

News and Notes

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International Developments

IMF Conditions Set

The Philippine government, through Prime Minister Cesar Virata, submitted a letter of intent to the International Monetary Fund (IMF) to obtain its long-delayed standby credit of 615 million SDRs (special drawing rights, equivalent to US\$613.5 million). The amount will enable the government to reschedule about 40-55 percent of the country's \$25.6 billion foreign debt. An IMF requirement, the letter of intent outlined the country's economic adjustment program which aimed to cut spending and to encourage exports. To attain these objectives, the Marcos government pledged to float the peso and to restructure the tax system by shifting the burden of taxation from external to domestic transactions.

Foremost among the conditions set by the IMF is the collection of taxes from the tax-exempt coconut and sugar monopolies owned by alleged cronies of the President and the imposition of a new specific tax on fuel products. Because the 1985 budget had already been passed by the Batasang Pambansa, these new taxes will have to be introduced through a presidential decree, a move which is likely to trigger unpopular reactions. Another recommendation is to return from the Philippine multi-exchange rate system which started last June to a single exchange rate. Other conditions of the IMF include the removal of tax exemptions for state corporations such as the National Power Corporation, Philippine National Oil Company and National Food Authority, a move that is expected to generate an estimated ₱1 billion in additional government revenue. The IMF also requires the maintenance by the Central Bank of the level of currency circulation at no more than ₱30 billion; restriction of credit to the state-owned Philippine National Bank (PNB), which is having serious problems with bad loans; and adjustment of the pricing and marketing structures in agriculture to coincide with the World Bank-financed structural adjustment loan for that sector which was approved in September.

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¹¹ See Ledivina V. Cariño and Associates, *Integration, Participation and Effectiveness: An Analysis of the Operations and Effects of Five Rural Health Delivery Mechanisms* (Manila: Philippine Institute for Development Studies, 1982); Alfiler, "Comparative Case Studies of Community Based Health Projects: An Integrating Report," College of Public Administration, University of the Philippines, Manila, 1981; and Alfiler, "Local Resource Utilization Schemes for Selected Community Based/Primary Health Care Projects in the Philippines," a report prepared for the United States Agency for International Development (USAID), November 5, 1982.

¹² Elmer M. Ferrer and Maureen C. Pagaduan, "Working as Equals? Towards a Community Based Evaluation System" (Masteral thesis, University of the Philippines, June 1981).

¹³ Sylvia H. Guerrero and Elsa P. Jurado, *The Impact of the Panay Unified Health Services* (Manila: Philippine Institute for Development Studies, 1983).

¹⁴ Carmen Enrilé Santiago, "The Social Preparation of the Community Towards the Partnership Approach to Health Care," paper presented to the Research and Development Program, Institute of Health Sciences, University of the Philippines, Tacloban City, 1979.

¹⁵ Donna Dequina, "A Study of the Utilization of Medical Facilities (PGH and GSIS Hospitals)" (Undergraduate thesis, University of the Philippines, 1975).

¹⁶ Ma. Lourdes S. Joves, "Accessibility of Government Health Services in the Bicol River Basin Area," Bicol Studies Series No. 10, College of Public Administration, University of the Philippines, 1979.

¹⁷ Antonio Hidalgo, "Evaluation of a Health Program," *Philippine Sociological Review*, vol. 27 (January 1979).

¹⁸ Cecillo Adorna, "Distribution of Health Resources in the Philippines" (Masteral thesis, University of the Philippines, 1976).

¹⁹ Robert B. Stauffer, "The Philippine Medical Association: A Case Study in Interest Group Development," in Jose V. Abueva and Raul P. de Guzman, (eds.), *Foundations and Dynamics of Filipino Government and Politics* (Manila: by the authors, 1969).

²⁰ Mila A. Reforma, "An Evaluation of the Rural Health Practice Program," College of Public Administration, University of the Philippines, 1977.

²¹ Ledivina V. Cariño, Ma. Concepcion P. Alfiler and Rebecca P. Albano, "Support for Health Programs: A Functional Analysis of the Ministry of Health," report prepared for the Ministry of Health, College of Public Administration, University of the Philippines, October 1980.

²² Alma Ata, USSR, was the site of the International Conference on Primary Health Care sponsored by the WHO and the UNICEF held on September 6-12, 1978.

