.92) 4.23 4.43 (3.25) 4.25 4.25 4.43 (4.25) (1.92) 4.25 4.25 4.25 (1.602) (1.601) (1.603) (0.67) (1.491) 5.55 (4.57) (2.25) (2.92) 5.94 (4.77) (4.67		0	Negros Occidental	3.00	(5 75)	52,	(+ 5+)	/ 50	10
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3 Aregory Chemical Siquipor 3		2	Cebu Nucura Orașial	1 30	(13 54)	(0 26)	(10.18)	3 42	3
VIII EASTERN VISAYAS 1 Bikran 2 40 (16 02) (0 67) (14 91) 3 50 (4 2 Editern Samar 1 33 (13 23) (10 05) (31 84) 6 55 (64) 3 Leyte 1 10 (12 80) (0 05) (21 82) 59 14 (37) 5 Northem Samar 1 10 (12 80) (0 35) (14 81) 871 (37) 6 Western Samar n.a. n		4	Siguijor	141	(50 48)	(0 26)	(59 25)	100 99	(67
1 Bitran 2.40 (16.02) (0.67) (14.91) 3.50 (4 2 Eastern Samar 1.33 (13.34) 0.40 (6.63) 7.53 (24 4 Southern Leyte 1.10 (12.62) (0.05) (21.82) 55.14 (37 5 Northern Samar n.8 n.8 n.8 n.8 n.8 1.10 6 Western Samar n.8 n.8 n.8 n.8 n.8 n.8 1.10 7 Basian n.8 n.8 n.8 n.8 n.8 n.8 1.60 2.33 (11.10) (0.12) (10.55) 1.80 2.54 (5.33) (11.55) 1.1 X NORTHERN MINDANAO 1 Aquaan del Norte 2.62 (45.95) 6.18 (36.69) 2.54 (5.25) (12.5) 1.40 2.54 (5.25) (12.5) 1.40 2.54 (13.7) (13.7) (13.50) (12.5) 1.41 (13.7) (13.7)	VIII	EASTERN	N VISAYAS						
Juryle 7 88 (13 34) 0 40 (6 68) 7 53 (24 4 Southern Leyte 1 10 (22 60) (003) (21 82) 59 14 (37) 5 Northern Samar 1 56 (16 51) 0 34 (14 81) 871 (37) 6 Western Samar n.8 .9 n.8 .9		;	Bikran Eastern Samar	240 133	(16 02) (33 23)	(0 67) (0 05)	(14 91) (31 94)	350 665	(4 (45
5 Northern Samar 1.56 (16 53) 0.34 (14 81) 8 71 (37) K Western Samar n.a. n.a.<		3	Leyle Southern Leyle	7 88	(13 34) (22 60)	0 40 (0 05)	(6 68) (21 82)	7 53 59 14	(24 (37
IX WESTERN MINDANAO 1. Basian n.a.		5	Northern Samar Western Samar	1.56 8 A.	(16 53) n a	038 03	(14 81) m a.	671 na	(37
1. Bastan n.a. n.a. <th< td=""><td>IX</td><td>WESTER</td><td>N MINDANAO</td><td></td><td></td><td></td><td></td><td></td><td></td></th<>	IX	WESTER	N MINDANAO						
Z. Zamboanga del Norte Z.33 (1.10) (0.12) (10.35) 1.80 Z 3 Zamboanga del Sur 1.11 (11.79) 1.76 (5.83) (1.55) 11 X. NORTHERN MINDANAO 2.62 (45.95) 6.18 (36.69) 2.54 (53.3) 2. Apusan del Norte 2.62 (45.95) 6.18 (36.69) 2.54 (53.2) 3. Bukatnon 4.06 (6.99) (0.17) (3.56) (0.50) 26 4. Campoun 4.11 (3.37) (0.72) 8.54 0.88 (24.53) 3. Bukatnon 4.01 (5.02) 0.01 3.95 10.16 (8.77) 4. Campoun 1.75 (65.40) (0.44) (64.77) 3.39 (81 XI SOUTHERN MINDANAO 1 Daveo del Norte 2.13 3.11 0.69 5.43 5.23 .35 3. Daveo del Sur 4.69 11.86 1.95 1.83.		۱.	Basilan	n a.	n.a.		n #.	n a.	
X. NORTHERN MINDANAO 1 Agusan del Norte 2 62 (45 95) 6.18 (36 69) 2.54 (33 2. 2. Agusan del Sur 14 13 (7 12) (0 05) 6 79 207 34 3. Bukutnon 4 06 (6 99) (0 17) (3 56) 0 50) 26 4. Carregion 4 11 (3 37) (0 72) 8 54 0 88 (24 5. Misarms Oriointal 3 75 (24 53) (0 72) (21 58) 2 07 (27 6. Misarms Oriointal 3 75 (24 53) (0 72) (21 58) 2 07 (27 7 Sungao del Norte 1 75 (65 40) (0 44) (64 77) 3 39 (81 XI SOUTHERN MINDANAO 1 Davaso del Norte 2 13 3 11 0 69 5 4 3 5 23 35 1 Davaso del Norte 2 13 3 11 0 69 5 4 3 5 23 35 2 Davaso del N		2. 3	Zamboanga del Norte	2.33	(12.10) (11.79)	(0.12) 1.76	(5 83)	1.80 (1.55)	11.
1 Agusan del Norte 2 62 (45 95) 6.18 (36 69) 2.54 (53) 2. Agusan del Norte 14 13 (7.12) (0 05) 8 79 2 07 34 3. Bukdhon 4 05 (6 99) (0 17) (3 56) (0 50) 26 4. Camegun 4 11 (3 37) (0 73) 6 54 0 88 (24 5. Misams Occidental 3 75 (24 53) (0 77) (21 50) 2 67 (27 6. Misams Occidental 3 75 (24 59) (0 44) (64 77) 3 39 (61 7. Sungae del Norte 2 13 3 11 0 65 5 43 5 23 23 23 23 23 23 23 22 2 24 0 56 1 68 1 93 2 1 27 23 3 21 2 27 23 3 21 2 27 23 3 21 2 4 55 1 68 9 54 4 50 2 68 1 52 1 53 <td>X.</td> <td>NORTHE</td> <td>RN MINDANAO</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	X.	NORTHE	RN MINDANAO						
Image: Section Section Image: Section Section Image: Section Sectin Section Section Section Section Sectin Section Se		1	Agusan del Norte Agusan del Sur	2 62	(45 95) (7 12)	6.18 (0.05)	(36 69) 8 79	2.58	(53
Learnyour 1		2. J.	Buludnon Camatan	4.05	(6 99) (3 37)	(0 17) (0 73)	(3.56) 8.54	(0 50)	28
7 Surgao del Norie 1 75 (65 40) (0 44) (64 77) 3 39 (61 XI SOUTHERN MINDANAO 1 Davao del Norie 2 13 3 11 0 69 5 43 5 23 3 23 1 Davao del Norie 2 13 3 11 0 69 5 43 5 23 3 23 2 Davao del Sur 4 69 11 86 195 18 39 21 27 23 3 Davao Onental 5 24 0 56 1 68 9 54 43 500 28 4 South Colabato 9 84 (17 59) 0 75 (6 99) 6 68 253 5 Sungao del Sur n.a n.a n.a n.a n.a 111 6 Sarangan n.a n.a n.a n.a 1.3 111 2 KIL CENTRAL MINDANAO 1 1.4 6.71 58 53 n.a (132 2 North Cotabato 1.36 (2 34) (0.19) (1 15)		5	Misams Occidental Misams Occidental	375	(24 53) (5 02)	(0 72) 0 01	(21 58) 3 95	2 87 10.16	(29
XI SOUTHERN MINDANAO 1 Davaso del Norte 2 13 3 11 0 69 5 43 5 23 35 2 Davaso del Norte 4 69 11 86 1 95 16 3 95 17 3 9 2 1 7 27 3 Davaso del Sur 4 69 11 86 1 95 16 3 95 2 1 3 7 27 3 111 6 6 5 5 5 5 5 3 111 6 111 5		7	Sungao del Norle	1 75	(65 40)	(0 44)	(64 77)	3 39	(81
1 Davaso del Norte 2 13 3 11 0.69 5 43 5 23 3 33 2 Davaso del Surt 4 69 11 86 195 16 33 21 7 22 3 Davaso del Surt 5 24 0 55 16 8 9 54 43 50 28 4 South Cotabato 9 84 (17 59) 0 75 (6 59) 6 68 (52 5 Sungoso del Surt n.a n	XI	SOUTHE	RN MINDANAO						
3 Davas Onental 5 24 0 56 1 68 9 54 4 3 50 28 4 South Cotabatio 9 54 (17 59) 0 75 (6 99) 6 68 (52 5 Sungoo del Sur n.a 1.3 1.35 1.35 1.35 1.35 2.087 53 3 3.207 3 3.207 3 3.207 3 3.207 3 3.207 </td <td></td> <td>1</td> <td>Davao del Norie Davao del Sur</td> <td>2 13 4 69</td> <td>311 1186</td> <td>0 69 1 95</td> <td>5 43 18 39</td> <td>5 23 21 27</td> <td>35 23</td>		1	Davao del Norie Davao del Sur	2 13 4 69	311 1186	0 69 1 95	5 43 18 39	5 23 21 27	35 23
Sungao del Sur n.a.		3	Davao Onental South Colabalo	5 24 9 84	0.56 (17.59)	168 075	9 54 (6 99)	43 60 6 68	28 (52
XII. CENTRAL MINDANAO 1. Lanso del Norta 0 21 41 64 6.71 58 53 n.a (33 2. North Coubatio 1.36 (2 34) (0.19) (1 15) 20.97 53 3. Sultan Kudarat 1.86 (3 21) 0.30 (1 03) 7.93 27 ARMM 1. 2.02 1 09 (1.79) 1 32 3 01 6/1 2. Tavé-Tavé n.s. n.s. n.s. n.s. n.s. n.s. 3. Lanso del Sur n.s. n.s. n.s. n.s. n.s. n.s.		5 6.	Sungao del Sur Sarangeni	n a n.a	6.0. 17 8.	ра. В А.	08 04.	А.Э. П.Э.	111
1. Lanso del Norta 0 21 41 64 6.71 58 53 n.a (33 2. North Colabato 1.36 (2 34) (0.19) (1 15) 20.97 53 3. Suttan Kudarat 1.86 (3 21) 0.30 (1 03) 7.93 27 ARMM 1. Suttan Kudarat 2.02 1 09 (1.79) 1 32 3 01 61 2. Tawi-Tawi n.a. n.a. n.a. n.a. 63 3. Lanse del Sur n.a. n.a. n.a. n.a. n.a. 4. Lanse del Sur n.a. n.a. n.a. n.a. n.a.	XU.	CENTRA	L MINDANAO						
Z. North Collabelia 1.30 (2.49) (0.19) (1.15) 20.07 37 3 Sultan Kudarat 1.86 (3.21) 0.30 (1.03) 7.93 27 ARMM 1 Sultan Kudarat 1.86 (3.21) 0.30 (1.03) 7.93 27 1 Sultan Kudarat 1.80 (3.21) 0.30 (1.03) 7.93 27 2 Tawi-Tawi 0.8 <td< td=""><td></td><td>Į.</td><td>Lanao del Norla</td><td>0 21</td><td>41 54</td><td>6.71</td><td>58 53</td><td>n a 20.07</td><td>(33</td></td<>		Į.	Lanao del Norla	0 21	41 54	6.71	58 53	n a 20.07	(33
ARMM 1. Sultu 2.02 1.09 (1.79) 1.32 3.01 6/ 2. Tavú-Tavú n.s. n.s. n.s. n.s. n.s. 3. Lanso del Sur n.s. n.s. n.s. n.s. 4. Manutadasso 0.72 0.23 0.000 0.600 (1.11)		2. 3	North Colabelo Sultan Kudarat	1.36 1.88	(3 2 1)	(0.19) 0.30	(1 03)	7.93	57 27
1. Suhu 2.02 1.09 (1.79) 1.32 3.01 61 2. Tawi-Tawi n.a. n.a. n.a. n.a. 63 3. Lanso del Sur n.a. n.a. n.a. n.a. n.a. 4. Manutadana 0.72 0.23 0.00 0.40 (1.51)	ARM	434							
3. Laneo del Sur n.B. n.B. n.B. n.B. n.B. n.B. da N. N.B. n.B. n.B. n.B. n.B. n.B. n.B. n		1.	Sulu Tané Tané	2.02	109	(1.79)	1 32	301	61 84
		Z. 3.	Lanao del Sur	n	P. 8. 0. 21	5 A.	0.#. 0.40	/1 34	

