

Manasan, Rosario G.

Working Paper

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

PIDS Discussion Paper Series, No. 1997-04

Provided in Cooperation with:

Philippine Institute for Development Studies (PIDS), Philippines

Suggested Citation: Manasan, Rosario G. (1997) : Local Government Financing of Social Service Sectors in a Decentralized Regime: Special Focus on Provincial Governments in 1993, PIDS Discussion Paper Series, No. 1997-04, Philippine Institute for Development Studies (PIDS), Makati City

This Version is available at:

<https://hdl.handle.net/10419/187323>

Standard-Nutzungsbedingungen:

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

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

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

Terms of use:

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

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

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

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

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

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

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



February 1997

For comments, suggestions or further inquiries please contact:

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

**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

TABLE OF CONTENTS

	<u>Page</u>
EXECUTIVE SUMMARY	i
1. INTRODUCTION	1
1.1 Objectives	6
1.2 Organization of the Study	7
2. DEGREE OF FISCAL DECENTRALIZATION	7
2.1 All LGUs	8
2.2 Provincial Governments	10
3. LGU INCOME	10
3.1 All LGUs	13
3.2 Provincial Governments	13
4. LGU EXPENDITURES	17
4.1 All LGUs	17
4.2 Provincial Governments	20
5. SOCIAL SERVICE EXPENDITURES BEFORE AND AFTER DEVOLUTION	23
5.1 All LGUs	23
5.2 Provincial Governments	25
6. DETERMINANTS OF PROVINCIAL GOVERNMENTS' SOCIAL AND HUMAN PRIORITY EXPENDITURES	28
7. SUMMARY AND RECOMMENDATIONS	33
BIBLIOGRAPHY	36

LIST OF TABLES

		<u>Page</u>
Table 1	Devolved Functions of National Government Agencies	2-3
Table 2	Number of Devolved Personnel, 1992	4
Table 3	Agency Budgets and Devolution, 1992 (in thousand pesos)	5
Table 4	Decentralized Ratios for All LGUs, 1985-1993	9
Table 5	Financial Autonomy Ratio of Different Levels of Local Governments, 1985-1993	11
Table 6	Top 10 and Bottom 10 Provinces with Respect to Financial Autonomy Ratio	12
Table 7	Top 10 and Bottom 10 Provinces with Respect to Per Capita IRA & Per Capita Local Source Revenue	14
Table 8	Top 10 and Bottom 10 Provinces with Respect to Per Capita Total Social Service Expenditures & Per Capita Human Priority Expenditures	21
Table 9	Top 10 and Bottom 10 Provinces with Respect to Social Allocation Ratio and Human Development Priority Ratio	22
Table 10	Local Government Expenditure Before and After Devolution (in million pesos)	24
Table 11	Difference Between 1993 and 1991 Per Capita Real Expenditure Levels and Real Per Capita Net Resource Transfer	26
Table 12	Difference Between 1994 and 1991 Per Capita Real Expenditure Levels and Real Per Capita Net Resource Transfer	27
Table 13	Determinants of 1993 Per Capita Provincial Government Expenditure in Social Sectors	30
Table 14	Determinants of 1994 Per Capita Provincial Government Expenditures in Social Sectors	32

LIST OF FIGURES

	<u>Page</u>	
Figure 1	Revenue Structure of All Local Governments, (Ratio to GNP in Percent) 1981-1994	15
Figure 2	Revenue Structure of All Local Governments, (Ratio to Total Income in %) 1981-1994	16
Figure 3	Ratio to GNP of Local Government Expenditures (in percent)	18
Figure 4	Sectoral Distribution of Local Government Expenditures (in percent)	19

LIST OF ANNEX TABLES

Annex Table 1	Financial Autonomy Ratio of Provincial Governments, 1991, 1993 and 1994	37
Annex Table 2	Per Capita IRA, Local Revenue and Total Receipts of Provincial Governments, 1991, 1993 and 1994	38
Annex Table 3	Ratio of Local Source Revenue and IRA to Total Receipts, 1991, 1993 and 1994 (in percent)	39
Annex Table 4	Per Capita Total Social Sector Expenditures and Per Capita Human Priority Expenditures, 1991, 1993 and 1994	40
Annex Table 5	Social Allocation Ratio and Human Development Priority Ratio, 1991, 1993 and 1994	41

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 levying 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	<ul style="list-style-type: none"> - land and homw development improvement projects.
Department of Agriculture	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - local government budget officer services.
Department of Environment and Natural Resources	<ul style="list-style-type: none"> - forest management services; - mine and geo-sciences services; - environmental management services; - reforestation projects; - integrated social forestry projects; - watershed rehabilitation projects.
Department of Health	<ul style="list-style-type: none"> - 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 infirmaries.

Table 1
DEVOLVED FUNCTIONS OF NATIONAL GOVERNMENT AGENCIES*

NGAs	FUNCTIONS
Department of Public Work and Highways	<ul style="list-style-type: none"> - repair and maintenance of infrastructure facilities; - water supply projects; and - communal irrigation projects.
Department of Social Welfare and Development	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - domestic tourism promotion; - tourism standard regulation.
Department of Trade and Industry	<ul style="list-style-type: none"> - promotion and development of trade, industry and related institutional services.
Department of Transportation and Communication	<ul style="list-style-type: none"> - telecommunication services; - transportation franchising and regulatory services.
Cooperatives Development Authority	<ul style="list-style-type: none"> - promotion, development and regulation of cooperatives function; - cooperatives field operation function.
Housing and Land Use Regulatory Board	<ul style="list-style-type: none"> - regulation of human settlement plans and programs function.
Philippine Gamefowl Commission	<ul style="list-style-type: none"> - regulation and supervision of cockfighting function.

2/2

- 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	<u>136,509</u>	<u>66,226</u>	<u>70,283</u>

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	1,842,374	1,832,985	9,389
Department of Agriculture	5,210,028	4,154,408	1,055,620
Department of Budget and Management	465,379	292,532	172,847
Department of Environment and Natural Resources	1,941,782	3,774,107	167,675
Department of Health	9,991,392	6,140,313	3,851,079
Department of Public Works and Highways	27,109,267	26,012,920	1,096,347
Department of Social Welfare and Development	1,320,708	454,288	866,420
Department of Tourism	207,721	204,968	2,753
Department of Transportation and Communication	7,563,929	7,563,832	97
Philippine Gamefowl Commission	15,208	6,503	8,705
Total	<u>55,667,788</u>	<u>50,436,856</u>	<u>7,230,932</u>

17 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 Commission).

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;
- * 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 revenue decentralization ratio (RDR) measures the relative significance of local revenues in general government revenue.¹ It is defined as the share of LGUs in total general government revenue. Second, the expenditure decentralization ratio (EDR) measures the importance of local expenditures 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

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.

Table 4
Decentralization Ratios for All LGUs, 1985-1993

	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				
1985-1991	4.86	7.04	11.00	51.60
1992-1994	5.41	12.56	19.10	38.80
1985-1994	5.12	9.42	14.54	44.20

Notes:

RDR = Ratio of LGU revenue from local sources to general government revenue

EDR = Ratio of LGU expenditure to general government expenditure

MEDR = 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.

Table 5
Financial Autonomy Ratio of Different Levels of Local Governments
1985-1993

	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	34.32	48.33	66.41
1992-1994	23.59	38.74	49.70
1985-1994	28.65	42.75	56.65

fn: lgctb5.wk1 (8/6/96)

Table 6
Top 10 and Bottom 10 Provinces with Respect to Financial Autonomy Ratio

1994			
Top 10		Bottom 10	
Bataan	44.16	Maguindanao	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	Ifugao	4.39
Bulacan	35.61	Western Samar	4.56
La Union	33.05	Batanes	4.69
1993			
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	Ifugao	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			
Top 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	Western Samar	8.07

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

Per Capita IRA		1994		Per Capita LSR			
		Top 10	Bottom 10			Top 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
Siquijor	640.63	Bulacan	139.49	Batanes	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	Iloilo	162.93	Ilocos Sur	106.55	Biliran	17.18
Ifugao	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

Per Capita IRA		1993		Per Capita LSR			
		Top 10	Bottom 10			Top 10	Bottom 10
Batanes	1871.39	Bulacan	101.49	Bataan	166.33	Tawi-Tawi	0.37
Camiguin	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
Siquijor	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	Iloilo	127.00	Albay	83.49	Abra	7.79
Palawan	362.32	Tarlac	127.48	Benguet	79.84	Eastern Samar	10.33
Abra	357.65	Cebu	127.82	Marinduque	69.96	Ilocos Sur	13.33
Ifugao	354.43	Pangasinan	131.61	Batangas	65.53	Pangasinan	15.50

Per Capita IRA		1991		Per Capita LSR			
		Top 10	Bottom 10			Top 10	Bottom 10
Batanes	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	Batanes	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	Iloilo	46.80	Davao del Norte	39.33	Eastern Samar	7.08
Ifugao	93.43	Albay	48.33	Negros Occidental	38.41	Ilocos Sur	7.26

fn: lgetb7.wk1 (08/12/96)

Figure 1
REVENUE STRUCTURE OF ALL LOCAL GOVERNMENTS,
 (Ratio to GNP in Percent)
 1981-1994