The IMF also proposes to meet the Philippines' \$4.3 billion financial gap estimates for 1984 and 1985 through a combination of \$1.65 billion commercial loans and \$2.65 billion in official credits. Moreover, the IMF has also made an appeal to the United States, Japan and the World Bank to lend an additional \$1 billion credit spread through 1984 and 1985.

Asia-Pacific Seminar on Trade

Less developed countries, particularly in the Asian and Pacific region, have suffered from the effects of increasing dependence on imported inputs. Recognizing this problem, 23 participants from countries in Asia and Europe attended the "7th Asian-European Regional Seminar on Foreign Trade Promotion" on December 2-15 in Manila. The seminar was hosted by the Eastern Regional Organization for Public Administration (EROPA). Through the seminar, EROPA hopes to equip participating commercial attaches, economic counsellors and career diplomats with the skills and technologies needed to enable them to obtain better terms in international trade negotiations.

Financial support for the seminar was provided by the United Nations Development Programme, the United Nations Conference on Trade and Development, and the General Agreement on Trade and Tariffs. Professor Carlos P. Ramos, administrator of the Philippine Executive Academy, served as Program Director, while his staff acted as part of the secretariat. Also assisting in the seminar are the Foreign Service Institute of the Philippine Ministry of Foreign Affairs, the Ministry of Trade and Industry, the Ministry of Tourism, the Asian and Pacific Development Center based in Kuala Lumpur, and the Economics and Social Commission for Asia and the Pacific in Bangkok. The German Foundation for International Development provided German lecturers on "Foreign Investments" and "Tourism."

National Developments

The Divided Agrava Reports

The Agrava Board, which was designated by President Marcos to investigate the assassination of former Senator Benigno S. Aquino, Jr., submitted its findings to the Chief Executive on October 23-24, 1984. The five-man board was first convened on November 3 with former judge Corazon Agrava as chairman and the following as members: Dante Santos, a businessman, Luciano Salazar and Amado Dizon, both lawyers, and Ernesto Herrera, a trade unionist. The final release of the board's findings was delayed for two months due to an internal rift which became apparent during the last hearing held on August 20, 1984.

While the board was unanimous in its findings that Rolando Galman, the alleged assassin tagged by the government, could not have fired the fatal shot; that instead it was one of Mr. Aquino's military escorts who shot him; and that, furthermore, the killing was part of a military conspiracy, the Board was divided on the matter of pinpointing responsibility for the crime. The majority report implicated high-ranking officers, including General Fabian Ver, among the 25 military personnel allegedly involved in a wide-ranging conspiracy to assassinate Aquino. On the other hand, the minority report prepared by Corazon Agrava merely implicated seven military men, among whom were Aquino's military escorts and the chief of the Aviation Security Command (Avsecom) Brigadier-General Luther Custodio. Upon receiving Agrava's version, President Marcos immediately instructed Minister of Justice Estelito Mendoza to bring the case to the Sandiganbayan, an anti-graft and corruption court with ombudsman-like features, for further trial. According to the President, this action was taken in deference to the preference expressed by the armed forces staff. The President also reiterated his order, which he made right after the assassination, suspending Custodio and the six Avsecom men.

Kadiwa Bottlenecks

If the additional ₱3.5 million it requested in May was not released, the Metro Manila Commission (MMC) Kadiwa would have made its last delivery of goods on October 10. More than half of MMC's 377 Kadiwa outlets reportedly closed temporarily due to lack of inventory; as a result, the 300 casual employees of the Kadiwa office at the MMC went on forced vacation. Metro-Manila Vice-Governor Ismael Mathay promised to raise ₱6 million by the end of June 1984 to allow MMC's Kadiwa stores to continue operations. To save the project, a tie-up with Minister Jesus Tanchanco's Food Terminal Incorporated Kadiwa Centers, which serve the same purpose as MMC's Kadiwa outlets, was also being worked out.

Kadiwa was conceived in 1979 to sell low-cost commodities to low-income families in densely populated communities. Since all Kadiwa outlets were located in places which are accessible to the greatest number of buyers, the enormous sales volume generated necessitated only a minimal markup of from two to five percent.

Problems in Pag-I.B.I.G.