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Table 12 Difference Between 1994 and 1991Per Capits Real Expenditure Levels and Real Per Capits Net Resource Transfe

REGION/PROV	INCE (1994)	Actual 1994 Expe	nditures Less 19 of Devolved Func	1 expenditures tion and Popula	Adjusted for Inition Growth	lation,	Not Resource
		Education Pr	opulation Socia	t Welfare Tol	al Social Exp	enditures	Tangrens
LOCOS REC	BION						
1.	liocos Norte	5.61	(10.22) (18.81)	(0,46) (1,24)	(7.93) (15.35)	(6.39) 84 25	67.58 10 98
2. 3.	La Union	8.43	63.79	(0.36) 7 (0)	77.20	(0.35)	22.1
4.	Pangasinan	3.90	(4.72) N	7.04	44.00	33.15	23.04
CAR. CORDILLER	A ADMINISTRATIVE REGION			·			
1. 2.	Abra Benguet	85.31 17.14	6.27 (6,71)	1,16	97.75 9.67	2.68	103.77
3.	Nugao Valiant Actual	(0.15) 2.05	(24.83) (16.91)	2.03 (0.70)	(22.95) 125.25	149,75 69,31	48,56 51,10
5.	Mountain Province	0.76	(57.63)	(1.02)	(58.27)	(0.81)	28.2
I. CAGAYAN V	ALLEY	l.					
1.	Batanes	23.61	26.07	(7.63)	18 41	0.a. (3.66)	245.9
2. 3.	Cagayan Isabela	5.48	(12.41)	28.94	58,42	4,45	35.6
4.	Nueva Viscaya Quiring	4 25 23 86	(B.12) 1.90	2_57 9.53	(2.31) 61.30	10 53 17,50	10.4 69.0
1	Bataan	30,17	(7.57)	1.26	67.80	17 04	(15 4
2	Bulacan Nuawa Scie	25,34	(14,61) 37.61	4 19 17 85	13.95 73.04	6 49 14 67	13 4
3	Pampanga	5.86	(2.74)	(0 25)	2.82	2.44	21.4
5. 6.	i artac Zambales	10.00	5.83	(0.25)	15 58	9.90	30.0
V. SOUTHERN	TAGALOG						
1.	Aurora	n.a.	n.a.	n.ə.	ñ,a,	A 2.	114 4
2. T	Balangas Cavite	23.91 19 24	16 22 (4.70)	(0.18) (0.02)	14.49	94.02 23.97	55 G 24 8
4	Laguna Macodurain	57 27	5 29	1.73 7.66	67 04 30 01	46 06 64 83	22 6 58 8
6	Occidental Mindoro	4 50	5 98	(0 15)	10 64	2 81	73 1
7 8	Unenial Mindoro Palawan	7 79	14 76	341	25 96	2,11	136
9 10	Quezon Rizal	2 98 11 46	8 60 9 03	0.36 1.95	30 23	59 47 28 31	24 : 7 (
ñ	Rombion	5 06	(1 10)	(0 15)	1 98	5 06	17 :
V BICOL REG	ION						
1	Albay Camarinas Norte	15 56 3 77	(3 23) (23.41)	(1 20) (1 20)	8 97 (18 61)	17.84 (0.25)	27 4
Ĵ	Camannes Sur	na.	. na - na	na. na	6 A	6 N 6 N	39 ⁻ (41 /
5	Masbale	n 3 E 65	n a 0.71	л э 1 40	па 764	n a 17 46	20.0
6	Sersogen		•••				•••
VI WESTERN	VISATAS	A 76	(5.08)	(0.17)	12.90	055	21 (
1	Ailan Anbque	4 34	5 70	(0 24)	7 37	4 65	25 :
3	Capiz Gumaras	2 51	(2 66) 69 94	3 52	82 59	13 53	112
5	lioio Nerma Occidental	13 27 15 36	9 40 (6 60)	0 05 4 29	41 10 15 27	17 84 22 65	15 -
-	054YAS						
VII CENTRAL	Debat	4.07	3 26	0 19	9.04	9 05	34
-	Cebu	(0 67)	(9.54)	(0 17)	(10 39)	765	36
3	Negros Oriental Siguijor	373	(44 91)	(0 34)	(41 44)	166 13	69
VIII EASTERN	VISAYAS						
1	Bilran	2 35	65 66	9 10	76 43	235 796	63 29
23	castern barnar Leyte	17 47	(19 56)	0.30	(3 3 1)	16 45	19
4	Southern Layla Northern Samar	4 91 (1 14)	(21 64)	(0.05)	(19 12)	5 27	15 B
6	Western Samar	7 12	3 69	4 96	19 43	0 56	74
IX. WESTERN	MINDANAO		. .		- -		
1. 2.	Basilen Zamboanga del Norte	4 09	(2.87)	1 00	ня. 148	32 66	75
3.	Zamboange del Sur	2.98	(5.13)	3.44	801	39 98	45
X. NORTHER	N MINDANAO						
1. 2	Agusan del Norte Agusan del Sur	4 49 58 21	(41 09) 7 12	(U 52) 0 45	(37 29) 65 60	4 19 67 58	27 85
3	Buludnon Campan	545 084	(0.06) (38.27)	013 (134)	9 05 (39 10)	3 07 0 30	62 75
5	Misernis Occidental Misernis Coepital	0 69	(42 37) 11 78	(0 20) 1 50	(41 96) 28 13	(0 26) 26 67	67 61
7	Sungao del Norte	4 35	39 05	3 05	45 69	10 81	12
XI SOUTHER	N MINDANAO						
1	Davao del Norte	3 89	1.40	061 208	6 37 72 57	7 12 25 27	50 48
2 3.	Davas Onental	7 79	14 07	6 72	32 33	61 83	65
4 5	South Colabelo Sungao del Sur	1243	(305) A #.	103 114	0 M.	л а) П а	44
6.	Şarangarı.	n#	r). B	ri 2	ri #.	n A	
XII. CENTRAL	MINDANAO		/10 541	7 67	419 131	78 40	
1. · 2.	Lanao del Norte North Colabate	2.92 3 07	11.78	(0 03)	15.78	43 36	21 83
3.	Sultan Kudarat	7.82	1.43	7.57	11.63	12.05	68
ARMM		1	.				*-
1. 2	Sulu Tawi-Tawi	(0.14) n.a.	036 n.e.	(1.97) n.n.	(174) n#	0.22	76 333
3	Lanao del Sur	na,	n.e.	N.B.	n a.	n a 0.01	