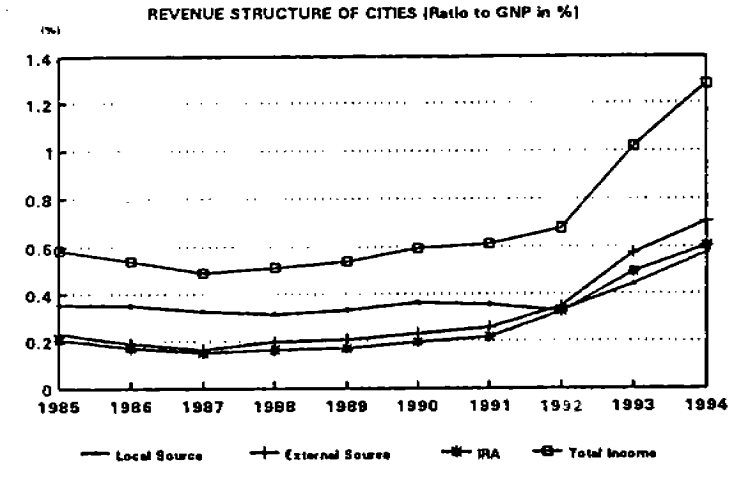
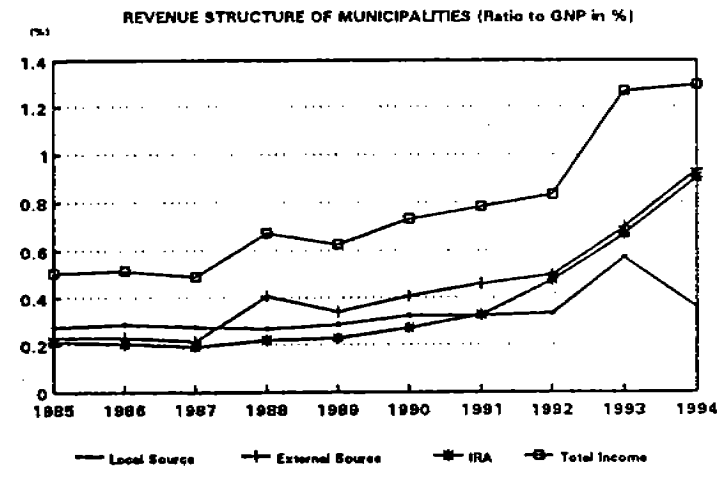
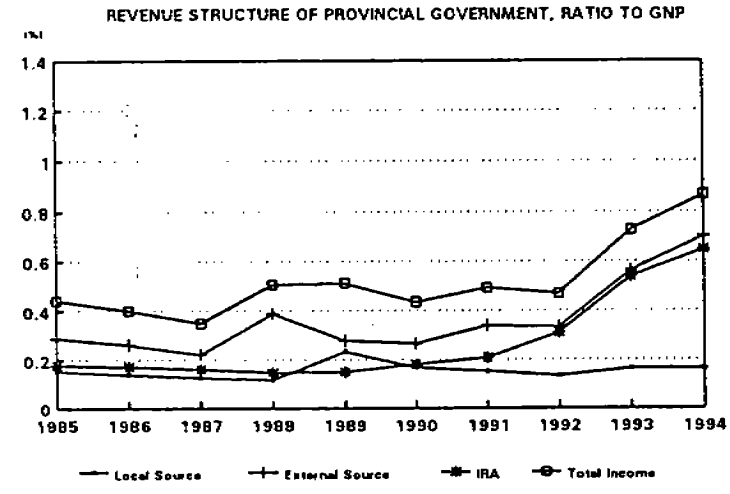
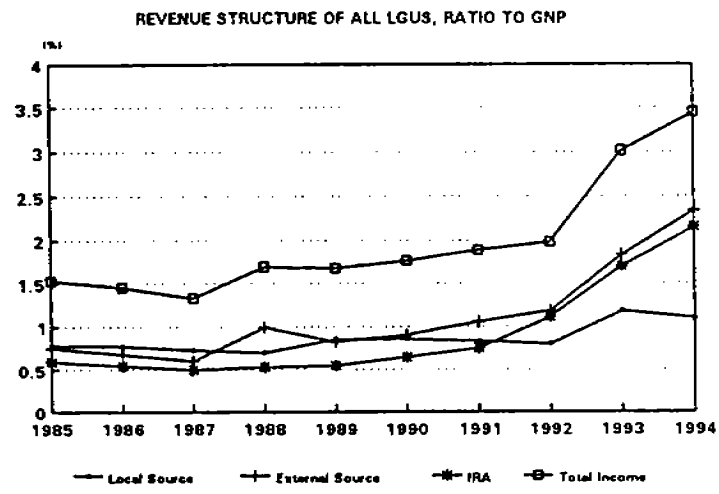
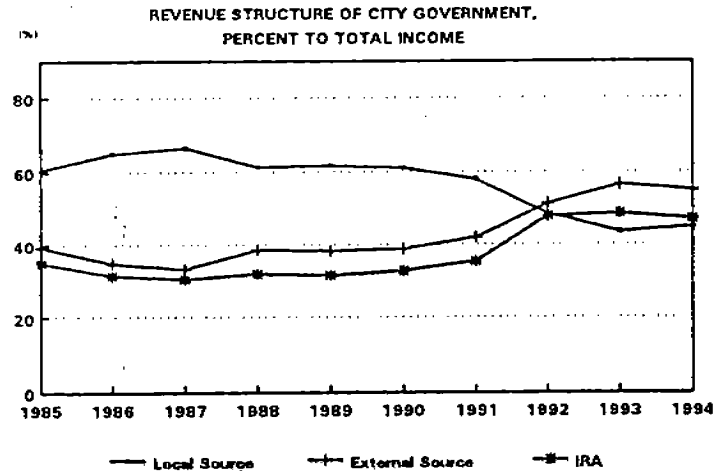
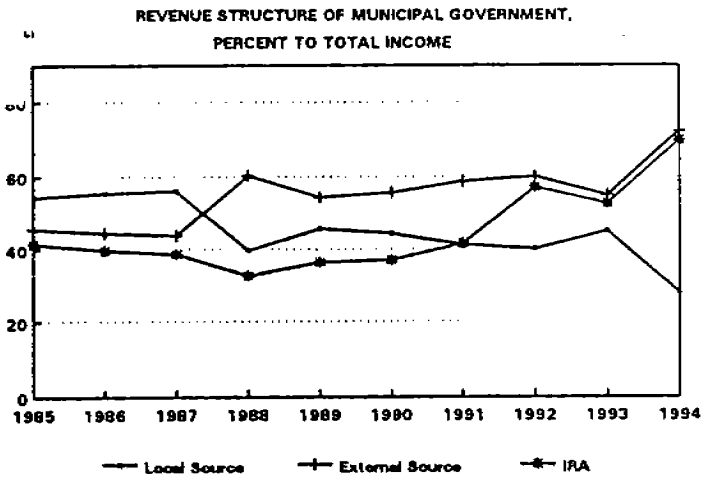
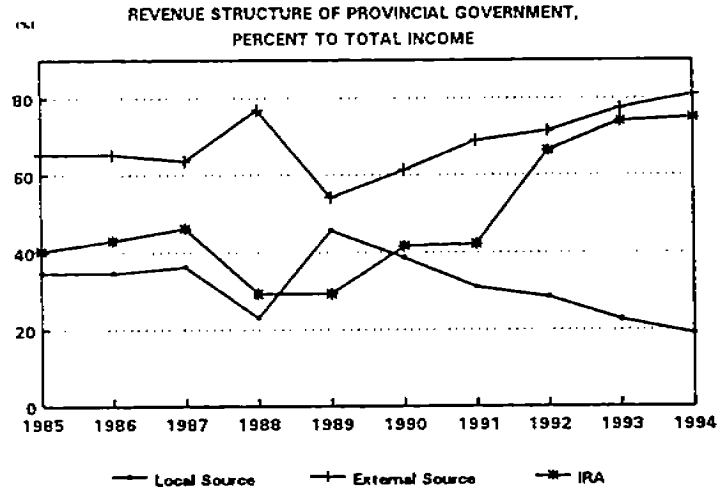
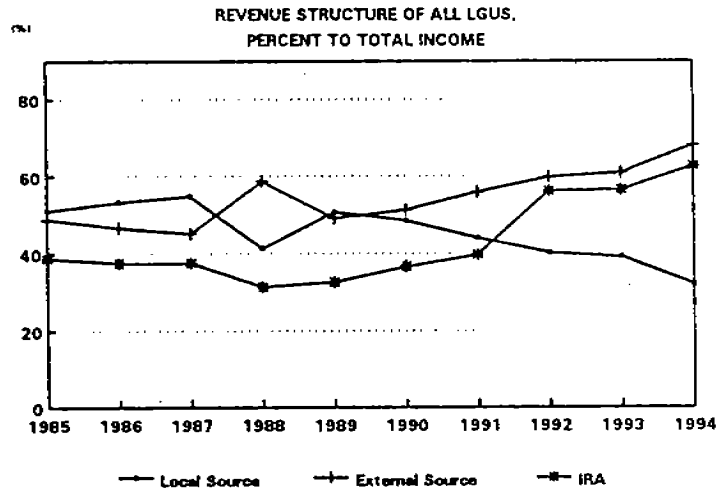


Figure 2
REVENUE STRUCTURE OF ALL LOCAL GOVERNMENTS,
 (Ratio to Total Income in %)
 1981-1994



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

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;
- * *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)."

* 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
 (in percent)

