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CREATING WEALTH IN THE COUNTRYSIDE

Decentralized Development Through Regional Planning

To spur economic progress in the rural areas where poverty is more extensive and severe, decentralization of development initiatives must be pursued in the regions, according to National Economic and Development Authority (NEDA) Assistant Director General (ADG) Marcelina E. Bacani.

This is exactly what the government is doing, ADG Bacani said in her paper *National Spatial Strategy for Decentralized Development in the Philippines* which she presented at the National Spatial Policy Seminar in Tokyo, Japan recently.

Decentralized development, she said, is highlighted in the Medium-Term Philippine Development Plan (MTPDP), 2004-2010, the various Regional Development Plans (RDPs), and the National Framework for Physical Planning (NFPP).

Decentralized Development

According to ADG Bacani, development in the Philippines can be characterized by spatial patterns involving the concentration of population and economic activities in few urban areas. "Existing transport links favor movement towards the Metro Manila or the national capital region (NCR) due to its modern infrastructure and facilities while links to other areas still need to be improved," she noted.

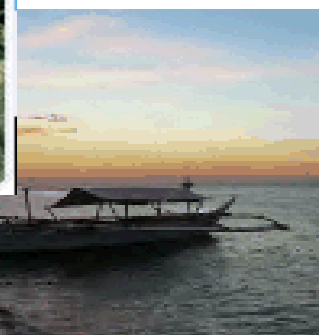
In terms of income, she said that Metro Manila accounts for about one-third of the country's gross domestic product (GDP) followed by CALABARZON (Region 4-A) and Central Luzon (Region III). The combined income share of these regions is about half of the Philippines' income while the other half is shared by the rest of the country's regions. Per capita GDP or the measure of share of the population to economic growth is also highest in Metro Manila, she added.

To reduce the development disparity between Metro Manila and the regions as well as to disperse the overconcentrated population and activities from Metro Manila, the government has instituted a two-fold

decentralization framework: through administrative decentralization, and through devolution.

Administrative decentralization involves the creation of regions and the establishment of offices of national government agencies in the regions. Devolution, on the other hand, refers to the transfer of power and authority and financial resources from the national government to the local government units (LGUs) based on the Local Government Code of 1991.

A third approach to decentralization, according to ADG Bacani, is the National Spatial Strategy. This strategy seeks to reduce the disparity between Metro Manila and the rest of the regions through: (a) a dispersed but closely integrated system for more efficient social, economic and physical development and population growth among the regions; (b) the optimal use of the comparative advantages of areas based on its human, physical and natural resources; and (c) the modernization of the country's infrastructure and its logistics system to ensure the efficient movement of goods and people and to reduce transaction costs as well.



Making the Strategy Work

The National Spatial Strategy takes advantage of the country's existing strategic centers. ADG Bacani said that the challenge is to establish and strengthen the linkages among these centers to achieve physical and economic integration of the country. Three programs to operationalize the strategy are listed below.

Strategic Centers : Establishing and Strengthening the Country's Linkages

Strategic centers play an important role for driving development at the national, regional and local levels. These centers vary according to their competitive advantages and links.

Competitive LGUs. The strategy calls for strengthening the LGUs. Empowered LGUs can help generate investments for the country and by virtue of specific economic strengths and thus improve the lives of its constituents as well as contribute to the national development.

Efficient and Livable Metro Manila. The government will strengthen Metro Manila as a globally competitive urban center. This calls for improving mobility, upgrading urban design quality, and ensuring efficient service delivery. The rehabilitation of the physical environment will also be pursued to prevent or mitigate disaster risks caused by typhoons, earthquakes, among others.

Strong Gateways in Other Regions. Other strategic urban centers will be allowed to be the new gateways in linking the country with its global partners. These new gateways are strategically located and have existing facilities to expand global partners' access to other areas in the country as well as provide social services and infrastructure on a nationwide scale. These areas include the Clark-Subic, Metro Cebu, and Davao City.

Hubs Linking the Gateways to Rural Areas. Hubs shall be developed to link the gateways to wider rural areas and influence the direction of the development in the regions. These hubs include: the cities of Baguio, San Fernando, Tuguegarao, Legaspi, Iloilo, Tacloban, Cagayan de Oro, Butuan, General Santos, and Zamboanga.

Strategic Interregional/Subregional Clusters. This calls for developing contiguous localities to become growth-point centers to promote the region's socioeconomic development. These clusters are: the North Luzon Growth Quadrangle or NorthQuad (Ilocos-Pangasinan Seaboard, Cagayan Valley, and the Cordillera Highlands) Metro Naga, Cagayan-Iligan Corridor, and SoCCSKSarGen (South Cotabato, Cotabato, Sultan Kudarat, Sarangani and General Santos City).

Vibrant Rural Areas and Small Islands. The spatial strategy provides for the development of vibrant rural areas and small islands where alternative employment can be generated as development from contiguous urban centers as well as economic trends are felt. The development of these areas will build upon local strengths in agriculture, enterprise, tourism, local services, land and marine-based natural resources.

Super Regions: Toward Wider Development Prospects

To intensify and consolidate existing regions into larger development and investment areas, President Gloria Macapagal-Arroyo grouped the country's 17 regions into five multiregional investment and development areas or so called "super regions" in 2006.

These "super regions" are the North Luzon Agribusiness Quadrangle; Luzon Urban Beltway; Central Philippines; Agribusiness Mindanao; and the Philippine Cyber Services Corridor. These regions will take advantage of scale economies and functional linkages. There will be larger resource base for the provision of better infrastructure and social services, particularly for poor provinces. Expanded regions will promote domestic and global economic integration, strengthen rural and urban linkages and facilitate the exchange of commodities and information.

The Strong Republic Nautical Highway: Spatial Integration Through Seamless Transport

Access to the regions from other regions is a major constraint to development due to geographical distance. Linkages in terms of good transport, communications and energy networks are vital to enable the regions to prosper as well as perform their roles toward the country's global competitiveness. Through the Strong Republic Nautical Highway (SRNH) Program, strong linkages among strategic centers, their hubs and spokes are being promoted.

The recent implementation of the SRNH through the roll-on roll-off (RORO) vessel operations, connected the islands of Luzon to Mindoro, Panay, Guimaras, Negros and Mindanao. Through this system, it has reduced travel time by ten hours and costs by 40 percent for passengers and 30 percent for cargo.

To enhance mobility and access as well as improve linkages between islands and development centers, the government shall expand the coverage of the SRNH through the completion of the vital links of the Western, Eastern and Central Nautical Highways ADG Bacani pointed out.