، (n. 168,73912 WX1 (m. 12 %)

6. DETERMINANTS OF PROVINCIAL GOVERNMENTS' SOCIAL AND HUMAN PRIORITY EXPENDITURES

To study the determinants of provincial governments' social expenditures, the aggregate level as well as the various components of social sector outlays in per capita terms - (i) education expenditures, (ii) health expenditures, and (iii) human development priority expenditures or HPE - are regressed against the variables listed below:

<u>LGU income</u>. Obviously, LGU expenditure will be limited by LGU income because of the budget constraint. In the analysis that was done for this study, two major components of LGU income (namely, IRA and LGU regular income from local sources, LSR) were considered as explanatory variables.

Net resource transfer as a result of the LGC. While the increase in the IRA (as a result of the implementation of the 1991 Local Government Code) is sufficient to cover the cost of devolved functions in the aggregate, it cannot be denied that there is a mismatch, at the LGU level, between the financial resources and the expenditure responsibilities that were transferred to LGUs. Thus, the increase in the IRA share of some LGUs is not enough to finance the functions devolved to them.⁵ In 1993, the per capita net resource transfer (i.e., per capita 1993 IRA less per capita 1992 IRA less per capita cost of devolved functions adjusted for inflation) to LGUs as a result of Code implementation is negative in 37 out of the 66 provinces for which data is available (see column 6 of Table 12). It is worth noting that 22 out of the 40 provinces whose total social service outlays declined in real per capita terms in 1993 (relative to 1991) suffered negative per capita net resource transfers. Although only 3 provincial governments had negative per capita net resource transfer in 1994 there is considerable variation in said variable across individual LGUs. A dummy variable, D1, (which takes on the value of 1 when the per capita net resource transfer to the province is above the median and 0 otherwise) was thus included as one of the explanatory variables in the regression analysis. This variable was included in order to verify whether the budget allocation behavior of the (relative) gainers from the devolution program differ significantly from that of the losers.

<u>Human development index.</u> The analysis also tested whether or not lagged (or contemporaneous) values of the composite human development index, HDI, and its various components (like infant mortality rate, life expectancy, and functional literacy rate) influence the budget allocation of provincial governments in the social sectors in the current year. This is an attempt to determine if provincial governments' spending on the social sectors is responsive to objective indicators of need. In the 1993 equations, 1990 HDI values were used while 1994 HDI values were used in the 1994 regressions.

Two alternative functional specifications were tried: linear and double logarithmic. The results of double logarithmic equations are largely consistent with those of the linear equations

⁵The IRA increment in 1993 is defined as the difference between the 1993 IRA and the 1992 IRA. The IRA increment in 1994 is analogously computed.

in terms of signs and significance of the coefficients. The linear specification was found to have better fit for the regressions explaining per capita total social expenditure, per capita HPE, and per capita health expenditure. In contrast, the double logarithmic form was better suited to the per capita education equations.

White's (1980) test was used to detect heteroskedasticity. The test is based on the regression of the squared residuals from the original regression on the original set of explanatory variables plus the squares of the those variables. Where heteroskedasticity was present, the procedure suggested by White was used to correct the standard errors and t-statistics.

The results of the regression analysis for 1993 reveal that the per capita total social sector expenditure of provincial governments is positively related with their per capita IRA (Table 13).⁶ That is, higher per capita IRA (PCIRA) tends to be associated with higher per capita social service expenditures. This relationship was found to be statistically significant in the case of total social service expenditure, human priority expenditure, and health expenditure.

On the other hand, the relationship between per capita local source revenue, on the one hand, and per capita total social sector expenditures, per capita human priority expenditures and per capita health expenditure, on the other, was not statistically significant. This may be indicative of the tendency of many provincial governments to rely on the IRA rather than on locally generated revenue in financing local programs.

In contrast, the opposite is true in the case of education expenditure. Thus, the positive relationship between per capita education expenditure and per capita local source revenue is statistically significant. However, the positive relationship between per capita IRA and per capita education expenditure was not. This may be attributed to the existence of the Special Education Fund (SEF). The SEF is an additional levy on real property earmarked for the education sector.

The analysis also demonstrates that provincial governments which were relative losers as a result of Code implementation behaved differently from those which posted positive net resource transfers. Specifically, the gainers' marginal propensity to spend on all the social sectors out of their IRA is lower than that of the losers. Note the negative coefficients for the D1*PCIRA variable.⁷ This result indicates that provincial governments adjust their spending behavior to compensate for the net transfers they received. Thus, the net losers tend to spend a bigger share of their IRA on the social sectors at the margin in an attempt to reach their "target" expenditure level because their IRA share is small relative to their expenditure requirements. In contrast, the net gainers tend to spend a smaller portion of their IRA on social services because their IRA share is high relative to their expenditure needs. However, Table 11 indicates that, despite these adjustments, provincial governments which suffered negative net

⁶Where heteroskedasticity was found to be a problem, the correction suggested by White was used.

⁷The coefficients are statistically significant for total social service expenditures, human priority expenditures and health expenditures but not for education expenditures.

Table 13

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DETERMINANTS OF 1993 PER CAPITA PROVINCIAL GOVERNMENT EXPENDITURE IN SOCIAL SECTORS

Dependent			ไก	dependent Variables				R2	DW	White
Variable	Constant	Per Capita IRA	D1* Per Capita IRA	Per Capita Local Source Revenue	HDI	Life Expectancy	Functional Literacy Rate	Adjusted		Chi- Square
Total Social Service Expenditure	-35.424 (-1.355)	0.362 (24.305) **	-0.170 (-4.671)**	0.396 (1.264)	82.019 (1.561)			0.885	1.961	34.960 **
Human Priority Expenditure	-80.495 (-2.856) **	0.296 (7.557)**	-0.084 (-1.999) **	0.127 (0.980)	77.970 (1.888)*			0.771	1.652	24.130 **
Health Expenditure₁	-132.097 (-2.634)**	0.391 (31.023)**	-0.161 (-7.301) **	0.067 (0.734)		2.037 (2.608) **		0.945	2.140	9.720
Education Expenditures	0.031 (0.007)	-0.269 (-1.198)	0.008 (0.185)	0.644 (3.550) **			0.210 (0.184)	0.258	1.920	1.820

30

linear specification
 double logarithmic specification
 statistically significant at 5%
 statistically significant at 1%

Notes: Expenditures are expressed in per capita terms Numbers in parenthesis refer to t-values. When the White chi-square is significant, the t-values are derived from White chi-square heteroskedasticity-consistent covariance matrix.

fn: lgctb13.wk1 (8-12-96)

transfers were not able to maintain their 1991 social sector spending in real per capita terms in 1993. In particular, 26 of the 37 provinces which suffered negative net resource transfers had lower total social expenditures in real per capita terms in 1993 relative to 1991. This result suggests the need to revisit the IRA allocation formula since the said formula appears to have a negative impact on the way provincial governments allocate their resources on social and human development priorities.