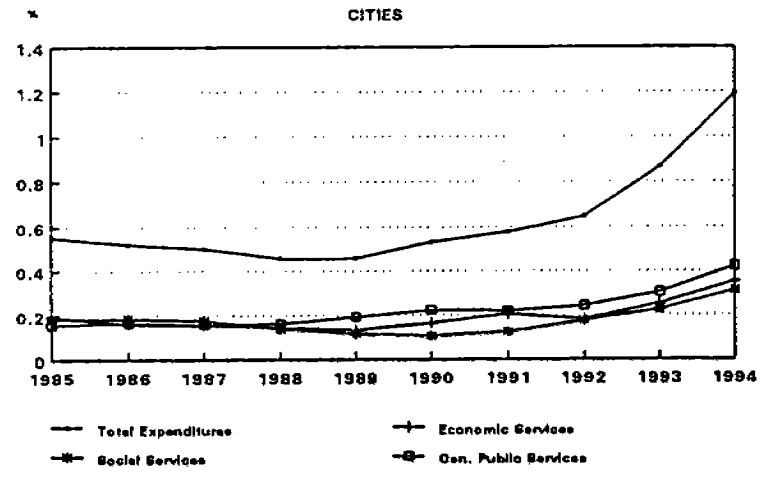
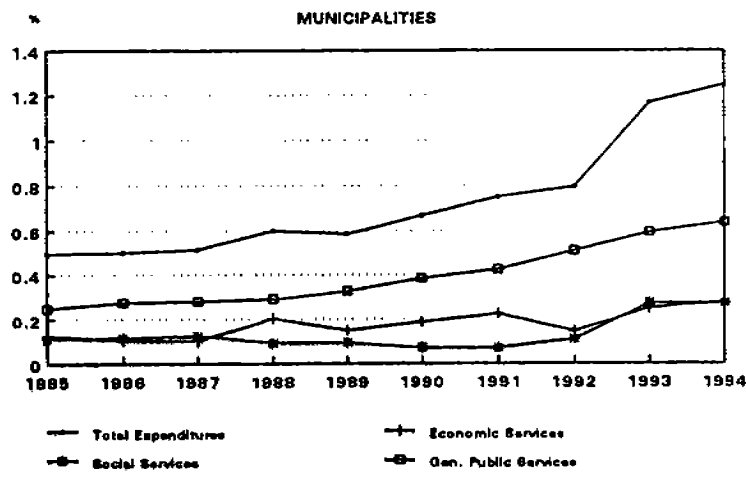
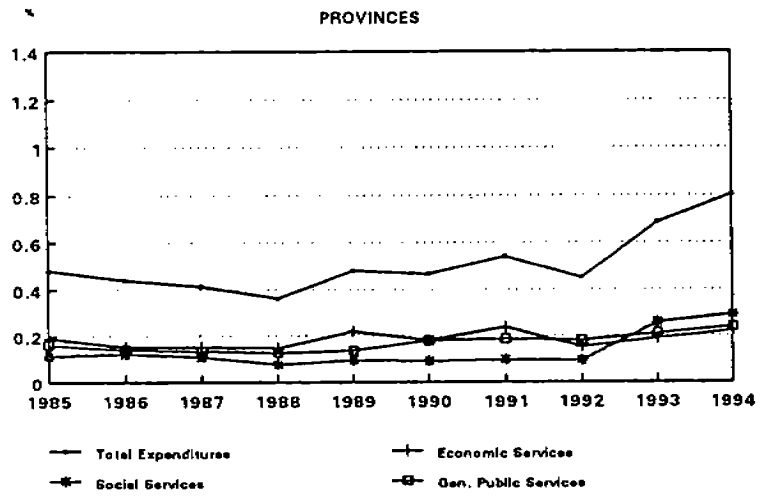
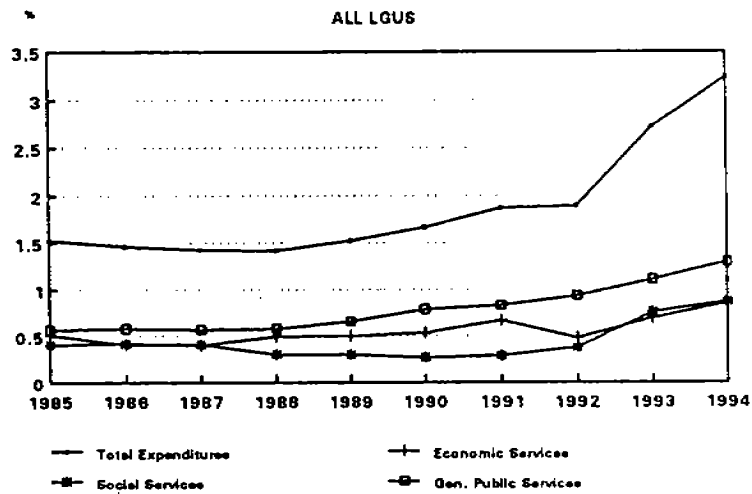
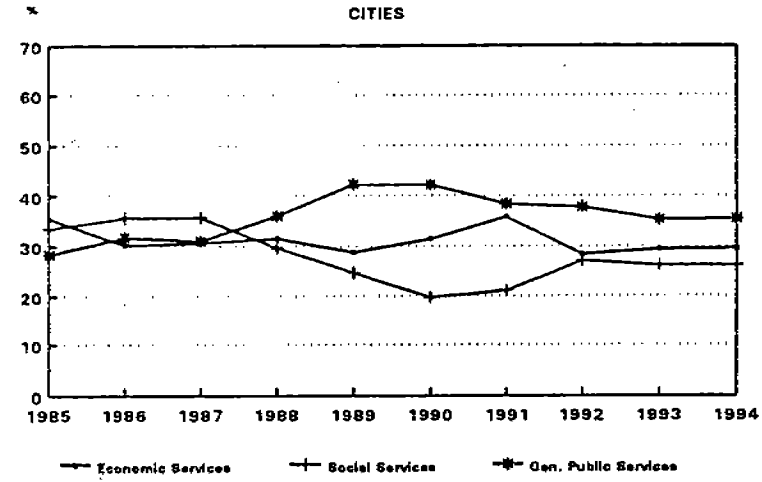
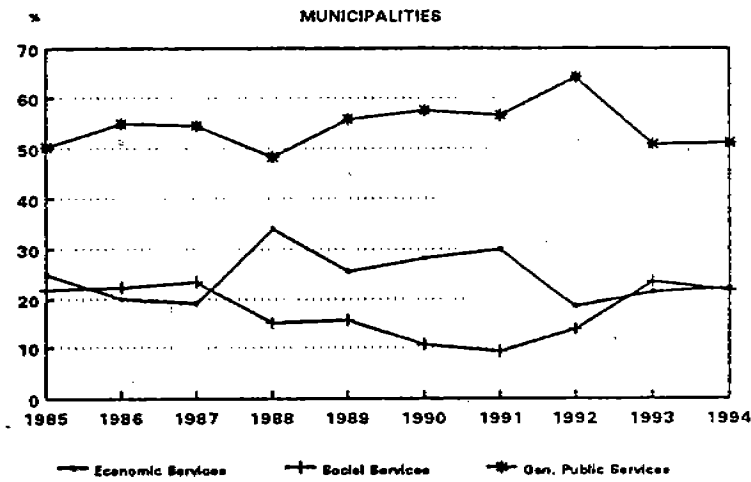
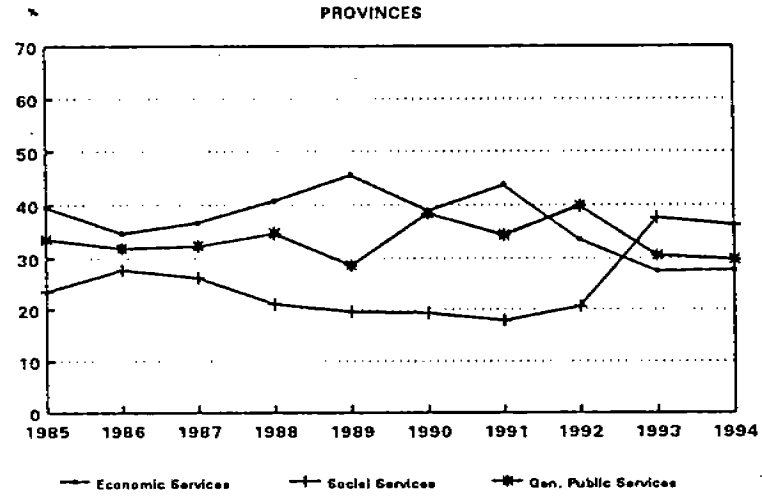
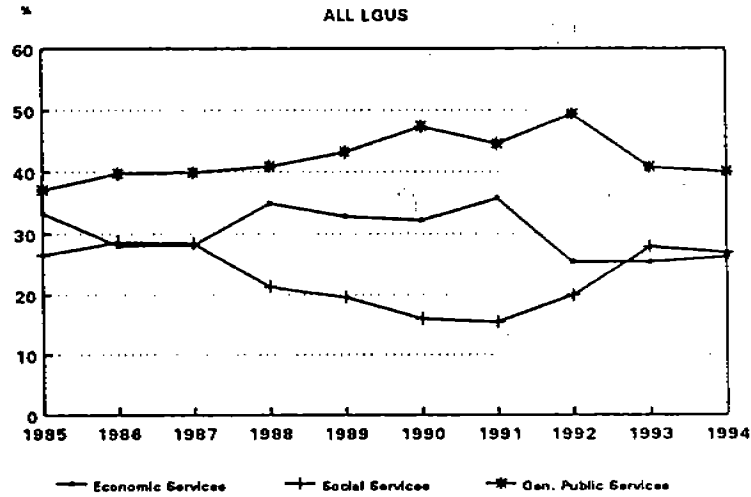


Figure 4
 SECTORAL DISTRIBUTION OF LOCAL GOVERNMENT EXPENDITURES
 (in percent)



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

1994							
Per Capita Total Social Expenditures		Per Capita Human Priority 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	257.35	Sarangani	42.12	Ifugao	154.60	Ilocos Norte	2.33
Surigao del Norte	230.77	North Cotabato	45.91	Batangas	101.23	Capiz	2.38
Abra	205.93	Camarines Norte	48.58	Ilocos Sur	90.28	Western Samar	2.40
Mountain Province	199.73	Bukidnon	49.87	Lanao del Norte	78.49	Biliran	2.45
Camiguin	186.43	Cebu	53.98	Kalinga Apayao	74.01	Aklan	2.58
Siquijor	181.58	Sultan Kudarat	54.81	Agusan del Sur	71.10	Camarines Norte	2.61
Biliran	179.72	Pampanga	54.85	Quezon	70.29	Abra	2.75

1993							
Per Capita Total Social Expenditures		Per Capita Human Priority Expenditures					
Top 10	Bottom 10	Top 10	Bottom 10				
Batanes	745.95	Tawi-Tawi	1.15	Batanes	619.72	Maguindanao	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 Norte	1.80
Quirino	172.37	Davao del Norte	31.59	Guimaras	68.66	Romblon	2.07
Misamis Occidental	159.81	Bukidnon	33.53	Kalinga Apayao	64.28	Tarlac	2.43
Lanao del Norte	150.79	Sarangani	37.38	Southern Leyte	61.21	Abra	2.56
Mountain Province	146.17	Sultan Kudarat	38.04	Aklan	57.45	Bataan	2.62

1991							
Per Capita Total Social Expenditures		Per Capita Human Priority Expenditures					
Top 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
Tarlac	23.21	Biliran	0.75	La Union	8.85	Abra	0.05
Bulacan	20.20	Siquijor	0.89	Pampanga	8.61	Siquijor	0.06
Batanes	18.66	North Cotabato	1.22	Quezon	8.53	Biliran	0.07
Batangas	17.95	Agusan del Norte	1.30	Cagayan	7.78	Romblon	0.48
Negros Oriental	17.57	Oriental Mindoro	1.75	Benguet	7.59	Guimaras	0.55
Nueva Ecija	14.94	Maguindanao	1.77	Ilocos Norte	6.88	North Cotabato	0.75
Laguna	14.65	Sultan Kudarat	1.78	Rizal	6.80	Agusan del Norte	0.89
Quirino	11.77	Misamis Occidental	1.90	Leyte	6.34	Mountain Province	1.24

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

1994							
Social Allocation Ratio		Human Development Priority Ratio					
Top 10	Bottom 10	Top 10	Bottom 10				
Bataan	63.79	Maguindanao	1.57	Batangas	40.68	Aurora	0.07
Kalinga apayao	58.86	Sulu	1.98	Catanduanes	39.65	Mountain Province	0.11
Isabela	58.06	Davao del Norte	14.12	Quezon	34.93	Biliran	0.30
Batangas	56.66	Sarangani	16.12	Pangasinan	32.25	Misamis Occidental	0.45
Iloilo	54.95	Camarines Norte	16.95	Ifugao	32.13	Camiguin	0.45
Pangasinan	50.19	Misamis Oriental	19.99	Batanes	31.92	Abra	0.57
Laguna	48.41	Palawan	20.44	Ilocos Sur	30.65	Western Samar	0.70
Romblon	45.68	Basilan	21.51	Siquijor	26.61	Palawan	0.76
Quezon	44.11	Aurora	22.00	Lanao del Norte	25.12	Ilocos Norte	0.77
Camarines Sur	43.40	Biliran	22.29	North Cotabato	21.63	Aklan	0.79

1993							
Social Allocation Ratio		Human Development Priority Ratio					
Top 10	Bottom 10	Top 10	Bottom 10				
Bataan	69.39	Tawi-Tawi	0.53	Isabela	37.01	Mountain Province	0.24
Isabela	66.12	Maguindanao	1.40	Catanduanes	36.48	Ifugao	0.32
Iloilo	54.53	Sulu	3.89	Southern Leyte	29.90	Maguindanao	0.42
Nueva Ecija	50.51	Abra	9.11	Aklan	28.05	Tawi-Tawi	0.53
Misamis Occidental	48.77	North Cotabato	15.38	Batanes	28.01	Camiguin	0.56
Ilocos Sur	48.59	Pangasinan	19.36	Siquijor	25.98	Bataan	0.67
Catanduanes	48.13	Misamis Oriental	20.74	Aurora	23.92	Zamboanga del Nort	0.75
Capiz	47.76	Bohol	21.99	Davao Oriental	22.80	Palawan	0.86
Romblon	47.42	Davao del Norte	22.30	Negros Oriental	20.90	Abra	0.88
Batangas	47.18	Lanao del Norte	22.49	Guimaras	20.20	Oriental Mindoro	0.96

1991							
Social Allocation Ratio		Human Development Priority Ratio					
Top 10	Bottom 10	Top 10	Bottom 10				
Bulacan	39.51	Abra	0.07	Pampanga	14.20	Northern Samar	0.04
Bataan	33.90	Siquijor	0.62	Quezon	12.06	Siquijor	0.04
Nueva Ecija	22.82	Biliran	0.87	Laguna	11.63	Abra	0.07
Batangas	22.06	Lanao del Norte	1.04	Tarlac	11.48	Sorsogon	0.08
Iloilo	21.44	Agusan del Norte	1.57	La Union	11.00	Biliran	0.09
Negros Oriental	20.43	Palawan	1.81	Cagayan	10.17	Romblon	0.60
Tarlac	19.39	Misamis Occidental	1.82	Iloilo	8.35	Guimaras	0.70
Quirino	16.65	North Cotabato	1.82	Leyte	8.06	Palawan	0.74
Pampanga	15.66	Oriental Mindoro	1.83	Bukidnon	7.79	Mountain Province	0.85
Quezon	15.07	Camiguin	1.95	Zamboanga del Sur	7.64	Cebu	0.93

fn: lgctb9.wk1 (08/12/96)

