

COMPLETION REPORT

Inter-Local Government Cooperation in the Philippines and Japan

Inter-local cooperation builds the capacity of local governments to embrace opportunities and respond to threats in an increasingly complex environment. Inter-local government relations differ in their scope and depth. At the most basic level, there are informal, ad hoc arrangements that consist of information and resource sharing. On the other hand, formal contractual relations forged between local governments for joint service delivery with cost-sharing provisions represent a higher level of engagement. The cases examined in the Philippines and Japan reveal that among the factors that drive cooperation include local government calculations of transaction costs, civil society support, and the need to pool resources to address collective action dilemmas.

The 1991 Local Government Code is the fundamental statute that paved the way for decentralization and devolution in the Philippines. It stipulates that local governments such as cities, municipalities, and barangays (community governments) may appropriate ordinances, group themselves, consolidate or coordinate their efforts, services, and resources for purposes commonly beneficial to them. While there have been initiatives to cooperate and pool their resources, Japanese local governments still find it more customary to develop and implement policies with the central government's approval and funding support.

Several cases of inter-local government cooperation in the Philippines and Japan focus on environmental goals. In the Philippines, local government alliances respond to collective governance issues such as environmental pollution, solid waste management, flood control, and disaster risk reduction by strategically leveraging the specific capacities of member local governments. Since the passage of the Kyoto Protocol, the Japanese government has encouraged prefectures and municipalities to foster cooperation in the implementation of environmental governance programs. Local governments have been assigned to enforce national laws and develop local policies that address environmental sustainability concerns.

The pooling of resources led to increased funding for social welfare. In Japan, an alarming issue is the aging society characterized by a declining birth rate. Given an aging and decreased work force, funding issues are raised on the capacity of municipalities to provide elderly nursing care. However, with the Federation of Municipalities, rural towns and municipalities have been able to cooperate and combine resources to provide nursing homes to its residents. For small towns with a diminishing tax base, the pursuit of cooperation with neighbouring towns may be the best option to sustain public delivery of social services.

Compared to the Philippines, Japan has a more systematic approach in tackling multi-level strategies of governance. If one were to review local government policies, one would realize how they are deeply rooted in national development plans. Unlike the Philippines where local governments take the initiative to come together with other governance stakeholders, local governments in Japan still take the customary route of receiving approval from the central government. While the general approach it takes in crafting and implementing development strategies is still characterized by a top-down orientation, the participation of civil society in local governance in Japan has been increasing.

Field research in the province of Iloilo in the Philippines indicates that inter-local government collaboration is facilitated by high levels of political trust among local government leaders, high level of technical capacity and knowledge of local governments on multi-level governance strategies, and strong links with citizen

networks such as civil society organizations and the private sector engaged in addressing multi-boundary issues such as economic development and environmental resource management. The support of national government agencies, especially the Department of the Interior and Local Government, and international donors in coalition building such as in the case of the Metro-Iloilo Guimaras Economic Development Council, is also identified as an enabling factor in such cooperation. On the other hand, research results from Ibaraki prefecture in Japan indicate that local governance is transforming and steadily moving towards the incorporation of multi-stakeholder inputs in local development planning. The comprehensive development plan of Ibaraki took into account the contributions of residents, private sector, and non-profit organizations.

Nevertheless, inter-local collaborative governance arrangements in the Philippines being voluntary are confronted with numerous institutional challenges that can undermine the sustainability of the coalitions. Changes in political leadership because of the three-year Philippine local electoral cycle can result to changes in the policy directions of the newly elected local governments. Newly elected leaders can bolt out of the coalition if it does not correspond to the new local government platform. Political party affiliation also presents a problem if coalescing LGUs belong to different political parties. Thus cooperation would require a level of trust and bargaining among political elites. Furthermore, local governments also cite the lack of resources and capacity to engage in a coalition. Given their limited share in the national government revenue, local governments would rather allot their resources to their parochial needs than on multi-level governance institutions. Maintenance and enforcement of multi-level agreements are also seen as additional costs to local governance.

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