Table 14 also reveals that the budget allocation of provincial governments on the social sectors (i.e., total social services, education, health, and human development priorities) is not consistent with objective indicators of need (i.e., human development status). There is a positive relationship between 1993 per capita total social service expenditures (and per capita HPE) of provincial governments and 1990 human development index (HDI).⁸ That is, governments of provinces which posted higher HDIs spent more on all the social sectors combined (and on human priority needs) on a per capita basis than those with lower HDIs. Similar results were established between per capita education expenditure and functional literacy and between per capita health expenditure and life expectancy.⁹

The regression results for 1994 are largely congruent with those for 1993 (Table 14). However, it is notable that the differential in the marginal propensity to spend on the social sectors between the fiscal gainers and losers is lower in 1994 than in 1993. The 1994 modification in the IRA distribution formula appears to have alleviated the inequities in the IRA formula somewhat. Also, the human development outcome variables turned out to be statistically significant in 1994 in contrast to the situation in 1993 although they still retain their perverse relationship with the expenditure variables.

Abstracting from the problems with the IRA allocation formula, it cannot be denied the provincial governments' budget allocation for the social sectors and for human priority expenditures is the outcome of priority setting at the local level. As mentioned earlier, while the proportion of provincial budgets allocated to the social service sectors rose from 9.3 (?) percent on the average in 1991 to 33.5 percent in 1993, this expansion did not quite bring up the social allocation ratio to the 40 percent target of the human development framework. At the same time, the proportion of provincial budgets allocated to human development priorities is less than 10.3 percent in 1993. This is just about half of the 20 percent ratio recommended by the human development framework. Together with the perverse relationship between HDI and social sector expenditures, this observation indicate the scope for advocating improvements in budget restructuring for the social sector at the provincial government level.

⁸However, the relationship was not significant.

⁹The relationship for the health sector was statistically significant while that for the education sector was not.

Table 14 DETERMINANTS OF 1994 PER CAPITA PROVINCIAL GOVERNMENT EXPENDITURE IN SOCIAL SECTORS

		In	dependent Variables				Rı	DW	White
Constant	Per Capita IRA	D1* Per Capita IRA	Per Capita Local Source Revenue	HDI	Life Expectancy	Functional Literacy Rate	Adjusted		Chi- Square
-91.936 (-3.721)**	0.402 (11.414) **	-0.061 (-1.756) *	0.240 (1.077)	148.947 (2.950)**			0.901	2.310	15.620 *
-152.648 (-3.393) **	0.274 (3.738)**	0.039 (0.641)	0.268 (1.603)	150.030 (1.957)*			0.807	2.128	34.110 **
-199.155 (-3.317) **	0.446 (20.725)**	-0.095 (-5.090) **	0.114 (1.441)		2.549 (2.783) **		0.963	2.466	9.620
-10.976 (-2.045)	-0.569 (-2.341)*	0.100 (2.389) *	0.602 (3.704)**			3.135 (2.541) **	0.330	1.860	11.520
	-91.936 (-3.721)** -152.648 (-3.393)** -199.155 (-3.317)** -10.976 (-2.045)	Constant Per Capita IRA -91.936 (-3.721)** 0.402 (11.414)** -152.648 (-3.393)** 0.274 (3.738)** -199.155 (-3.317)** 0.446 (20.725)** -10.976 (-2.045) -0.569 (-2.341)*	In Constant Per Capita IRA D1* Per Capita IRA -91.936 0.402 -0.061 (-3.721)** (11.414)** (-1.756)* -152.648 0.274 0.039 (-3.393)** (3.738)** (0.641) -199.155 0.446 -0.095 (-3.317)** (20.725)** (-5.090)** -10.976 -0.569 0.100 (-2.045) (-2.341)* (2.389)*	Constant Per Capita IRA D1* Per Capita IRA Independent Variables Per Capita Local Source Revenue -91.936 (-3.721)** 0.402 (11.414)** -0.061 (-1.756)* 0.240 (1.077) -152.648 (-3.393)** 0.274 (3.738)** 0.039 (0.641) 0.268 (1.603) -199.155 (-3.317)** 0.446 (20.725)** -0.095 (-5.090)** 0.114 (1.441) -10.976 (-2.045) -0.569 (-2.341)* 0.100 (2.389)* 0.602 (3.704)**	$\begin{array}{c c c c c c c c c c c c c c c c c c c $	$\begin{array}{c c c c c c c c c c c c c c c c c c c $	$\begin{array}{c c c c c c c c c c c c c c c c c c c $	$ \begin{array}{c c c c c c c c c c c c c c c c c c c $	$ \begin{array}{c c c c c c c c c c c c c c c c c c c $

32

linear specification
 double logarithmic specification
 statistically significant at 5%
 ** statistically significant at 1%

1

Notes: Expenditures are expressed in per capita terms Numbers in parenthesis refer to t-values. When the White chi-square is significant, the t-values are derived from White chi-square heteroskedasticity-consistent covariance matrix.

fn: lgctb14.wk1 (8-12-96)

7. SUMMARY AND RECOMMENDATIONS

The mandated transfer to LGUs of functions previously discharged by national government agencies caused a major shift in the size and composition of LGU budgets. Aggregate LGU expenditure rose from 1.9 percent of GNP in 1991 to 2.7 percent in 1993, the first year devolution was implemented. Most of the increment in LGU spending went to social services partly as a result of the transfer of a big number of DOH and DSWD personnel and assets to LGUs. Consequently, while the budget share of the social service sector expanded those of the economic service sectors and general public services contracted.

Intra-sectoral variation is quite marked. While higher LGU expenditures on certain social services in 1993 were more than sufficient to support the cost of devolved functions such that there is a real augmentation of the given services at the local community level, this is not generally true.

Compared to their 1991 levels, actual LGU expenditures on education and housing and community development in 1993 were greater than the amount needed to cover inflation, population growth and the cost of devolved functions. In contrast, after making adjustments for the cost of devolved functions, 1993 LGU expenditure on health was below the level needed to sustain the 1991 level in real terms. Also, LGU social welfare expenditure declined in nominal terms relative to the 1991 level.

The present study indicates that 32 out of 62 provincial governments with complete data allocated less on the social sectors in the aggregate than what is needed to maintain their 1991 expenditure level in real terms after adjusting for the cost of devolved functions. Similarly, 47 (27) provincial governments did not allocate enough resources on health (social welfare) than what one would expect if they had preserved their 1991 expenditure in real terms. In contrast, only 3 provincial governments reduced their 1993 education budgets in real terms relative to 1991.

The results of the regression analysis suggest that higher per capita IRA tends to be associated with higher per capita social sector expenditures. The relationship was found to be statistically significant in the case of the IRA, on the one hand, and total social service expenditure, human priority expenditure, and health expenditure, on the other. On the other hand, the relationship between the latter set of variables and local source revenue was not statistically significant. This may be indicative of the tendency of many provincial governments to rely on the IRA rather than on locally generated revenue in financing local programs.

In contrast, the opposite is true in the case of education expenditure. That is, the positive relationship between per capita education expenditure and per capita locally sourced revenue is found to be statistically significant while that between the former and per capita IRA is not. This may be attributed to the existence of the Special Education Fund (SEF). The SEF is an additional levy on real property earmarked for the education sector.

The analysis also reveals that the marginal propensity to spend on the social sectors out of the IRA of provincial governments which had higher than average net transfers in 1993/1994 was lower than those of provincial governments which had lower than average net transfers. This result suggests that provincial governments adjust their spending behavior to compensate for the net transfers they received. However, the study shows that despite these adjustments the losers were not able to maintain their 1991 social sector spending in real terms in 1993. This is indicative of the need to revisit the IRA allocation formula since the said formula appears to have a negative impact on the way provincial governments allocate their resources on social and human development priorities. While some improvement was observed in 1994 (as evidenced by the lower coefficients for the D1*PCIRA variable), the problem still persists.