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

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 per capita terms (i.e., after adjusting for inflation and population 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)

	1993 (actual)				1993 (levels that would have preserved 1991 levels in nominal terms)				1993 (levels that would have preserved 1991 levels in real terms)				1993 (levels that would have preserved 1991 levels in real per capita terms)			
	Total	Provinces	Mun's	Cities	Total	Provinces	Mun's	Cities	Total	Provinces	Mun's	Cities	Total	Provinces	Mun's	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	8700.1	35231.0	11546.6	14579.5	9104.9
Total Economic Services	10411.5	2827.5	3755.1	3829.0	9626.8	3438.7	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	8111.6	3530.2	2852.1	1729.3	9340.5	4065.0	3284.2	1991.3	9775.1	4254.2	3437.0	2083.9
Education	2917.9	521.0	1331.8	1065.1	843.3	109.1	352.5	381.7	971.1	125.6	405.9	439.6	1016.2	131.5	424.8	460.0
Health	5233.0	2488.9	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
Social Welfare, Labor & Other Soc. Se	871.6	112.2	482.5	277.0	1357.5	161.8	781.5	414.3	1563.2	186.3	899.8	477.1	1635.9	195.0	941.7	499.3
Housing and Community Development	2371.5	743.5	560.9	1067.1	1144.2	788.4	146.2	209.6	1317.5	907.8	168.4	241.3	1378.8	950.1	176.2	252.6
General Public Services	16630.9	3143.2	8908.2	4579.4	10686.9	2368.5	5365.4	2953.0	12306.0	2727.3	6178.3	3400.4	12878.6	2854.2	6465.7	3558.6
Public Administration	16327.5	3103.0	8804.9	4419.7	10593.3	2367.0	5341.6	2884.8	12198.2	2725.6	6150.8	3321.8	12765.7	2852.4	6437.0	3476.4
Peace and Order	303.4	40.3	103.3	159.8	93.6	1.5	23.8	68.2	107.8	1.8	27.5	78.6	112.8	1.9	28.7	82.2
Others	1924.9	330.8	665.2	928.9	810.1	244.2	364.1	201.9	932.8	281.2	419.2	232.5	976.2	294.2	438.7	243.3
	1994 (actual)				1994 (levels that would have preserved 1991 levels in nominal terms)				1994 (levels that would have preserved 1991 levels in real terms)				1994 (levels that would have preserved 1991 levels in real per capita terms)			
	Total	Provinces	Mun's	Cities	Total	Provinces	Mun's	Cities	Total	Provinces	Mun's	Cities	Total	Provinces	Mun's	Cities
GRAND TOTAL NET OF DEBT SERVIC	55620.4	13782.7	21555.2	20282.5	29235.4	9581.6	12098.4	7555.4	37041.3	12139.9	15328.6	9572.7	39656.4	12997.0	16410.8	10248.6
Total Economic Services	14830.0	3872.8	4816.8	6140.4	9626.8	3438.7	3516.8	2671.3	12197.2	4356.9	4455.8	3384.5	13058.3	4664.5	4770.4	3623.4
Total Social Services	15208.1	5055.1	4720.2	5430.9	8111.6	3530.2	2852.1	1729.3	10277.4	4472.8	3613.6	2191.0	11003.0	4788.5	3668.8	2345.7
Education	4005.2	703.0	1355.2	1947.0	843.3	109.1	352.5	381.7	1068.5	138.2	446.6	483.6	1143.8	148.0	478.1	517.8
Health	6534.8	3048.9	1980.3	1507.5	4766.6	2471.0	1571.9	723.7	6039.3	3130.7	1991.7	916.9	8465.6	3351.7	2132.3	981.7
Social Welfare, Labor & Other Soc. Se	1255.0	230.2	607.4	417.3	1357.5	161.8	781.5	414.3	1720.0	205.0	990.1	524.9	1841.4	218.4	1060.0	582.0
Housing and Community Development	3411.2	1075.0	777.2	1559.0	1144.2	788.4	146.2	209.6	1449.7	998.9	185.3	265.5	1552.0	1069.4	198.4	284.3
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
Public Administration	22220.7	4100.7	10983.3	7136.7	10593.3	2367.0	5341.6	2884.8	13421.7	2998.9	6767.8	3655.0	14389.2	3210.7	7245.5	3913.0
Peace and Order	358.5	53.0	86.8	218.6	93.6	1.5	23.8	68.2	118.6	2.0	30.2	86.5	127.0	2.1	32.3	82.8
Others	3005.1	701.1	948.1	1355.8	810.1	244.2	364.1	201.9	1026.4	309.4	461.3	255.8	1098.9	331.2	493.8	273.8

In: lgc2b10.wk1 (8-12-96)

from: ln:lg9183f.wk1 & lgx9194f.wk1 (rgm)

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 1991 Per Capita Real Expenditure Levels and Real Per Capita Net Resource Transfer

REGION/PROVINCE (1993)	Actual 1993 Expenditures Less 1991 expenditures Adjusted for Inflation, Cost of Divorced Function and Population Growth					Net Resource Transfers
	Education	Health & Population	Social Welfare	Total Social	Human Priority Expenditures	
I. ILOCOS REGION						
1. Ilocos Norte	1.88	(3.43)	(0.82)	(4.70)	(0.36)	10.32
2. Ilocos Sur	4.55	(1.09)	(0.64)	2.30	0.38	(22.19)
3. La Union	7.45	52.70	(0.20)	62.14	9.86	(13.51)
4. Pangasinan	7.25	(42.69)	0.37	(32.13)	8.55	5.19
CAR. CORDILLERA ADMINISTRATIVE REGION						
1. Abra	0.79	(77.56)	4.90	(71.86)	2.50	13.97
2. Benguet	11.99	7.02	0.19	18.37	8.36	(0.35)
3. Ifugao	0.47	(19.12)	(0.09)	(18.74)	(3.21)	(58.66)
4. Kalinga Apayao	1.52	(12.36)	(1.27)	(12.11)	60.01	(42.80)
5. Mountain Province	0.00	(89.19)	2.24	(88.32)	(0.41)	(57.55)
II. CAGAYAN VALLEY						
1. Batanes	6.22	(71.96)	(13.74)	(100.97)	n.a.	(294.07)
2. Cagayan	0.82	(9.53)	0.22	(6.99)	4.95	33.70
3. Isabela	92.52	(12.53)	9.59	105.81	91.82	(138.00)
4. Nueva Viscaya	5.27	(45.10)	1.36	(37.29)	4.84	(56.21)
5. Quirino	11.99	(21.37)	4.13	(5.82)	16.65	3.26
III. CENTRAL LUZON						
1. Bataan	23.96	(20.42)	(0.43)	92.94	(2.70)	(75.16)
2. Bulacan	8.76	(16.18)	3.79	(10.13)	29.57	(13.05)
3. Nueva Ecija	(0.48)	5.30	12.51	16.86	(0.35)	56.50
4. Pampanga	6.00	(7.49)	(0.52)	(0.58)	(1.76)	(2.73)
5. Tarlac	(1.23)	(3.03)	2.59	(2.16)	(13.39)	3.15
6. Zambales	3.80	(9.97)	(0.39)	(6.56)	2.16	(24.08)
IV. SOUTHERN TAGALOG						
1. Aurora	n.a.	n.a.	n.a.	n.a.	n.a.	67.68
2. Batangas	16.50	(5.02)	(0.25)	19.06	15.84	22.85
3. Cavite	3.94	(11.01)	3.17	(3.72)	3.23	(3.88)
4. Laguna	18.98	(6.18)	1.44	14.47	9.31	(6.81)
5. Marikina	5.12	(6.81)	7.30	5.60	1.73	(6.94)
6. Occidental Mindoro	2.41	0.99	(0.08)	3.33	n.a.	13.82
7. Oriental Mindoro	3.13	5.39	(0.24)	8.06	1.63	17.57
8. Palawan	11.15	(6.40)	1.00	5.90	1.25	78.24
9. Quezon	5.99	(11.47)	(0.15)	(4.77)	(3.32)	(10.01)
10. Rizal	(6.37)	(0.53)	1.28	(10.91)	10.66	15.24
11. Romblon	1.52	(36.33)	(0.39)	(36.88)	1.52	(57.47)
V. BICOL REGION						
1. Albay	1.94	(10.73)	(3.50)	(11.64)	2.88	(11.91)
2. Camarines Norte	3.48	(14.91)	1.34	(9.55)	33.44	4.79
3. Camarines Sur	n.a.	n.a.	n.a.	n.a.	n.a.	(4.12)
4. Catanduanes	n.a.	n.a.	n.a.	n.a.	n.a.	(111.79)
5. Masbate	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
6. Sorsogon	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
VI. WESTERN VISAYAS						
1. Aklan	5.38	(12.58)	(0.17)	3.31	52.79	(26.20)
2. Antique	1.50	(10.90)	(0.26)	(11.96)	10.21	(22.04)
3. Capiz	1.67	(16.34)	5.21	12.74	0.12	(9.60)
4. Guimaras	5.40	51.21	1.33	57.28	68.03	56.13
5. Iloilo	8.13	12.24	(0.11)	19.81	15.20	(7.00)
6. Negros Occidental	3.06	(9.99)	3.27	(4.94)	7.58	28.68
VII. CENTRAL VISAYAS						
1. Bohol	2.82	(4.67)	(0.78)	(1.83)	(0.29)	4.81
2. Cebu	1.30	(13.54)	(0.26)	(10.18)	3.42	3.97
3. Negros Oriental	9.00	(10.52)	(0.02)	(12.54)	42.04	(3.08)
4. Siquijor	1.41	(60.48)	(0.26)	(59.25)	100.99	(67.01)
VIII. EASTERN VISAYAS						
1. Biliran	2.40	(16.02)	(0.67)	(14.91)	3.50	(4.79)
2. Eastern Samar	1.33	(33.23)	(0.05)	(31.94)	6.65	(45.12)
3. Leyte	7.88	(13.34)	0.40	(6.68)	7.53	(24.71)
4. Southern Leyte	1.10	(22.60)	(0.05)	(21.82)	59.14	(37.80)
5. Northern Samar	1.56	(16.53)	0.38	(14.81)	8.71	(37.85)
6. Western Samar	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
IX. WESTERN MINDANAO						
1. Basilan	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
2. Zamboanga del Norte	2.33	(12.10)	(0.12)	(10.55)	1.80	2.39
3. Zamboanga del Sur	1.11	(11.79)	1.76	(5.83)	(1.55)	11.20
X. NORTHERN MINDANAO						
1. Agusan del Norte	2.82	(45.95)	6.18	(36.69)	2.58	(53.82)
2. Agusan del Sur	14.13	(7.12)	(0.05)	6.79	2.07	34.88
3. Bukidnon	4.06	(6.99)	(0.17)	(3.56)	(0.50)	28.06
4. Cariguan	4.11	(3.37)	(0.73)	8.54	0.88	(24.66)
5. Misamis Occidental	3.75	(24.53)	(0.72)	(21.58)	2.87	(29.47)
6. Misamis Oriental	14.04	(5.02)	0.01	3.95	10.16	(8.93)
7. Surigao del Norte	1.75	(65.40)	(0.44)	(64.77)	3.39	(81.36)
XI. SOUTHERN MINDANAO						
1. Davao del Norte	2.13	3.11	0.69	5.43	5.23	35.73
2. Davao del Sur	4.69	11.86	1.95	18.39	21.27	23.80
3. Davao Oriental	5.24	0.56	1.68	9.54	43.60	28.29
4. South Cotabato	9.84	(17.59)	0.75	(6.99)	6.68	(52.53)
5. Surigao del Sur	n.a.	n.a.	n.a.	n.a.	n.a.	111.51
6. Sarangani	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
XII. CENTRAL MINDANAO						
1. Lanao del Norte	0.21	41.64	6.71	58.53	n.a.	(33.79)
2. North Cotabato	1.36	(2.36)	(0.19)	(1.15)	20.87	57.39
3. Sultan Kudarat	1.88	(3.21)	0.30	(1.03)	7.93	27.75
ARMM						
1. Sulu	2.02	1.09	(1.79)	1.32	3.01	61.98
2. Tawi-Tawi	n.a.	n.a.	n.a.	n.a.	n.a.	86.44
3. Lanao del Sur	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
4. Maguindanao	0.37	0.23	0.00	0.60	(1.26)	61.30

