

## **Interview with Sen. Aquilino Pimentel Jr.**

*You are the acknowledged Father of the Local Government Code. Do you like what you are seeing in 15 years of its implementation?*

Certainly, it could be better. But at least we tried an experiment. And i think, by and large, it is working. But of course, it needs a lot of perfecting amendments, I might add.

*Of the many good features of the Code, what do you think are the provisions that have helped revolutionize local governance and administration, and made a tremendous impact on local autonomy?*

Well, basically, the fact that we are now sharing 40 percent of the taxes of the nation for local government units. Before the Local Government Code was adopted, the local government units -- provinces, cities, municipalities, and especially the barangay – did not have a specific share. Their share depended on the, you might say, the closeness of the political leaders of the provinces, cities, municipalities and barangay to the powers-that-be.

But now, because of the provisions of the Local Government Code, you have a situation where, whether the powers-that-be like it or not, the provinces, cities, municipalities, and the barangay would have a share of the taxes of the nation defined by law at 40 percent of all those taxes.

Now, in addition to the taxes that have been compelled by law to be shared with local government units, now you have certain powers, specifically devolved to local government units.

These two combined, money and power, being shared by central government with the local government units, would release, and in fact, these two are releasing a lot of, you might say, opportunities in the local government areas which were not available before.

*But isn't the IRA still subject to the whims of the national government now?*

Let me say that we're trying to revise the notion of internal revenue allotment. I am not comfortable with that because it means that it is something that is dependent on the wishes of the central government. These are internal revenue shares, so i would rather call them internal revenue shares than internal revenue allotments.

That said, i noticed that our intention when we crafted the LGC was to insist that the concept behind the sharing was to make all the revenues of government as the basis, to use that as the basis of the sharing, rather than the interpretation today where the central government is restricting the pie, as it were, to internal revenue taxes.

Internal revenue taxes are different from just plain government revenues. Because to make it a little more understandable, internal revenue taxes do not include, for example, customs duties or wharfage fees. These are not included. This is one area which i want to revise so that all revenues of government would now be included. So that the pie becomes wider.

And also, I also wish to increase the share of local government units from 40 percent to 50 percent.

I might as well add also that among the amendments I wish to introduce is to make local government units more responsible for the use of the funds that are now coming their way. Like manna from heaven, they don't have to sweat anything out to get the 40 percent of the taxes of the nation as of now. And if we can compel them, as it were, to account for every centavo that comes their way, that would be more productive eventually for the people.

*It's also like what we've seen in the previous months regarding the issue of charter change, that it's been used as as a carrot to be dangled to them?*

Not really. Because if we're talking of the internal revenue share of local government units, this cannot be withheld by government. Of course, the central government has been trying to do that. We have filed cases, I've filed a case sometime ago. The Supreme Court sustained me. And then this congressman from Batangas also filed a case, and he also won over the attempt of the central government to withhold certain shares of the local government units that are due to them because of the Local Government Code.

*What else in terms of provisions or features, by way of measuring the success of the code? Can you give examples?*

Among other things, because the internal revenue share of the local government units come their way every year, many of the local government units fail to use their taxing power. In other words, in Tagalog, naging sobra na ang dependence nila sa central government, they are just waiting for their internal revenue instead of trying to raise funds on their own. We made some rough estimates. Sobra nang 80 percent ng local government units are dependent sa internal revenue share without any effort at all to collect taxes that are due to the government or to raise their own revenue.

*This is counter to what is the spirit of the Code, right?*

That's correct. That's correct. Because if you have local government units that are overly dependent on central government, what happens now to the objective of the devolution which is to create more autonomous units of government, more self-reliant, more innovative in their approach to development?

*To what do you attribute this dependence on the central government?*

Basically, it is part of, you might say, political security mentality, where people do not wish to risk being blamed by people for increase in taxes. In other words, they do not want to risk it and say oh as local government unit in municipality B or city A, province C, they probably do not wish to make it appear that they are now collecting taxes on their own, imposing taxes on their localities because they are afraid of a backlash. Takot sila na magalit ang tao.