If one assumes that the national agency budgets (which formed the basis for estimates of the cost of devolved function) in the various sectors before devolution represent the appropriate spending levels, then one can say that LGUs "underspent" on health and social welfare in the decentralized regime. However, one can also argue that the very essence of decentralization lies in giving LGUs the freedom to make their own spending decisions based on their assessment of what their constituents need. If the latter premise holds, then the 1993 actual LGU expenditure levels represent the optimal levels from the LGU perspective. At this point, it is not a simple matter to establish which of these alternative viewpoints is the more relevant one. It is likely that both of them are applicable. If LGUs are given expenditure responsibilities with significant spillover effects (i.e., responsibilities whose benefits are not exclusively enjoyed by their constituents like public health services) then it is expected that LGUs will underprovide for these services if there were no additional financial support from the central government perhaps in the form of matching grants." If the externality is localized, cost sharing among the LGUs that benefit from the service, rather than matching grant from the central government, may be the more appropriate arrangement. Abstracting from spillover effects, LGUs should be allowed to decide on the quantity and quality of local public goods and services that they will finance without interference from the center. The only caveat to this being the need to ensure that LGUs have sufficient fiscal resources to finance said expenditure responsibilities. In this regard, there is a need to review IRA allocation formula with the end in view of developing a system that will equalize net fiscal capacities (i.e., revenue potential less expenditure need) of LGUs.

Finally, the study also shows that the budget allocation of provincial governments on the social sectors (i.e., total social services, education, health, and human development priorities) is not consistent with objective indicators of need (i.e., human development status). There is a statistically significant positive relationship between 1993/1994 per capita total social service expenditures of provincial governments and 1990/1994 human development index. That is, governments of provinces which registered higher human development index spent more on all the social sectors combined on a per capita basis than those with lower HDI. Similar results were established between per capita education expenditure and functional literacy and between per capita health expenditure and life expectancy although the relationship was significant in 1994 but not in 1993.

Abstracting from the problems with the IRA allocation formula, it cannot be denied that the provincial governments' budget allocation for the social sectors and for human priority expenditures is the outcome of priority setting at the local level. While the proportion of provincial budgets allocated to the social service sectors rose from 9.3 percent on the average in 1991 to 33.5 percent in 1993 this expansion did not quite bring up the social allocation ratio to the 40 percent target of the human development framework. At the same time, the proportion of provincial budgets allocated to human development priorities is less than 10.3 percent in 1993. This is just about half of the 20 percent ratio recommended by the human development framework. Together with the perverse relationship between HDI and social sector expenditures, this observation indicates the scope for advocating improvements in budget restructuring for the social sector at the provincial government level.

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Annex Lable 1 Financial Autonomy Ratio of Provincial Governments, 1991, 1993 and 1994

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<u> </u>			1993	1994
L ILO	COS REGION			
	1. Nocos Norte 2. Nocos Sur	28.96 10,64	12.21 6.28	23.14 36.18
	3. La Union 4. Papaseinan	26.29	14.52	33.05
CAR CO		13.65	10.00	11.20
		18.15	7.68	
:	2. Bengust	32.93	32.57	19.92
-	3. migao 4. Kalinga Apayao	18,47	3.61	4.39
•	5. Mountain Province	4.57	4.47	\$.59
II. CAG	GAYAN VALLEY			
•	1. Batanes 2. Cagayan	25.68 12.94	5.78 9.66	4 69 12.08
	3. Isabela 4. Nueva Viscaya	32.39 25.01	9.36 10.97	6.01 10.58
	5. Quinno	19.62	3 86	4.18
III. CËI	NTRAL LUZON			
	1. Bataan 2. Bulacan	55.97 72.07	42.47 32 69	44,16 35.61
	3. Nueva Ecija 4. Pampanga	15 69 39.68	29.60 25 32	11.02 24,57
	5. Tarlac 6. Zambales	52.85 21.30	24 89 13.98	23 57 10.48
IV. SO	UTHERN TAGALOG			
•	1. Aurora	n.a.	8,10	7 07
	2. Batangas 3. Cavite	34.08	35.99 39 03	39 34 38 17
	4. Laguna 5. Manneuro	39.45 26.54	49 48	42.72 21 M
	6. Occidental Mindoro	14.21	8.18	8 87
	8. Palawan	5.96	11 00	4 91
	9 Cuezon 10 Ruzal	56 90	60.08	41 84
	11. Rombion	11 89	6 65	7.13
V BIC	OL REGION			
	1 Albay 2 Camannes Norte	17 45	12.05	24 52 10 40
	3 Camannes Sur 4 Catanduanes	6 A	33 14 6 40	7 22
•	5 Masbate 6. Sorsogon	8 4 i 29 3 i	n 2 n 2	n a. 11 27
VI WE	STERN VISAYAS			
	1. Aklan	28 48	17 16	10 97
•	2 Anoque 3. Capiz	18 95	8 00	10 47
•	4 Gumaras 5 Ilodo	16 /5	6 a 19 17	9 32 24 48
	6 Negros Occidental	47 91	30 43	29 06
VI CE	NTRAL VISAYAS	<u> </u>		
	1 Bonol 2 Cebu	57 51 34 90	42 89 19 97	40 03 22 63
	3. Negros Onental 4. Siguijor	22 64 13 57	15 05 10 54	10 48 5 63
VIII EAS	STERN VISAYAS			
-	1 Biliran	5 26	n a	2 13
•	7 Eastern Samar 3 Leyte	7 69 40 76	4 80 22 52	5 34 23 32
•	4 Southern Leyte 5 Northern Samar	8 06 12 50	7 69 2 89	7 60 3 27
	6 Western Samar	₿ 07	0.4	4 56
IX WE	STERN MINDANAO			
•	1. Basilan 2. Zamboanga del Norle	5 57 13 37	961	n a 14 25
	3. Zamboanga del Sur	19 34	5.17	7.75
X. NO	RTHERN MINDANAO		.	
	1. Agusan del Norte 2. Agusan del Sur	20 11 14 64	9 02 14 57	12.95 7.68
	3. Buludnon 4. Campun	15.17 16 14	19 07 3.76	20.53 5 54
	5. Misamis Occidental 6. Misamis Ocentel	17 36 45 33	9.74 49 23	7 74 41 45
	7. Sungao del Norte	20.85	8 83	501
XI. \$0	UTHERN MINDANAO		 -	
	1 Davao del Norte 2. Davao del Sur	46 46 27 92	26 54 11 56	22 31 15 92
	3 Davao Oriental 4 South Colabato	14 87 26 28	7 19	9 56 11 84
•	5. Sungao del Sur 6. Sarangani	1.1 0.4	17 31	11 80 13 99
XII, CE	NTRAL MINDANAO			
	1. Lanao dei Norte	32.28	5 79	11.71
	2. North Colabelo 3. Sultan Kudarat	22.68 21.35	9 63 14 70	14 41 8 03
ARMM				
	1. Sulu	1.75	1 73	2 25
•	2. Tawi-Tawi 3. Lanao del Sur	1.31 Q 35	0.17	6.4 ()
	4. Magundánaó	9 52	1.76	1 18

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HODEL JOH 2
Res Conside IRA 1 and Service Revisers and Table Question of Res. 1. 1 and
per Capita inco, Ebcal Source Revenue and Todal Accepts of Provincial Governments,
1991, 1993 and 1994