Table 12
Difference Between 1984 and 1991 Per Capita Real Expenditure Levels and Real Per Capita Net Resource Transfer

REGION/PROVINCE (1994)	Actual 1994 Expenditures Less 1991 expenditures Adjusted for Inflation, Cost of Developed Function and Population Growth					Net Resource Transfers
	Education	Health & Population	Social Welfare	Total Social	Human Priority Expenditures	
I. ILOCOS REGION						
1. Ilocos Norte	5.61	(10.22)	(0.46)	(7.93)	(8.39)	67.58
2. Ilocos Sur	3.33	(18.81)	(1.24)	(15.35)	84.25	10.98
3. La Union	8.43	63.79	(0.36)	77.20	(0.35)	22.15
4. Pangasinan	3.96	(4.72)	7.02	22.66	55.18	25.30
CAR. CORDILLERA ADMINISTRATIVE REGION						
1. Abra	85.31	6.27	6.17	97.75	2.68	103.77
2. Benguet	17.14	(6.71)	1.18	9.67	15.47	36.50
3. Ifugao	(0.15)	(24.83)	2.03	(22.95)	149.75	48.88
4. Kalinga Apayao	2.05	(16.91)	(0.70)	125.26	69.31	61.10
5. Mountain Province	0.76	(57.63)	(1.02)	(58.27)	(0.81)	28.25
II. CAGAYAN VALLEY						
1. Batanes	23.61	26.07	(7.63)	18.41	n.a.	245.92
2. Cagayan	4.20	4.94	1.14	6.63	(3.95)	71.92
3. Isabela	5.48	(12.41)	28.94	58.42	4.45	35.68
4. Nueva Viscaya	4.25	(8.12)	2.57	(2.31)	10.53	10.44
5. Quirino	23.86	1.90	9.53	61.30	17.50	69.01
III. CENTRAL LUZON						
1. Bataan	30.17	(7.57)	1.26	67.80	17.04	(15.46)
2. Bulacan	25.34	(14.61)	4.19	13.95	6.49	13.45
3. Nueva Ecija	13.86	32.61	17.85	73.04	14.62	82.25
4. Pampanga	5.86	(2.74)	(0.28)	2.82	2.44	21.43
5. Tarlac	1.15	2.51	1.60	7.02	(2.63)	31.46
6. Zambales	10.00	5.83	(0.25)	15.58	9.90	30.00
IV. SOUTHERN TAGALOG						
1. Aurora	n.a.	n.a.	n.a.	n.a.	n.a.	114.43
2. Batangas	23.91	16.22	(0.18)	70.03	94.02	55.61
3. Cavite	19.24	(4.70)	(0.02)	14.49	23.97	24.88
4. Laguna	57.27	5.29	1.73	67.04	46.06	22.60
5. Marinduque	11.40	11.11	7.66	30.01	64.83	58.88
6. Occidental Mindoro	4.80	5.98	(0.15)	10.64	2.61	73.19
7. Oriental Mindoro	5.83	9.93	(0.04)	16.42	n.a.	43.32
8. Palawan	7.79	14.76	3.41	25.96	2.11	136.52
9. Quezon	2.98	8.60	0.36	11.64	59.47	24.34
10. Rizal	11.46	9.03	1.95	30.23	28.31	7.67
11. Romblon	5.06	(1.10)	(0.15)	1.98	5.06	17.20
V. BICOL REGION						
1. Albay	15.56	(3.23)	(3.35)	8.97	17.84	27.47
2. Camarines Norte	3.77	(23.41)	(1.20)	(18.61)	(0.25)	33.16
3. Camarines Sur	n.a.	n.a.	n.a.	n.a.	n.a.	39.17
4. Calanduanes	n.a.	n.a.	n.a.	n.a.	n.a.	(41.89)
5. Masbate	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
6. Sorsogon	5.95	0.71	1.40	7.64	12.46	20.01
VI. WESTERN VISAYAS						
1. Aklan	4.35	(5.08)	(0.17)	32.90	(2.55)	21.92
2. Antique	4.34	5.70	(0.24)	7.37	4.65	25.39
3. Capiz	2.51	(2.86)	0.91	8.50	(1.47)	41.47
4. Guimaras	11.05	69.94	3.52	82.59	13.53	112.82
5. Iloilo	13.27	9.40	0.05	41.10	17.84	15.47
6. Negros Occidental	15.36	(6.60)	4.29	15.27	22.65	63.95
VII. CENTRAL VISAYAS						
1. Bohol	4.07	3.26	0.19	9.04	9.05	34.32
2. Cebu	(0.67)	(9.54)	(0.17)	(10.39)	7.65	36.05
3. Negros Oriental	13.92	3.20	0.03	5.14	4.54	45.07
4. Siquijor	3.73	(44.91)	(0.34)	(41.44)	166.13	69.13
VIII. EASTERN VISAYAS						
1. Biliran	2.35	65.66	9.10	76.43	2.35	63.16
2. Eastern Samar	2.38	(19.12)	0.09	(16.65)	7.96	29.68
3. Leyte	17.47	(19.56)	0.30	(3.31)	16.45	19.50
4. Southern Leyte	4.91	(15.36)	0.09	(6.67)	5.17	15.94
5. Northern Samar	(1.14)	(21.64)	(0.06)	(19.12)	5.27	8.07
6. Western Samar	7.12	3.69	4.98	19.43	0.56	74.61
IX. WESTERN MINDANAO						
1. Basilan	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
2. Zamboanga del Norte	4.09	(2.87)	1.00	1.48	32.66	75.64
3. Zamboanga del Sur	2.98	(5.13)	3.44	8.01	39.98	45.96
X. NORTHERN MINDANAO						
1. Agusan del Norte	4.49	(41.09)	(0.52)	(37.29)	4.19	27.48
2. Agusan del Sur	58.21	7.12	0.46	65.60	67.58	85.09
3. Bukidnon	8.48	(0.06)	0.83	9.05	3.07	62.65
4. Camiguin	0.84	(38.27)	(1.34)	(39.10)	0.30	75.99
5. Misamis Occidental	0.69	(42.37)	(0.20)	(41.96)	(0.26)	67.43
6. Misamis Oriental	17.78	11.78	1.50	28.13	26.67	61.74
7. Surigao del Norte	4.35	39.05	3.05	45.69	10.81	12.87
XI. SOUTHERN MINDANAO						
1. Davao del Norte	3.89	1.40	0.61	6.37	7.12	50.59
2. Davao del Sur	8.15	11.87	2.08	22.52	25.27	48.67
3. Davao Oriental	7.79	14.07	6.72	32.33	61.83	65.09
4. South Cotabato	12.43	(5.05)	1.03	8.66	7.37	(26.00)
5. Surog del Sur	n.a.	n.a.	n.a.	n.a.	n.a.	44.19
6. Sarangani	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
XII. CENTRAL MINDANAO						
1. Lanao del Norte	2.92	(19.86)	3.52	(12.13)	78.49	21.17
2. North Cotabato	3.07	11.78	(0.03)	15.78	45.36	83.80
3. Sultan Kudarat	7.82	1.43	2.57	11.83	12.05	88.84
ARMM						
1. Sulu	(0.14)	0.36	(1.97)	(1.74)	0.22	76.89
2. Tawi-Tawi	n.a.	n.a.	n.a.	n.a.	n.a.	333.21
3. Lanao del Sur	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
4. Maguindanao	0.20	0.71	0.00	0.91	0.91	76.77

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:

LGU income. 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.

Human development index. 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
DETERMINANTS OF 1993 PER CAPITA PROVINCIAL GOVERNMENT EXPENDITURE IN SOCIAL SECTORS

Dependent Variable	Independent Variables							R ₂ Adjusted	DW	White Chi-Square
	Constant	Per Capita IRA	D1* Per Capita IRA	Per Capita Local Source Revenue	HDI	Life Expectancy	Functional Literacy Rate			
Total Social Service Expenditure _a	-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 _a	-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 Expenditure _a	-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 Expenditure _b	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

- a linear specification
- b 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 indicates 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

Dependent Variable	Independent Variables					HDI	Life Expectancy	Functional Literacy Rate	R ₂ Adjusted	DW	White Chi-Square
	Constant	Per Capita IRA	D1* Per Capita IRA	Per Capita Local Source Revenue							
Total Social Service Expenditure _a	-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 *
Human Priority Expenditure _a	-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 **
Health Expenditure _a	-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
Education Expenditure _a	-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

- a linear specification
- b 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: 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.

fa:spofocrm.rgm
rgm/2-4-97

BIBLIOGRAPHY

- Judge, George, R. Carter Hill, William Griffiths, et al. **Introduction the Theory and Practice of Econometrics**. New York: John Wiley & Sons, 1987.
- Manasan, Rosario, Gilberto Llanto and Wilfredo Nuqui. "Financing Social Programs in the Philippines: Public Policy and Budget Restructuring." Final Report submitted to the UNICEF (Manila), March 1994.
- Parker, David and Eva Jespersen. "20/20, Mobilizing Resources Children in the 1990s." **UNICEF Staff Working Paper No. 12**. New York: United Nations Children's Programme, January 1994.
- White, Halbert. "A Heteroskedasticity-Consistent Covariance Estimator and a Direct Test for Heteroskedasticity", *Econometrica*, vol. 48, pp. 817-838, 1980.
- United Nations Development Programme. **Human Development Report 1991, 1992, 1993 and 1994**. New York: Oxford University Press. 1991, 1992, 1993, 1994.