Through Presidential Decree Numbers 1530 and 1752 issued in 1978, the Ministry of Human Settlements auspiciously launched the Home Development Mutual Fund. Better known to the public as Pag-I.B.I.G. (for "Ikaw, Bangko, Industriya at Gobyerno"), the program sets up a fund through the mandatory contributions of employers and employees which could be collected upon retirement. The fund is to be made available to members in the

form of housing loans whose provision and processing would involve banks, private financial institutions and the government. The government invested an initial ₱195 million to the corporation. Pag-I.B.I.G. contributions are used to finance two kinds of housing securities: (1) the Bahayan Mortgage Participation Certificates, which are payable in six years at 14 percent interest; and (2) the Bahayan Certificates, which have a term of two years at 9 percent interest. During the latter part of 1984, however, Pag-I.B.I.G. contributions worth ₱60 to ₱80 million were transferred monthly to the National Home Mortgage Financing Corporation (NHMFC) to service the backlog of mortgages.

The NHMFC's capacity to process loans has been impaired to the extent of 25-50 percent due to an increasing number of housing loan demands, on one hand, and the rapid doubling of the banks' inventories or mortgages submitted to the NHMFC, on the other. Tight credit has further aggravated the situation which has resulted in the loss of support by some banks. To date, there are only 38 participating banks out of the original 77, not all of which are regular and active lenders. The NHMFC has also imposed a maximum quota of ₱10-15 million worth of applications to process in a month's time.

As a temporary relief, Roberto Alvarez, the executive vice-president of the NHMFC issued Circular No. 30 on September 18, 1984. The circular provided that the processing of housing loans will wait for the availability of loan funds, or a minimum of six months on the borrower's part, even if the borrower has received his loan approval before its issuance. A member with an approved bank loan which the NHMFC cannot support till after six months, will have to shoulder a part of the interest on the bank's money since the NHMFC will pay only 1.5 percent of the interest for every month of delayed payment.

The Light Rail Transit

The Light Rail Transit (LRT) began its commercial operations on December 1, 1984. The trains travel above Taft and Rizal Avenues from Monumento in the North to Baclaran in the South, with 18 stations in between. Consisting of 64 trains, each composed of two cars, the LRT is expected to service 748 people per train, or a total of 600,000 passengers a day. Among the benefits from the LRT are a shortened travel time, for it takes only 15 minutes, including station stops, to commute from the South Terminal to the Central Terminal (Arroceros); low power consumption (estimated at ₱72 a year); and operations unhampered by brownouts except in cases of city-wide electrical failures.

In its execution, LRT experienced a number of problems which are internal to the Construction Development Corporation of the Philippines

(CDCP), in particular, problems involving money and lack of supplies, causing much of the project's delay. Compounding these are other problems. One of these concerns the choice of routes. Some quarters maintain that the LRT would have maximized its utility if it were located along Quezon Boulevard leading to UP Diliman and passing through the University belt. Another issue is the project's apparent planning weakness, despite the much-vaunted preliminary studies supporting its implementation. The newly-constructed Isetann department store had to give way together with some portions of the President Hotel and the Feati University to the construction. In 1982, Manila City officials were also set to file a P2.4 million suit against the Light Rail Transit Authority (LRTA) for infrastructure damages at Taft Avenue. Grievances from jeepney and bus drivers who would be adversely affected by the projected 8 percent decrease in passenger demand and the consequent relocation also contributed to its delay.

The LRT project, which was begun in 1981 under the CDCP, has exceeded its original contract bid of \$750 million and is projected to reach a total cost of \$3 billion. LRT is financed through foreign loans from five Belgian companies, namely, Ateliers de Constructions, Electrique de Charleroi, Ferroviares Et Metalliques BN, Transsurb Consult, S.C., and Tractionel Engineering International, S.A. The LRT also availed in 1982 of a \$50 million-loan from the Lloyds Bank International, Ltd. A counterpart fund and a subsidy of at least ₱100 million a year were also required from the Philippine government.