	REGI	DN/PROVINCE	4000	Per Capita IRA		P	er Capita LSR		Per	Capita Total Receipts	
			1991	1303	1934	1391	193	1994	1991	. 1993	1994
L.	ILOCO:	S REGION									
	1. 2.	liocos Norte liocos Sur	63.95 53.91	219,71 176.66	296.01 229.80	31.23 7.26	31.10 13.23	69.72 106,55	95.21 61.18	250.81 189.89	367.73 336.36
	3. 4.	La Union Pangasinan	48.91 45.26	139.67 131.61	190.72 164.41	21,16 7,27	26,42 15.50	86.05 20,40	84.70 52.57	166.45 147.11	279.16 184.61
CA	R. CORDI	LLERA ADMINISTRATIV	E REGION				•-				
	• •	Abra - Becqual	97.99 64 20	357,65 222 60	481.98 281.86	11.17	7.79 79 M	9.65 75 34	209.30	355.79	491.63
!	- 3.	Kalinga Apavao	93.43 120.19	354.43	503.45 560.82	20.32	7.42	21,10	113.75	361.85	526.30 583.49
	- 5	Mountain Province	100.45	458.13	595.73	6.63	18,66	59.66	155.70	477.23	655.83
: N.	ÇAGAY	AN VALLEY					_				
	• 1. 2.	Batanes Cagayan	314.79 62.07	1,871.39	2,628.92 229.01	129.51 9.90	127.90 16.75	135.80 30.58	516.33 79.04	1,999,29 193,20	2,764.71 287.70
	3.	Isabela Nueva Viscaya	52.60	156.85	213 36 337.36	28.25 24.94	24.81	18 61 39.40	90.12 102.00	251.48 278.74	235.31 418.74
	9. CENTO		115.01	-12.00	004.85	13 67		21 24	144.90	490.00	030.62
н.	UERIA 1	Rataan	51 03	152.40	234 96	79.58	166 33	183 12	141 78	379 73	473 30
	2	Bulacan Nueva Ecila	42.65 49.91	101.49 159.81	139,49 195,94	36 85 10 27	54 49 28.41	74.91 28.69	79 94 65.06	156.20 183.53	215.01
	4.5	Pampanga Tarlac	43.15 50,48	104 30 127.48	139.20 168.29	24.06 63.27	32.57 42.17	38.29 49.94	70.28 119,42	145.30 169.66	185.68 219.81
	6.	Zambales	66.02	207.27	284.59	17 82	33,79	34.65	93.55	241.05	319.24
î۷.	SOUTH	IERN TAGALOG						4 -1			
	• 1. 2.	Aurora Balangas	45.24	411.94 139.05	493.27	25.45	29.92 65.53	19 64 97, 92	142.90 86.79	458.27 206.65	541.28 265.99
	3.	Laguna Magoduma	38.09 63.65	112.11	153.47	40 88 30 98	95.46 69.95	83.95 124 91 77 91	78.40 83.07 111.44	174.96 207.61 320.43	29J.98 278.39 448.44
	5.	Occidental Mindoro	67.62 70 89	298.55 181 44	366.52 223 65	15 01 10 33	28 56 24 43	35 87	114.66 81.74	327.74	428.36 296.81
	B. 9	Palawan Quezon	96.79 54 35	362 32 141.36	449.13 190.91	1372 973	40.97 17 75	27 41 31,19	123.35 69.93	405 85 159.16	591.08 222.11
	- 11	Rizal Rombion	42.30 68.48	108 21 227 01	109 98 330 25	176 28 9 57	101.58 18 69	112.71 23.86	220.26 \$8.84	211.82 245 69	247 96 372 21
v	BICOL	REGION									
	1	Albay	48.33	139.87	194 51	8 78	83.49	61.7Z	69.42	225.09	268.57
	2	Camannes Norre Camannes Sur	30.23 49.22 76.26	102.91	167 82	23 21	41 28 23 84	29.62	85.12 144.21	205.17 154 22 333.05	314.J/ 190.97 461.13
	• 5	Masbale	58 56 55 14	n.a	6 a. 713 33	4 70	ла. Ла	и.з. 77 16	65.21	0.3, 0.3,	n.a 744 31
vi	WEST	RN VISAYAS									
•	t	Aklan	56 70	173 00	241 13	20.18	35.15	35 65	76 88	232.28	312.29
	• 2	Anbque Capiz	60 40 56 22	176 98 179 60	244 39 249 68	14 63 13 37	24 18 16 61	28 27 31 71	85.35 79 01	201 15 195 21	274 37 281 40
	• •	Gumaras Iloilo	82 34 46 80	127 00	402 52 162 93	13 07 13 66	6 a 30 77	42 06 51 51	105 08 65 41	n J 160 Z3	445 71 283 07
	6	Negros Occidental	49 43	157 03	205 20	38 41	52 40	65.56	94 86	209 76	270 76
ΨI	CENTH	Babal	50.21	138.08	180 98	67.42	90.12	102.90	117 63	778 41	781 89
	2	Cebu Neoros Opental	45 36 54 85	127 82	172 35 240 95	158 37	41 18	47 45	395 92	169 00	220.02
	4	Siquijor	101 92	452 33	640 63	19 52	41 02	35 15	144 76	499 64	675 82
VI	EASTE	RN VISAYAS									
	· 1	Biliran Eastern Samar	84 18 80 58	236 47	414 66 339 55	4 52 7 08	10 33	17 18 17 75	89 37 94 74	n # 245 80	431 84 357 30
		Leyte Southern Leyte	50 70 61 15	136 38	196 77 261 02	32 10 6 63	44 28	49 94 22 87	82 80 79 33	180 55 200 54	246 72 300 22
	5	Northern Samar Western Samar	68 82	V 9 219 09	317 45	7 01	740 na	15 61	85.09	227.63 N a	333 32
IX.	WEST	ERN MINDANAO			•						
	• 1	Basilan Zamboanga del Norte	64 49 60.74	n # 217 91	n a. 312 81	581 1193	22 99	n a. 42 04	80.35 93 92	па. 26188	n #. 354 91
	3	Zamboanga del Sur	52.16	149.19	197.81	12 10	7.78	18.96	64,31	156.97	247,75
X.	NORT)	IERN MINDANAO		343 63			30.00		~~~		103 74
	• 2	Agusan del Norle Agusan del Sur Bubalana	69 44 83 69	242.62	335.22	16 74 21 63	30.45 40.34 35.75	49 54 33.76 43 69	¥5.90 146.91	306 78	447 69 257 14
	4	Camgun Musama Occutantal	108 62	539 06	696 33 432 61	23 26 15 14	22 02	36 22	131.89	569.72	732.55
	67	Misamis Oriental Succes del Noria	56 94 65,77	160 58 224 95	248 28 349 95	53 93 20 73	155 49 22 63	198 77 34 33	125.50 100.17	336 60 256,40	453.18 386.67
XI.	SOUT	IERN MINDANAO									
	1	Davao del Norte	53 91	148 67	174 87	39 33	37 59	55 57	93.63	186 41	279 42
	2	Davao del Sur Davao Oriental	55 23 72.54	164 28	203 26 293 37	27 50 14 85	20 92	34 83	89.52 108.63	186 60 251 43	438.56 351.85 277.40
.4	• 5	South Colditions Sungao del Sur Sarannoni	64.03	308 66	210.75 261.14 305.40	19 30	63 68	39.28 36.34	92.41	395 95	156.95 342 17
¥1			p, g .	<i>4</i> ■ .	4-44. UM		~ 8		er #.	4 2 .	J-6.31
~"	1	Lanso dei Norte	53.87	178.00	254 24	21 19	35 83	36.59	92.75	216.83	290.84
	2	North Cotabalo Sultan Kudarat	57.26 67.01	161 69 200.38	198 47 258.60	15 24 17.00	16 43 21 85	29 52 19 01	81 55 97.45	179 15 222 22	226 27 276.05
AR	MM										
. ·	: !	Sulu	54.70	156 92	181.36	1 06	2.78	4, 19	60.11	159.70	187.53
	- 2	, Tawi-Tawi Lanao del Sur Manaratanan	61.93 52.42 60.02	222.23 8,8, 162.43	400.40 n 8, 188 DA	0 06 0 19 A 13	0.37 M.A. 3.31	47,3¥ 0.¢, 2,37	62.59 52.61 84.33	222.62 P 8. 184 71	527.65 R.a. 199.44
Å	nional Au-		55.60	156.69	216 56	30.26	37 39	48.84	100.05	199.18	277.58
14				· · • -				·+ ••			

SRA Provinces

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Ratio of Local Source Revenue and IRA to Total Receipts, 1991, 1993 & 1994 (In percent)