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

REGION/PROVINCE	1991	1993	1994
I. ILOCOS REGION			
1. Ilocos Norte	28.96	12.21	23.14
2. Ilocos Sur	19.84	6.28	36.18
3. La Union	26.29	14.52	33.05
4. Pangasinan	15.05	10.66	11.50
CAR. CORDILLERA ADMINISTRATIVE REGION			
* 1. Abra	18.15	2.68	2.02
* 2. Benguet	32.93	32.57	19.92
* 3. Ifugao	20.23	1.97	4.39
* 4. Kalinga Apayao	18.47	3.81	4.04
* 5. Mountain Province	4.57	4.47	8.59
II. CAGAYAN VALLEY			
* 1. Batanes	25.68	5.78	4.69
2. Cagayan	12.94	9.66	12.08
3. Isabela	32.39	9.36	8.01
4. Nueva Viscaya	25.01	10.97	10.58
5. Quirino	19.82	3.86	4.18
III. CENTRAL LUZON			
1. Bataan	55.97	42.47	44.16
2. Bulacan	72.07	32.69	35.61
3. Nueva Ecija	15.69	29.60	11.02
4. Pampanga	39.68	25.32	24.57
5. Tarlac	52.86	24.89	23.57
6. Zambales	21.30	13.98	10.48
IV. SOUTHERN TAGALOG			
* 1. Aurora	n.a.	8.10	7.07
2. Batangas	34.08	36.99	39.34
3. Cavite	41.63	39.03	38.17
4. Laguna	39.46	49.48	42.72
5. Marikina	26.54	24.17	21.86
6. Occidental Mindoro	14.21	8.18	8.87
7. Oriental Mindoro	10.85	14.35	11.04
8. Palawan	5.96	11.00	4.91
9. Quezon	13.75	11.89	15.50
10. Rizal	56.90	60.08	41.84
* 11. Romblon	11.89	8.85	7.13
V. BICOL REGION			
1. Albay	9.93	39.81	24.52
2. Camarines Norte	17.45	12.06	10.40
3. Camarines Sur	n.a.	33.14	13.14
4. Catanduanes	n.a.	6.40	7.22
* 5. Masbate	8.41	n.a.	n.a.
6. Sorsogon	29.31	n.a.	11.27
VI. WESTERN VISAYAS			
1. Aklan	28.48	17.16	10.97
* 2. Antique	18.95	12.83	10.47
3. Capiz	19.25	8.00	11.24
* 4. Guimaras	16.75	n.a.	9.32
5. Iloilo	29.23	19.17	24.48
6. Negros Occidental	47.91	30.43	29.06
VII. CENTRAL VISAYAS			
1. Bohol	57.51	42.89	40.03
2. Cebu	34.90	19.97	22.63
3. Negros Oriental	22.64	15.05	10.48
4. Siquyor	13.57	10.54	5.63
VIII. EASTERN VISAYAS			
* 1. Biliran	5.26	n.a.	2.13
* 2. Eastern Samar	7.69	4.80	5.34
3. Leyte	40.76	22.52	23.32
* 4. Southern Leyte	8.06	7.69	7.60
5. Northern Samar	12.50	2.89	3.27
6. Western Samar	8.07	n.a.	4.56
IX. WESTERN MINDANAO			
* 1. Basilan	5.57	n.a.	n.a.
2. Zamboanga del Norte	13.37	9.61	14.25
3. Zamboanga del Sur	19.34	5.17	7.75
X. NORTHERN MINDANAO			
1. Agusan del Norte	20.11	9.02	12.95
* 2. Agusan del Sur	14.64	14.57	7.68
3. Bukidnon	15.17	19.07	20.53
4. Carigun	16.14	3.76	5.54
5. Misamis Occidental	17.36	9.74	7.74
6. Misamis Oriental	45.33	49.23	41.45
7. Suroto del Norte	20.88	8.83	5.01
XI. SOUTHERN MINDANAO			
1. Davao del Norte	46.46	28.54	22.31
2. Davao del Sur	27.92	11.56	15.92
3. Davao Oriental	14.87	7.19	9.56
4. South Cotabato	28.28	12.24	11.84
* 5. Suroto del Sur	n.a.	17.31	11.80
6. Sarangani	n.a.	n.a.	13.99
XII. CENTRAL MINDANAO			
1. Lanao del Norte	32.28	5.79	11.71
2. North Cotabato	22.68	9.63	14.41
3. Sultan Kudarat	21.35	14.70	8.03
ARMM			
* 1. Sulu	1.76	1.73	2.25
* 2. Tawto-Tawto	1.31	0.17	n.a.
3. Lanao del Sur	0.36	n.a.	n.a.
4. Maguindanao	8.52	1.76	1.18
National Average	31.55	19.42	18.59

*SRA Provinces

Annex Table 2
Per Capita IRA, Local Source Revenue and Total Receipts of Provincial Governments,
1991, 1993 and 1994

REGION/PROVINCE	Per Capita IRA			Per Capita LSR			Per Capita Total Receipts		
	1991	1993	1994	1991	1993	1994	1991	1993	1994
I. ILOCOS REGION									
1. Ilocos Norte	63.88	219.71	298.01	31.23	31.10	69.72	95.21	250.81	367.73
2. Ilocos Sur	53.81	176.85	229.80	7.28	13.23	106.55	61.18	189.89	336.36
3. La Union	48.91	139.87	190.72	21.16	26.42	86.06	84.70	166.46	279.18
4. Pangasinan	45.28	131.61	184.41	7.27	15.50	20.40	52.57	147.11	184.61
CAR. CORDILLERA ADMINISTRATIVE REGION									
* 1. Abra	97.99	357.65	481.98	11.17	7.79	9.65	209.30	366.79	491.63
* 2. Benguet	64.20	222.60	281.86	36.05	79.84	75.38	112.08	302.44	366.49
* 3. Ifugao	93.43	354.43	503.45	20.32	7.42	21.10	113.75	361.85	528.30
* 4. Kalinga Apayao	120.19	411.21	560.82	21.51	15.99	22.63	141.70	427.49	583.49
* 5. Mountain Province	100.45	458.13	595.73	6.63	18.66	59.86	155.70	477.23	655.63
II. CAGAYAN VALLEY									
* 1. Batanes	314.79	1,871.39	2,628.92	129.51	127.90	135.80	516.33	1,999.29	2,764.71
2. Cagayan	82.07	176.45	229.01	9.90	16.75	30.58	79.04	193.20	287.70
3. Isabela	52.60	156.85	213.36	28.25	24.81	18.61	90.12	251.48	235.31
4. Nueva Viscaya	76.77	240.87	337.36	24.94	26.69	39.40	102.00	278.74	418.74
5. Quirino	115.01	472.00	604.83	13.87	18.60	27.24	144.98	490.60	636.62
III. CENTRAL LUZON									
1. Bataan	51.03	152.40	234.96	79.58	166.33	183.12	141.28	379.23	423.30
2. Bulacan	42.65	101.49	139.49	36.85	54.49	74.91	79.94	156.20	215.01
3. Nueva Ecija	49.91	159.81	195.94	10.27	28.41	28.69	65.06	183.63	235.89
4. Pampanga	43.15	104.30	139.20	24.06	32.57	38.29	70.28	145.30	185.68
5. Tarlac	50.48	127.48	168.29	63.27	42.17	49.94	119.42	169.66	219.61
6. Zambales	66.02	207.27	284.59	17.82	33.79	34.65	93.55	241.06	319.24
IV. SOUTHERN TAGALOG									
* 1. Aurora	109.77	411.94	493.27	25.48	29.92	39.68	142.90	458.27	541.28
2. Batangas	45.24	139.05	183.48	27.74	55.53	97.92	86.79	206.65	265.99
3. Cavite	38.42	114.26	154.89	30.24	50.66	89.95	78.40	174.96	263.98
4. Laguna	38.09	112.11	153.47	40.88	95.46	124.91	83.07	207.61	278.39
5. Marikina	63.65	250.47	342.14	30.98	69.96	77.93	111.45	320.43	448.45
6. Occidental Mindoro	87.62	298.55	386.52	15.01	28.56	35.87	114.66	327.74	428.36
7. Oriental Mindoro	70.89	181.44	223.65	10.33	24.43	33.51	81.25	226.96	296.61
8. Palawan	96.79	362.32	449.13	13.72	40.97	27.41	123.35	405.85	591.08
9. Quezon	54.35	141.36	190.91	9.73	17.75	31.19	69.93	159.16	222.11
10. Rizal	42.30	108.21	109.98	176.28	101.58	112.71	220.26	211.82	247.96
* 11. Romblon	68.48	227.01	330.25	9.57	18.69	23.86	88.84	245.69	372.21
V. BICOL REGION									
1. Albay	48.33	139.87	194.51	8.78	83.49	61.72	69.42	225.09	268.57
2. Camarines Norte	58.25	182.91	229.18	11.96	21.70	29.82	73.66	205.17	314.27
3. Camarines Sur	49.22	112.79	167.82	23.21	41.28	21.08	85.12	154.22	190.97
4. Catanduanes	76.26	304.34	416.04	18.99	23.84	30.28	144.21	333.05	461.33
* 5. Masbate	58.56	n.a.	n.a.	4.70	n.a.	n.a.	65.21	n.a.	n.a.
6. Sorsogon	55.14	n.a.	213.33	15.18	n.a.	27.16	83.20	n.a.	244.31
VI. WESTERN VISAYAS									
1. Aklan	56.70	173.00	241.13	20.18	35.15	35.65	76.88	232.28	312.29
* 2. Antique	60.40	176.98	244.39	14.63	24.18	28.27	65.35	201.15	274.37
3. Capiz	56.22	179.60	249.68	13.37	16.61	31.71	79.01	196.21	281.40
* 4. Guimaras	82.34	n.a.	402.52	13.07	n.a.	42.06	105.08	n.a.	445.71
5. Iloilo	46.80	127.00	162.93	13.66	30.77	51.51	65.41	160.28	263.07
6. Negros Occidental	49.43	157.03	205.20	38.41	52.40	65.56	94.86	209.76	270.76
VII. CENTRAL VISAYAS									
1. Bohol	50.21	138.08	180.98	62.42	90.32	102.90	112.63	228.41	283.89
2. Cebu	45.36	127.82	172.35	158.37	41.18	47.45	395.92	169.00	220.02
3. Negros Oriental	54.85	174.91	240.95	19.47	31.38	28.14	81.52	212.64	275.47
4. Siquijor	101.92	452.33	640.63	19.52	41.02	35.16	144.76	499.64	675.82
VIII. EASTERN VISAYAS									
* 1. Biliran	84.18	n.a.	414.66	4.52	n.a.	17.18	89.37	n.a.	431.84
* 2. Eastern Samar	80.58	236.47	339.55	7.08	10.33	17.75	94.74	246.80	357.30
3. Leyte	50.70	136.35	196.77	32.10	44.28	49.94	82.80	180.66	246.72
* 4. Southern Leyte	61.15	184.90	261.02	6.63	15.74	22.87	79.33	200.64	300.22
5. Northern Samar	67.52	219.89	291.71	12.19	7.40	9.95	103.23	227.83	301.74
6. Western Samar	68.82	n.a.	317.45	7.01	n.a.	15.61	85.09	n.a.	333.32
IX. WESTERN MINDANAO									
* 1. Basilan	64.49	n.a.	n.a.	5.81	n.a.	n.a.	80.35	n.a.	n.a.
2. Zamboanga del Norte	60.74	217.91	312.81	11.93	22.99	42.04	93.92	261.88	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. NORTHERN MINDANAO									
1. Agusan del Norte	69.44	242.62	353.48	16.74	30.46	49.84	95.90	341.61	403.59
* 2. Agusan del Sur	83.69	262.17	335.22	21.83	40.34	33.76	146.81	306.78	447.69
3. Bukidnon	59.12	185.46	213.85	11.99	25.75	43.09	81.92	193.36	257.26
4. Cariguan	108.62	539.06	696.33	23.26	22.02	36.22	131.89	569.72	732.55
5. Misamis Occidental	69.34	302.55	432.81	18.14	31.91	35.17	107.46	334.46	467.98
6. Misamis Oriental	56.94	160.58	248.28	53.93	155.49	198.77	125.50	336.60	453.18
7. Surigao del Norte	65.77	224.95	349.95	20.23	22.63	34.33	100.17	256.40	366.67
XI. SOUTHERN 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	55.23	184.28	203.28	27.50	20.92	34.83	89.52	186.60	236.56
3. Davao Oriental	72.54	235.73	293.37	14.85	15.70	30.39	108.63	251.43	351.85
4. South Cotabato	88.23	162.60	210.75	29.53	23.67	32.76	137.21	187.71	277.59
* 5. Surigao del Sur	84.03	306.66	261.14	19.30	63.66	39.28	92.41	396.95	356.95
6. Sarangani	n.a.	n.a.	305.80	n.a.	n.a.	36.56	n.a.	n.a.	342.37
XII. CENTRAL MINDANAO									
1. Lanao del Norte	53.87	178.00	254.24	21.19	38.83	36.59	92.75	216.83	290.84
2. North Cotabato	57.28	161.80	198.47	15.24	16.43	29.52	81.65	179.15	228.27
3. Sultan Kudarat	67.01	200.38	258.80	17.00	21.85	19.01	97.45	222.22	278.05
ARMM									
* 1. Sulu	54.70	156.92	181.36	1.06	2.78	4.19	60.11	159.70	187.53
* 2. Tawi-Tawi	61.93	222.25	480.46	0.66	0.37	47.19	62.59	222.82	527.65
3. Lanao del Sur	52.42	n.a.	n.a.	0.19	n.a.	n.a.	52.61	n.a.	n.a.
4. Maguindanao	60.02	162.43	188.06	6.18	3.31	2.37	86.23	188.73	199.44
National Average	55.60	156.69	216.56	30.26	37.39	48.84	100.05	199.18	277.58