In Search of a New Democratic Order

In a two-day national assembly which culminated in a march to Malacañang on November 15, Nationalist Alliance for Justice, Freedom and Democracy (NAJFD) Secretary General Alex Padilla presented a paper on the "Concepts, Nature and Characteristics of a Democratic Coalition Government (DCG)". According to NAJFD Executive Officer Abraham Sarmiento, the discussions in the assembly shall form the basis of a national educational campaign on the DCG. This will work towards a "substantive restructuring of the political and economic systems in the country." The members, who will be recruited from workers, peasants, middle class, and the nationalist bourgeoisie, will be chosen according to the following criteria: "consistency in people's struggle, general commitment to the people's democratic principles, representation of major social class and sectoral interests, accomodation of various ideological and political persuasions, consideration of regional representation, and competence in political and organizational work."

The principles underlying the DCG will be: sovereignty of the people, elections and other means of choosing representatives at every level, and the

free exercise of basic democratic rights such as peaceful assembly, education, life and property and expression. The establishment of the DCG at all social levels will facilitate the nation's transition from the "US-Marcos dictatorship" to a period of peace and national stability. The DCG also seeks the solution of economic and social problems, and the establishment of a working unity and cooperation with the country's other social groups.

College Developments

College Plans and Reorganization

To cut costs and properly respond to new clientele demands, a CPA Committee on Reorganization was formed during the second quarter of 1984 with the following members: Dr. Amelia Varela, Prof. Alejandro Ibay, Ms. Perla Legaspi, Ms. Ma. Estrella Ocampo and all program heads. Dean Ledivina V. Cariño served as chairman of the group until her resignation in August 1984, to take up a visiting professorship at the University of Hawaii.

A number of recommendations for reorganizing the College have been submitted to UP President Edgardo Angara. One of these is the creation of two new centers carved out of the existing units and resources of the College: an Executive and Administrative Development Center (EADC), and a Policy and Administrative Research Center (PARC). Another recommendation is the creation of a separate publications office directly under the office of the Dean.

The Local Government Center would be retained to concentrate essentially on regional and local government administration. Another proposal calls for the integration of the duties of the College Secretary with that of the Academic Director under a "Secretary and Academic Director". In this arrangement, the administrative staff which the Secretary used to supervise shall form a distinct "Administrative Service" to provide common house-keeping functions to all the units of the College. The restoration of the Bachelor of Arts in Public Administration (BAPA) program and the institution of short-term diploma courses are also envisioned to strengthen the College's academic program.

Meanwhile, the College has had a succession of officers-in-charge since the departure of former Dean Cariño. They are: Prof. Romeo Ocampo, August 16-31; Dr. Ma. Aurora Catilo, September 1-15; Dr. Manuel Caoili, September 16-30; Dr. Gabriel Iglesias, October 1-31; Prof. R. Ocampo, November 1-30; and Dr. A. Catilo, December 1-31, all in 1984. The College and the University are still in the process of selecting a regular Dean.

New Course Offerings

Beginning the second semester of 1984-1985, two new public administration courses have been added to the curricular offerings of the College, namely P.A. 208 (The Philippine Administrative System) and P.A. 210 (Organization Studies). P.A. 208 deals with the nature, processes, and dynamics of the Philippine administrative system and its role in national development. P.A. 210 examines theories, processes and techniques involved in organization and management and personnel administration.

LADPAAP Scholarship Opened

The Local Administration and Development Program Alumni Association of the Philippines, Inc. (LADPAAP) donated ₱50,000 to the University's Diamond Jubilee Fund. The donation will support a scholarship program in Local Government and Regional Administration at the College of Public Administration.

LADPAAP members or permanent local government employees may avail of the grant. The scholarship entitles the recipient to free tuition and other school fees plus a book allowance of ₱300 per semester for a maximum period of four semesters. While the CPA takes charge of awarding and the other administrative details of the scholarship, the UP central administration is responsible for the custody and investment of the fund. Ms. Avelina Tanglao of the Mayor's Office of Davao City is the first recipient of this grant.

Most Relevant Lantern Award

The College of Public Administration received the "Most Relevant Lantern Design" award plus ₱500 in cash in the traditional UP Lantern Parade held on December 19. The lantern depicted a crumbling Parthenon and the silhouette of a man and woman in rocking chairs, an obvious metaphor on the nation's leadership. The visual effects suggest the restoration of national stability and development which can be achieved only through the unity of the various sectors of Philippine society. The winning lantern further emphasized the crucial role of public administration in giving meaning to "people power" and the accountability of the public service.