	·· : . 3		REGION/PROVINCE	1991	otal Receipt 1993	<u>3</u> 1994	1991	tel Receipts 1993	1994
	ILOC	os F	REGION						
		1.	llocos Norte llocos Sur	32.80 11.87	12.40 8.97	16.96 31.65	67.20 89 13	87.60 97 07	61.04 68.32
		3.	La Union	24,98	15.87	30.84	57.75	B3.91	68.32
		•.		13.04	10.00	11.04	00.00	69,40	66.90
AR.	COR	DILL	ERA ADMINISTRATIVE REGION		• ••				
	•	1. 2.	Abra Benguet	5.34 32,17	2.12 26.40	1.96 20.57	46.62 57.29	97.51 73.60	98.04 75.91
	:	3.	ifugao Kalinga Apavao	17.85 15,18	2.05 3,74	3,99 3,88	82_14 64.82	97.95 96.19	95.30 96.12
	•	5	Mountain Province	4.26	3.91	9.13	64,51	95.00	90.84
	ÇAG	AYAI	N VALLEY						
	٠	1.	Balanes	25.08	6.40	4.91	60.97	93.60	95.09
		2. 3.	Cagayan Isabela	12.52	8.67 9,86	10.63 7.91	78.53 58.36	91.33 62.37	79.60 90.67
		4. 5	Nuova Viscaya Quiring	24.45 9,57	9.65 3,79	9 41 4,26	75 27 79 33	85.41 96.21	60,56 95.01
•	QC.N		8	66 77	43.00	(1) he			
		1. 2.	Bulacan	45.10	34.89	34.84	53 35	40.19 64.97	55.51 64 88
		3. 4.	Nueva Ecija Pampanga	15,79 34,23	15,47 22,42	12.16 20.62	76.72 61.40	87.03 71.78	83.06 74.97
		5. 6.	Tariac Zambales	52.98 19.04	24,86 14.02	22.74 10.85	42.27 . 70 57	75.14 85.98	76.63 89.15
,	SOU	THE	RN TAGALOG					-	
•			August and a second s			7 11	70 4.	14 gm	P 4
	-	1. 2.	Batangas	31.96	31.71	34.24	52.13	67.29	64.15
		3. 4.	Cavité Laguna	38,57 49.21	34 67 45.98	35.42 44.87	49.01 45.65	65 31 54.00	60.98 55.13
		5. 6.	Marinduque Occidental Mindoro	27 79 13 09	21.83 8.71	17.38 8.37	57,11 76 42	78.17 91.09	76.29 90.23
		7. 8	Oriental Mindoro Palawan	12.71	10.76 10.09	11,29 4 64	87.24 78.47	79.94 89.27	75.35 75.60
		9.	Ouezon	13.91	11,15	14 04	77 72	88 81	85.96
	•	10. 11.	Rombion	80 03 10.77	47.96 7.61	43,45 6,41	19 20 77 08	51.09 92.39	44,35 88,73
	8100)L RI	EGIÓN						
	-	1	Albay	12.64	37.09	22.98	69 62	62.14	72.47
		2.	Camannes Norte	16 24	10.58	949	79 08	89.15	72.90
	_	4.	Catanduanes	13 27	7.16	6 56	\$2.88	91.38	90,18
	-	5. 6.	Sorsogon	18 25	n.a	11.12	66 27	на. 6.8,	n a. 87.32
1.	WES	TER	N VISAYAS						
	-	1.	Aklan	25 25	15.13	11 4Z	73 75	74,48	77 21
	•	2	Antique	17 14	12 02	10 30	70 76	87 98 91 53	89 08 88 71
	٠	4.	Guimaras	12 44		944	78 35	n a	90 31
		5 6.	Negros Occidental	40 49	24 98	24 21	52 11	74 66	75 79
л	CEN	TRA	L VISAYAS						
		1	Bohol	55 42	39 55	36 25	44 58	60 45	63 75
		2	Cebu Neoma Occasial	40.00	24 37	21 57	11 45	75 63	78 33
		4	Siguijor	13 48	8 21	5 21	70 41	90 53	94 79
41	EAS	TER	N VIŞAYAS						
		ı	Bilirap	5 06	n a	3 98	54 19		96 02
	-	23	Eastern Samar Leyte	747 3817	4 19 24 51	4 97 20 24	85 05 61 23	95 81 75 49	95 03 79 75
	·	4	Southern Leyte Northern Samer	8 36 11 51	7 85 3 75	762 330	77 09	92 15 96 52	86 94 96 67
		6	Western Samar	8 24		4 68	80 88	N 2	95 24
х.	WE	STER	IN MINDANAO						
	•	t.	Basian	7.23		n #.	80 26	n.a	
		2. 3.	Zamboanga del Norle Zamboanga del Sur	12.70 16 82	8.78 4.95	1185 755	64 68 81,11	83 21 95 05	88.14 79.84
,	NO								
-	101		Anuana dal Nata	17 46	8.03	12 14	75 44	71 07	87 64
	٠	1.	Agusan del Sur	17.49	13.15	7 54	56 96	85 44	74 88
		3. 4.	Buludnon Carriguet	14 63 17.64	13.32 3 87	16.75	72.17 82.36	85 56 94 52	83.12 95.05
		5.	Misama Occidental Misama Onenial	15 85 42.97	9 54 45.19	7 52 43 86	64 53 45 37	90.45 47.71	92.48 54 79
		7.	Sungao del Norte	20.19	8 83	8 88	65 66	87 74	90.50
U .	sou	JTHE	RN MINDANAO						
		1.	Davao del Norte	42 01	20.16	19 89	\$7 58 61 30	79.75 An ru	62.58
		3.	Davad Onental	13 67	6.24	8.64	65 77	93.76	83.38
	•	4. 5.	South Cotabato Sungao del Sur	21 52 20 88	12 61	11.00	64 30 69 29	80.82 77.76	73 92 73.16
		6.	Sarangam	n.a,		10 58	A.a.	A 8.	89 32
QI,	CEP	ITRA	L MINDANAQ						
		1.	Lanao del Norte	22.64	17 91	12.58	58 08	82.09	67 42
		2. 3.	North Colebelo Sultan Kudaral	18 61 17.45	9.17 9.83	5.84	69 95 68 76	90.17	93 OS
RMI	M						_		
	•	1	Sulu	1.76	1.74	2.23	91 01	98.26	96.71
	•	2.	Tewi-Tewi	1.05	0.17	8 94	98.95	99 83	91.D
		3. 4,	Lanao dei sul' Magundanao	8 33 0 37	1.75	1.19	90 63	85.07	94.29

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Per Capita Total Social Sector Expenditures & Per Capita Human Priority Expenditures 1991, 1993 & 1994

1991.	1993	L
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· · ·		:	REGION/PROMINCE	Total	Sociel Seci	or	0 0 0 0 0		
				1991	1993	1994	1991	1993	1994
			· · · · · · ·						
I.	LО	cos	REGION						
		1.	llocos Norte	10.52	TT.54	82.55	6.86	7.57	2.33
}		2. 3.	flocos Sur La Union	6.36 11.28	102.35 76.22	94.74 92.69	4.76 8.85	5,86	90.25
Ì		4,	Pangasinan	6,46	28.16	89,00	1.58	10,37	57.18
CAR.	. co	RDIL	LERA ADMINISTRATIVE REGION						
			Ahra	0.06	36.4E				
	•	2.	Benguet	9.47	107.29	107.50	7,59	17.11	25.09
	1	3.	itugao Kalinga Angyag	4,01	145.49	157.75	3.83	1,19	154.60
	•	5.	Mountain Province	3.35	146.17	199.73	1.24	1.02	0.76
l 11.	CAG	3AY/	W VALLEY						
			Bataaa	18 66	745 65	660.07			
i.		z.	Cagayan	9.09	57.78	79.89	7.78	13.91	923.67 5.91
		3.	isabela Nueva Viscova	10.56	175.23	134.81	5.45	98.09	11.35
		5.	Quinno	11.77	172.37	257.35	3.18	20.31	21.52
· 10.	CE	ITRA	LUZON						
			D-1	10.01	474 74				
		2.	Bulacan	20.20	58.82	89.52	2.13	2.62	22 89 9,19
•		3.	Nueva Ecija Romoneca	14,94	48.47	107.83	4 68	5.04	20.54
		5.	Tarlac	23.21	63.39	79.14	13.74	2.43	14,77
:		6.	Zambalet	3.48	81.50	112.47	3 45	8.17	14.32 :
. N .	sou	лне	RN TAGALOG						-
	•	1.	Aurora	n.a.	107.23	123.47	n a.	58,32	0.42
:		2.	Balangas Cavula	17.95	83.58	141.01	5 69	22.39	101,23
		3. 4.	Laguna	2.00 14.65	82,18	141.54	2 90 12.05	6.57 23.19	27.64 51.33
		5.	Mannduque	4.16	91,40	124,41	2.89	5.06	68.49
		6. 7.	Oriental Mindoro	6.15 1.75	98.05 56 24	114.87 69.43	5.11 na	4.35 1.53	9.28 63.52
		8.	Palawan	4 18	85 95	114.04	1.70	3.21	4.26
		9. 10	Rizal	36.76	65.31 55.31	103.10	8 53 6.60	6.50 18,48	36.92
	•	11.	Rombion	2.59	100.14	152.73	0.48	2.07	5.67
ν.	BIC	OL R	EGION						
		١.	Albay	6 60	59 67	87 65	3 49	6 90	27 26
		2	Camannes Norte	2.66	51.SZ	48.58	2 25	36.04	2 61
		3. 4.	Canaduades	88. A 2	46.99	69 61 172 31		11.63	19.57 166 29
	•	5	Masbate	2.75	n a		2.14	R.B.	ñ #.
		6	Souragen	5 31	01	31./2	0.04	ña,	12.51
М.	WE	STEF	RN VISAYAS						
		1.	Atlan	5 53	90 00	125 28	4 04	57,45	2 55
	•	2.	Antique Caroz	8 20 3 78	76.54	104 65	5 55	16 60	11 67
	•	4	Gumaras	2 40	102 46	132 29	0 55	68 66	14 22
		5	Negros Occidental	10 02 9 98	87 54 54 70	115 62 80 89	3 91	19 69 12 93	22.79
		Č	negros conventos	550				12.34	20.33
VII	CEN	NTRA	L VISAYAS						
		1	Bohol	5 86	46 30	62 00	3 56	4 16	13 95
		ŝ	Negros Onentai	17 57	78 71	105 55	1 33	43 57	6 23
		4	Siquijor	69.0	143 43	181 58	0.06	101.06	166 22
vin	EAS	TER	N VIŞAYAŞ						
	•	1	Biliran	0 75	78 97	179 72	0 07	3 58	Z 45
	•	Ż	Eastern Samar	5 48	92 67	120 45	181	8 74	10 26 24 40
	•	4	Southern Leyte	6 62	78 67	102 13	1 80	61 21	7 45
		5	Northern Samar Western Samar	2 13	89 98	95 18	0.04	8 75	5 33
		•	evealen verde	5.50			143	et 9	2 90
IX.	WE	STEP	RN MINDANAO						
	•	1.	Basilan	3 24	A 3.	59 69	3 03	A #.	25.34
		2 3	Zamboanga del Norle Zamboanga del Sur	4.04 5.27	43.32	90 28 62.09	n.a. 4 78	1 60	32.66 46.04
v	1 100	574							
Α.	NOI				-			-	
	•	1.	Agusan del Norte Anusan del Sur	1.30 3.47	94.98 67.79	107 55 137 1A	0 89 7 76	3 60 5 77	5.31 1 71.10
		3.	Bulidhon	7.06	33.53	49 87	6 16	6 59	10.67
		4.	Carrigun Misama Occidental	2 82	21351 159 A I	185 43 157 61	2 10 1 A4	3.30 4.99	2.97
		6.	Misemis Oriental	9.96	65.51	95 87	5 55	16.55	33.71
		1.	pungao oni Norte	2.28	103.44	430.11	169	5.33	12.94
XI.	so	JTHE	ERN MINDANAO						
		1.	Davao del Norte	8.41	31.59	35 16	4 70	10.65	13.08
		2.	Davad del Sur Davad Onental	9 66 8 60	62.62 70.45	71 18 99 36	5 88 5 3A	25.03 49.79	32.72 68 64
;		4	South Cotabato	4 44	5Z 24	73.63	2 06	9 05	9 98
	•	5. 8.	Sungao del Sur Sarangani	, na. 	37 38	42.12	8 A.	10 68 4 09	42.75
	~								
, All	GEI	1110						•	
		;	Lanao del Norte North Cotabato	0 68	150.79 26 23	89 39 45 91	6 75	117.44 21.84	78.49 44 31
		3.	Sultan Kudarat	1.76	38.04	54 81	178	9.97	14 30
	м								
			5.±.	1 9 E	£ 34	3 69	3 71	A 15	3 60
	•	2.	Tawe Tawe	4.20 A 8.	1.15	A 8.	2.13 N.B.	1,15	6 a.
		3.	Lanao del Sur Macundànae	n a. 1 77	2 64	0.8. 3.15	n.≱ 1.77	0.8. 0.76	na. 3.15
		•		1.77	2.04			474	
Natic	i lanc	Ven	10e	8.95	66.09	91.70	4 11	17.00	28.21