*SRA Provinces

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

REGION/PROVINCE	LSR/Total Receipts			IRA/Total Receipts		
	1991	1993	1994	1991	1993	1994
I. ILOCOS REGION						
1. Ilocos Norte	32.80	12.40	18.96	67.20	87.60	81.04
2. Ilocos Sur	11.87	8.97	31.68	88.13	93.03	68.32
3. La Union	24.98	15.87	30.84	57.75	83.91	68.32
4. Pangasinan	13.83	10.54	11.04	86.08	89.46	88.96
CAR. CORDILLERA ADMINISTRATIVE REGION						
* 1. Abra	5.34	2.12	1.96	46.62	97.51	98.04
* 2. Benguet	32.17	26.40	20.57	57.29	73.60	78.91
* 3. Ifugao	17.86	2.05	3.99	82.14	97.95	95.30
* 4. Kalinga Apayao	15.18	3.74	3.88	84.82	96.19	96.12
* 5. Mountain Province	4.26	3.91	9.13	84.51	98.00	90.84
II. CAGAYAN VALLEY						
* 1. Balabes	25.08	6.40	4.91	60.97	93.60	95.09
2. Cagayan	12.52	8.67	10.63	78.53	91.33	79.60
3. Isabela	31.35	9.86	7.91	58.36	82.37	90.87
4. Nueva Viscaya	24.45	9.65	9.41	75.27	86.41	80.56
5. Quirino	9.57	3.79	4.28	79.33	96.21	95.01
III. CENTRAL LUZON						
1. Bataan	56.33	43.86	43.26	36.12	40.19	55.51
2. Bulacan	46.10	34.89	34.84	53.35	64.97	64.88
3. Nueva Ecija	15.79	15.47	12.16	76.72	87.03	83.06
4. Pampanga	34.23	22.42	20.62	61.40	71.78	74.97
5. Tarlac	52.98	24.86	22.74	42.27	75.14	76.63
6. Zambales	19.04	14.02	10.85	70.57	85.98	89.15
IV. SOUTHERN TAGALOG						
* 1. Aurora	17.83	6.53	7.33	76.81	89.89	91.13
2. Batangas	31.96	31.71	34.24	52.13	67.29	64.15
3. Cavite	38.57	34.67	35.42	49.01	65.31	60.98
4. Laguna	49.21	45.98	44.87	45.85	54.00	55.13
5. Marinduque	27.79	21.83	17.38	57.11	78.17	76.29
6. Occidental Mindoro	13.09	8.71	8.37	76.42	91.09	90.23
7. Oriental Mindoro	12.71	10.76	11.29	87.24	79.94	75.35
8. Palawan	11.12	10.09	4.64	78.47	89.27	75.99
9. Quezon	13.91	11.15	14.04	77.72	88.81	85.96
10. Rizal	80.03	47.96	45.45	19.20	51.09	44.35
* 11. Romblon	10.77	7.81	6.41	77.08	92.39	88.73
V. BICOL REGION						
1. Albay	12.64	37.09	22.58	69.62	62.14	72.42
2. Camarines Norte	16.24	10.58	9.49	79.08	89.15	72.90
3. Camarines Sur	27.27	26.77	11.04	57.83	73.13	87.88
4. Catanduanes	13.27	7.16	6.56	32.88	91.38	90.18
* 5. Masbate	7.21	n.a.	n.a.	89.80	n.a.	n.a.
6. Sorsogon	18.25	n.a.	11.12	66.27	n.a.	87.32
VI. WESTERN VISAYAS						
1. Aklan	26.25	15.13	11.42	73.75	74.48	77.21
* 2. Antique	17.14	12.02	10.30	70.76	87.98	89.08
3. Capiz	16.92	8.47	11.27	71.16	91.53	88.73
* 4. Guimaras	12.44	n.a.	9.44	78.36	n.a.	90.31
5. Iloilo	20.89	19.20	18.20	71.55	79.23	57.56
6. Negros Occidental	40.49	24.98	24.21	52.11	74.86	75.79
VII. CENTRAL VISAYAS						
1. Bohol	55.42	39.55	36.25	44.58	60.45	63.75
2. Cebu	40.00	24.37	21.57	11.46	75.63	78.33
3. Negros Oriental	23.88	14.76	10.22	67.28	82.26	87.47
4. Siquijor	13.48	8.21	5.21	70.41	90.53	94.79
VIII. EASTERN VISAYAS						
* 1. Biliran	5.06	n.a.	3.98	54.19	n.a.	96.02
* 2. Eastern Samar	7.47	4.19	4.97	85.05	95.81	95.03
3. Leyte	38.77	24.51	20.24	61.23	75.49	79.75
* 4. Southern Leyte	8.36	7.85	7.62	77.09	92.15	86.94
5. Northern Samar	11.81	3.25	3.30	65.41	96.52	96.67
6. Western Samar	8.24	n.a.	4.68	80.88	n.a.	95.24
IX. WESTERN MINDANAO						
* 1. Basilan	7.23	n.a.	n.a.	80.26	n.a.	n.a.
2. Zamboanga del Norte	12.70	8.78	11.85	64.68	83.21	88.14
3. Zamboanga del Sur	18.82	4.95	7.65	81.11	95.05	79.84
X. NORTHERN MINDANAO						
1. Agusan del Norte	17.45	8.92	12.35	72.41	71.02	87.58
* 2. Agusan del Sur	14.86	13.15	7.54	56.96	85.46	74.88
3. Buludnon	14.63	13.32	18.75	72.17	85.56	83.12
4. Camiguin	17.64	3.87	4.94	82.36	94.52	95.06
5. Misamis Occidental	16.88	9.54	7.52	64.53	90.46	92.48
6. Misamis Oriental	42.97	46.19	43.86	45.37	47.71	54.79
7. Surigao del Norte	20.19	8.83	8.88	65.66	87.74	90.50
XI. SOUTHERN MINDANAO						
1. Davao del Norte	42.01	20.16	19.89	57.58	79.75	82.58
2. Davao del Sur	30.72	11.21	14.60	61.70	88.04	85.20
3. Davao Oriental	13.87	8.24	8.64	68.77	93.76	83.38
4. South Cotabato	21.52	12.81	11.80	64.30	86.62	75.92
* 5. Surigao del Sur	20.88	16.04	11.00	69.29	77.76	73.16
6. Sarangani	n.a.	n.a.	10.88	n.a.	n.a.	89.32
XII. CENTRAL MINDANAO						
1. Lanao del Norte	22.84	17.91	12.58	58.08	82.09	87.42
2. North Cotabato	18.81	9.17	12.93	69.95	90.20	86.94
3. Sultan Kudarat	17.45	9.83	8.84	68.76	90.17	93.08
ARMM						
* 1. Sulu	1.78	1.74	2.23	91.01	98.26	96.71
2. Tawi-Tawi	1.05	0.17	8.94	98.95	99.83	91.06
3. Lanao del Sur	0.37	n.a.	n.a.	99.83	n.a.	n.a.
4. Maguindanao	9.33	1.75	1.19	90.83	86.07	94.29
National Average						
	30.24	18.77	17.60	55.57	78.67	78.02

*SRA Provinces

Annex Table 4
Per Capita Total Social Sector Expenditures & Per Capita Human Priority Expenditures
1991, 1993 & 1994