*SRA Provinces

fn: lgc-atb4.wk1 (Aug. 8, 1996)

فيروية عليه المراجعة المراجعة المراجعة المراجعة المراجعة Social Allocation Ratio and Human Development Priority Ratio 1991, 1993 & 1994

				1991	1993	1994	1991	1993
't,	ILOCOS	REGION	· · · · · · · · · · · · · · · · · · ·		<u> </u>			
	1.	llocos Norte llocos Sur		9.76 9.31	30.44	27.39	6.39	2.97
	3. 4,	La Union Pangasinan		14.01 13.35	41,87	35.58	6.90 11.00 3.77	11.02 7 13
CAF	CORDIL	LERA ADMINISTRATIV	E REGION					,
	- 1.	Abra		0.07	9.11	43.05	0.07	0.65
		lfugao Kaisas Antwan		3.99	43.76 38.55 30.37	26.40 32.79	8.94 3.81	6.98 0.32
	• 5.	Mountain Province		2.31	35.06	26.65	2.84	14.51
U.	CAGAY	AN VALLEY						
	• 1. 2.	Batanos Cagayan		3.70 11.89	33.72 33.32	32.84 31.55	n.a. 10.17	26.01 6.02
	3. 4.	Isabela Nueva Viscaya Ouinno		12.11 4.68	66.12 40.97 35.73	58.06 40.08 39.60	6.24 3.58	37.01
III .	CENTR	AL LUZON		.003	20.71		4.50	4.21
	1.	Bataan		33.90	69.39	63 79	3.25	0 67
	2.	Bulacan Nueva Ecija		39.51 22.82	35.28 50.51	42.70	4 16 7 14	19.21 5.25
	5.	Pampanga Tarlac Zambales		19.39	37.41	37.36	14 20 11.48	6 34 1,44
IV .	SOUTH	ERN TAGALOG		4.0	33.12	34.01	- 10	2.33
	• 1.	Aurora		n 2,	29.04	22.00	A.2.	23.92
	2. 3.	Batangas Cavile		22.05 9.64	47.18 34.46	56 66 32,90	6 99 3.99	12.64 4.23
	4. 5.	Laguna Mannduque Organization Ministra		14,14 3.57	42.50	48 41 34.90	11 63 2.48	12.02 1.75
	6. 7.	Oriental Mindoro Palawan		5.82 1.83 1.81	20.08 33.03 73.04	49.61 22.87 20.44	4 84 6,2	1 25
	0. 9. 10	Quezon Rizal		15.07 11 87	43.75	44 11 38 28	12.05	4.36
	• 11.	Rombion		3 22	47.42	45 68	0 50	0.98
v	BICOL F	Albay		7 47	78.64	34 87	3 B C	
	2.	Camannes Norte Camannes Sur		3 88	28 62 37.72	16 95 43 40	329	3.29 20.02 9.14
	4	Catanduanes Masbate		n a 4 92	48 13	41 09 5 a.	n a. 3 83	36.48 n a
	6.	Sersegon		, * * 10 24	* *	- 38 06	0.08	n a
VI	WESTE	Akian		7	41.01	30 47	E 74	78.04
	2.	Antique		10 62	40 62	38 75	7 19	8 81
	• 4	Gumaras Ilodo		3 08 21 44	30 15 54 53	29 33 54 95	0 70 8 35	20.20 12 27
	6	Negros Occidental		12 45	31 77	35 86	5 80	7 51
VI	CENTR.	AL VISAYAS		6 40	71 00	24.12	1 42	
	2	Cebu Negros Onental		2 23 20 43	23 43 37 75	25 75 39 30	093 154	4 01
	4	Siquijor		0 62	36 86	29 07	0.04	25 98
VIII	EASTER	RN VISAYAS		0.47	36.70	מר לק		
	- 2	Eastern Samar		595 1171	43 08 39 54	36 23 41 55	197	405
	• 4	Southern Leyle Northern Samar		8 05 Z 19	30 52 35 13	33 95 31 64	2 19	29 99 3 42
	6	Western Samar		6 40	41	33 27	1 67	
IX.	WESTE	Reviso		3 10	<u> </u>	21 51	na f	
	2.	Zamboangs del Norte Zamboangs del Sur		4 53 8 42	32 38 28.82	33 32 25 38	2.5V - n.a. 764	075
X.	NORTH	ERN MINDANAO					- • *	
	1.	Agusan del Norte		1.57	26.11	27 95	1 06	1 06
	- 2. 3.	Agraen der Sur Bulidnon Camouch		8.94 1.95	24.83	23.76 28.53	1 8/ 7.79 1 44	1.90 4.88 0.54
	5.	Misamis Ocodental Misama Oriental		1 82 8 38	45.77 20.74	34 66 19 99	1.76	1 5Z
	7.	Sungao del Norte		2 36	40 38	33 65	1 74	2.08
XI.	SOUTH:	ERN MINDANAO			77 76	14.17		7 44
	·· 2	Davas del Sur Davas Dental		981 681	34 59 32 27	32 54 31 26	597 538	7 32 15 49 22 A0
	- 5	South Colabeto Sungao del Sur		396	27 01 24 63	26 68 35 77	154	4 68
	6	Sarangani			32.60	16.12	na.	3 57
X 11,	CENTR.	Lanao dal Norte		104	27 4 9	28.61		17 50
	2.	North Colabato Sultan Kudaral		1 82 2.23	15.38 25.59	22.41 23.17	1.12 7.23	12.81
ARI	M							
	: ;	Sulu Tanat Tanat		7.1Z	3 89	1.98	4 54	3.63
	3.	Lango del Sur		17.8. 17 8. 5 7 1	9.3.) A 8. 1.45	па. Ва. 167	03. 0.5	R.0.
		An argunt Public torth		2.10			4.13	v +2

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