REGION/PROVINCE	Total Social Sector Expenditures			Human Priority Expenditures		
	1991	1993	1994	1991	1993	1994
I. ILOCOS REGION						
1. Ilocos Norte	10.52	77.54	82.55	6.86	7.57	2.33
2. Ilocos Sur	6.36	102.35	94.74	4.76	5.86	90.28
3. La Union	11.28	76.22	92.89	8.85	20.05	10.86
4. Pangasinan	6.46	28.16	89.00	1.58	10.37	57.18
CAR. CORDILLERA ADMINISTRATIVE REGION						
1. Abra	0.05	26.45	205.93	0.05	2.56	2.75
2. Benguet	9.47	107.29	107.50	7.59	17.11	25.09
3. Ifugao	4.01	145.49	157.75	3.83	1.19	154.80
4. Kalinga Apayao	4.07	174.01	330.04	3.71	64.28	74.01
5. Mountain Province	3.35	146.17	199.73	1.24	1.02	0.76
II. CAGAYAN VALLEY						
1. Batanes	18.66	745.95	950.27	n.a.	619.72	923.67
2. Cagayan	9.09	57.78	78.89	7.78	13.91	5.91
3. Isabela	10.56	175.23	134.81	5.45	98.09	11.35
4. Nueva Viscaya	4.67	100.44	149.23	3.57	8.95	15.06
5. Quirino	11.77	172.37	257.35	3.16	20.31	21.52
III. CENTRAL LUZON						
1. Bataan	48.21	271.74	264.53	4.62	2.62	22.89
2. Bulacan	20.20	58.82	89.82	2.13	32.02	9.19
3. Nueva Ecija	14.94	48.47	107.83	4.68	5.04	20.54
4. Pampanga	9.49	46.70	54.85	6.61	8.15	13.35
5. Tarlac	23.21	63.39	78.14	13.74	2.43	14.77
6. Zambales	3.48	81.50	112.47	3.48	6.17	14.32
IV. SOUTHERN TAGALOG						
1. Aurora	n.a.	107.23	123.47	n.a.	88.32	0.42
2. Batangas	17.95	83.58	141.01	5.69	22.29	101.23
3. Cavite	7.00	53.56	77.52	2.90	6.57	27.64
4. Laguna	14.65	82.18	141.54	12.05	23.19	61.33
5. Marikina	4.16	91.40	124.41	2.89	5.06	68.49
6. Occidental Mindoro	6.15	98.05	114.87	5.11	4.38	9.28
7. Oriental Mindoro	1.75	56.24	69.43	n.a.	1.63	63.52
8. Palawan	4.18	85.95	114.04	1.70	3.21	4.26
9. Quezon	10.66	65.31	68.75	8.53	6.50	70.29
10. Rizal	36.76	55.31	103.10	6.90	18.48	36.92
11. Romblon	2.59	100.14	152.73	0.48	2.07	5.67
V. BICOL REGION						
1. Albay	6.60	59.87	87.65	3.49	6.90	22.26
2. Camarines Norte	2.66	51.32	48.58	2.25	36.04	2.61
3. Camarines Sur	n.a.	48.99	69.61	n.a.	11.63	19.57
4. Catanduanes	n.a.	179.25	172.31	n.a.	135.85	166.29
5. Masbate	2.75	n.a.	n.a.	2.14	n.a.	n.a.
6. Sorsogon	5.31	n.a.	91.72	0.04	n.a.	12.51
VI. WESTERN VISAYAS						
1. Aklan	5.53	90.00	128.28	4.04	57.45	2.58
2. Antique	8.20	76.54	104.65	5.55	16.60	11.67
3. Capiz	3.78	99.19	103.62	3.04	3.62	2.38
4. Guimaras	2.40	102.46	132.29	0.55	68.66	14.22
5. Iloilo	10.02	87.54	115.62	3.91	19.69	22.79
6. Negros Occidental	9.98	54.70	80.89	4.65	12.93	28.55
VII. CENTRAL VISAYAS						
1. Bohol	5.86	46.30	62.00	3.96	4.16	13.95
2. Cebu	10.10	48.33	53.98	4.22	8.28	13.00
3. Negros Oriental	17.57	78.71	105.55	1.33	43.57	6.23
4. Siquijor	0.89	143.43	181.58	0.06	101.06	166.22
VIII. EASTERN VISAYAS						
1. Biliran	0.75	78.97	179.72	0.07	3.58	2.45
2. Eastern Samar	5.48	92.67	120.45	1.81	8.74	10.26
3. Leyte	8.84	77.82	89.67	6.34	14.83	24.48
4. Southern Leyte	6.62	78.87	102.13	1.80	61.21	7.45
5. Northern Samar	2.13	89.98	96.18	0.04	8.75	5.33
6. Western Samar	5.56	n.a.	113.91	1.45	n.a.	2.40
IX. WESTERN MINDANAO						
1. Basilan	3.24	n.a.	59.69	3.03	n.a.	25.34
2. Zamboanga del Norte	4.04	77.42	98.28	n.a.	1.80	32.66
3. Zamboanga del Sur	5.27	43.32	62.09	4.78	3.95	46.04
X. NORTHERN MINDANAO						
1. Agusan del Norte	1.30	94.96	107.56	0.89	3.80	5.31
2. Agusan del Sur	3.47	87.29	132.18	2.78	5.27	71.10
3. Bukidnon	7.06	33.53	49.87	6.16	6.58	10.87
4. Camiguin	2.82	213.51	186.43	2.10	3.30	2.97
5. Misamis Occidental	1.90	159.81	157.81	1.84	4.99	2.05
6. Misamis Oriental	9.96	65.51	95.87	5.55	16.55	33.71
7. Sungao del Norte	2.28	103.44	230.77	1.69	5.33	12.94
XI. SOUTHERN MINDANAO						
1. Davao del Norte	8.41	31.59	35.16	4.70	10.65	13.08
2. Davao del Sur	9.66	82.62	71.18	5.86	28.03	32.72
3. Davao Oriental	6.60	70.45	99.36	5.38	49.79	68.64
4. South Cotabato	4.44	52.24	73.83	2.06	9.05	9.98
5. Sungao del Sur	n.a.	90.61	119.04	n.a.	10.68	42.75
6. Sarangani	n.a.	37.38	42.12	n.a.	4.09	5.86
XII. CENTRAL MINDANAO						
1. Lanao del Norte	0.88	150.79	89.39	n.a.	117.44	78.49
2. North Cotabato	1.22	26.23	45.91	0.75	21.84	44.31
3. Sultan Kudarat	1.78	38.04	54.81	1.78	9.97	14.30
ARMM						
1. Sulu	4.28	6.25	3.69	2.73	6.15	3.69
2. Tawi-Tawi	n.a.	1.15	n.a.	n.a.	1.15	n.a.
3. Lanao del Sur	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
4. Maguindanao	1.77	2.64	3.15	1.77	0.78	3.15
National Average						
	8.95	68.09	91.70	4.11	17.08	28.21

*SRA Provinces

Annex Table 2
Social Allocation Ratio and Human Development Priority Ratio
1991, 1993 & 1994

REGION/PROVINCE	Social Allocation Ratio			Human Development Priority Ratio		
	1991	1993	1994	1991	1993	1994
I. ILOCOS REGION						
1. Ilocos Norte	9.76	30.44	27.39	6.39	2.97	0.77
2. Ilocos Sur	0.33	48.59	32.17	6.98	2.78	30.65
3. La Union	14.01	41.87	35.58	11.00	11.02	4.17
4. Pangasinan	13.36	19.36	50.19	3.27	7.13	32.25
CAR. CORDILLERA ADMINISTRATIVE REGION						
1. Abra	0.07	9.11	43.05	0.07	0.88	0.57
2. Benguet	8.85	43.78	28.40	8.94	6.98	6.63
3. Ifugao	3.99	38.55	32.79	3.81	0.32	32.13
4. Kalinga Apayao	3.11	39.27	58.86	2.84	14.51	13.20
5. Mountain Province	2.31	35.08	26.65	0.85	0.24	0.11
II. CAGAYAN VALLEY						
1. Balabac	3.70	33.72	32.84	n.a.	28.01	31.92
2. Cagayan	11.89	33.32	31.55	10.17	8.02	2.33
3. Isabela	12.11	66.12	58.06	6.24	37.01	4.89
4. Nueva Viscaya	4.68	40.97	40.08	3.58	3.65	4.04
5. Quirino	16.65	35.72	39.50	4.50	4.21	3.30
III. CENTRAL LUZON						
1. Bataan	33.90	69.39	63.79	3.25	0.67	5.52
2. Bulacan	39.51	35.26	42.70	4.16	19.21	4.37
3. Nueva Ecija	22.82	50.51	41.41	7.14	5.25	7.89
4. Pampanga	15.66	36.31	35.19	14.20	6.34	8.56
5. Tarlac	19.39	37.41	37.36	11.48	1.44	6.97
6. Zambales	4.16	33.72	34.01	4.16	2.55	4.33
IV. SOUTHERN TAGALOG						
1. Aurora	n.a.	29.04	22.00	n.a.	23.92	0.07
2. Batangas	22.06	47.18	56.66	6.99	12.64	40.68
3. Cavite	9.64	34.46	32.90	3.99	4.23	11.73
4. Laguna	14.14	42.60	48.41	11.63	12.02	20.96
5. Marikina	3.57	31.57	34.90	2.48	1.75	19.21
6. Occidental Mindoro	5.82	28.08	28.41	4.84	1.25	2.29
7. Oriental Mindoro	1.83	33.03	22.87	n.a.	0.96	20.93
8. Palawan	1.81	23.08	20.44	0.74	0.86	0.76
9. Quezon	15.07	43.75	44.11	12.06	4.36	34.93
10. Rizal	11.87	32.71	38.28	2.19	10.93	13.71
11. Romblon	3.22	47.42	45.68	0.60	0.98	1.70
V. BICOL REGION						
1. Albay	7.47	28.54	34.82	3.95	3.29	8.84
2. Camarines Norte	3.88	28.62	16.95	3.29	20.02	0.91
3. Camarines Sur	n.a.	37.72	43.40	n.a.	9.34	12.20
4. Catanduanes	n.a.	48.13	41.09	n.a.	36.48	39.65
5. Masbate	4.92	n.a.	n.a.	3.83	n.a.	n.a.
6. Sorsogon	10.24	n.a.	38.06	0.08	n.a.	5.19
VI. WESTERN VISAYAS						
1. Aklan	7.81	43.93	39.47	5.71	28.05	0.79
2. Antique	10.62	40.62	38.75	7.19	8.81	4.32
3. Capiz	5.45	47.76	36.73	4.38	1.74	0.84
4. Guimaras	3.08	30.15	29.33	0.70	20.20	3.15
5. Iloilo	21.44	54.53	54.95	8.35	12.27	10.83
6. Negros Occidental	12.45	31.77	35.86	5.80	7.51	12.66
VII. CENTRAL VISAYAS						
1. Bohol	5.40	21.99	24.12	3.56	1.97	5.43
2. Cebu	2.23	23.43	25.75	0.93	4.01	6.20
3. Negros Oriental	20.43	37.75	39.30	1.54	20.90	2.32
4. Siquijor	0.62	36.86	29.07	0.04	25.98	26.61
VIII. EASTERN VISAYAS						
1. Biliran	0.87	25.70	22.29	0.09	1.17	0.30
2. Eastern Samar	5.95	43.08	36.23	1.97	4.06	3.09
3. Leyte	11.23	39.58	41.88	8.06	7.54	11.43
4. Southern Leyte	8.05	38.52	33.95	2.19	29.99	2.48
5. Northern Samar	2.19	35.13	31.64	0.04	3.42	1.76
6. Western Samar	6.40	n.a.	33.27	1.67	n.a.	0.70
IX. WESTERN MINDANAO						
1. Basilan	3.10	n.a.	21.51	2.90	n.a.	9.13
2. Zamboanga del Norte	4.53	32.38	33.32	n.a.	0.75	11.07
3. Zamboanga del Sur	8.42	28.82	25.38	7.64	2.63	18.82
X. NORTHERN MINDANAO						
1. Agusan del Norte	1.57	28.11	27.95	1.06	1.06	1.38
2. Agusan del Sur	2.33	24.31	30.06	1.87	1.90	16.17
3. Bukidnon	8.94	24.83	23.76	7.79	4.88	5.18
4. Camiguin	1.95	38.50	28.53	1.46	0.58	0.45
5. Misamis Occidental	1.82	48.77	34.66	1.78	1.52	0.45
6. Misamis Oriental	8.38	20.74	19.99	4.67	5.24	7.03
7. Surigao del Norte	2.36	40.38	33.65	1.74	2.08	1.89
XI. SOUTHERN MINDANAO						
1. Davao del Norte	9.94	22.30	14.12	5.56	7.52	5.25
2. Davao del Sur	9.81	34.59	32.54	5.97	15.49	14.95
3. Davao Oriental	6.81	32.27	31.26	5.38	22.80	21.60
4. South Cotabato	3.96	27.01	26.68	1.84	4.68	3.61
5. Surigao del Sur	n.a.	24.63	35.77	n.a.	2.90	12.84
6. Sarangani	n.a.	32.60	16.12	n.a.	3.57	2.24
XII. CENTRAL MINDANAO						
1. Lanao del Norte	1.04	22.49	28.61	n.a.	17.51	25.12
2. North Cotabato	1.82	15.38	22.41	1.12	12.81	21.63
3. Sultan Kudarat	2.23	25.59	23.17	2.23	6.71	6.04
ARMM						
1. Sulu	7.12	3.89	1.98	4.54	3.83	1.98
2. Tawi-Tawi	n.a.	0.53	n.a.	n.a.	0.53	n.a.
3. Lanao del Sur	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
4. Maguindanao	2.73	1.40	1.57	2.73	0.42	1.57
National Average	9.34	34.34	34.89	4.29	8.87	10.74

*SRA Provinces