*How about the other provisions that have not been fully maximized by local government units?*

The number one thing is of course the power to impose taxes. That has been...good if more than 10 percent of local government units are doing that. I don't think so. In other words, napabayaan talaga ang kapangyarihan na ganun.

Then secondly, I think the matter of the local government units engaging in activities that will add to their resources. For example, if there are local government units which have island components, separated by an inland sea or a river, I don't think any local government unit is providing ferry service to the people plying that route. And they could raise money as a result of that. Putting up bus terminals, putting up facilities that would add to the comfort to the passengers. I don't think they are doing that. Marami...oo...

*Are there features in the Code that impede the forward march of LGUs towards full autonomy?*

Well, if you want to call it that as impeding their march to full autonomy, as you put it, the fact that they are only entitled to 40 percent of all the taxes. Sagad na sila doon. But it doesn't mean that they cannot move within that standard or that measure of share from the taxes of the nation.

Also, many of the local government units, provinces and cities particularly do not have the power to ask or compel – compel would be the better word -- the regional directors assigned to their localities to tell them what are the projects coming from the central government that will be implemented in the cities or provinces. Because of that failure, sometimes the plans of the cities do not jive with the plans of central government. And often the mayor or governor are surprised that all of a sudden when they wake up in the morning they find that a road is being constructed, or a bridge is being built in their territory without being informed of this matter. That's not good. That leads to misunderstanding. And often projects that do not complement one another.

Also, on the matter of environmental impact, parang walang ganoong...apparently the local government units are not forceful enough to assert that they have a say in any projects that impacts on the environment in their locality.

I'm also thinking of amending the Local Government Code so that the environmental clearance would be a function of the local government instead of the DENR.

*How about external factors, the political culture, because the local government units are still dominated by the same political families or dynasties?*

That's really true. That's really one problem that has been attempted to be cured by a ban on political dynasties. Unfortunately, I remember I was a member of the first Congress when, after Marcos was ousted, and there were several proposals, and I was an author of that. But it never...it did not even get to first base. There was a very strong opposition to it.

And so we have the unfortunate situation now where politicians are succeeded by their husbands or by their mistresses, or their children. Of course, people say well anyway this is not a forced dynasty like the medieval times where kings imposed their will on their subjects. Their subjects had no say whatsoever on who's going to succeed the king. In this particular instance, you have a situation where

the people will be the ultimate decision-maker.

Of course, it's very important that the capacity or the capability of the heir or successor must be taken into account in the judgment of the people.

*Won't you be accused of, I mean now that your son is running also for a Senate seat, eating your words?*

Not really. Because as I told you we tried to do something about it. But it couldn't be done under the present setup. Now, I think what is important is to see the issue, not as an issue against us, but also against everyone. Why are people concentrating on challenging the opposition when they don't talk about Gloria Macapagal-Arroyo's dynasty, which is existing? A son and a brother-in-law in Congress, and another son going into Camarines Sur. Another daughter-in-law some place in the Visayas.

If that's the situation, my take is that number one, they should see the competence of the person being put up. My son is a bar topnotcher – number one in the bar. And if the people think that's not good enough, then let them decide. This is a free country.

So what I'm saying is that, in the ultimate analysis, it's the people who should decide whether the candidate is good or bad for the nation. And I will respect that.

*There are also observations that when we devolved the functions and all that, we also somehow localized corruption.*

That is also true. That is one of the things I am trying to ensure that every centavo is accounted for. Kaya nga sinabi ko earlier we have to ensure that there is accountability for every single centavo that goes to local government so that corruption is minimized.

*You were a local government executive yourself, having served as mayor of Cagayan de Oro in the '80s. Can you tell us what was local governance like in those days?*

We were just messengers of the central government. There was a time when I was mayor that the salary increases of our employees were dependent on the release of Malacañang of the funds. And Marcos didn't like me because i was in the opposition. And so for a time, the people thought that I was the cause of my the problem of the employees at city hall. I had to work with some of my friends in the KBL at that time, and we were able to solve that problem.

I just mentioned that to show you how difficult it was during that time. Cagayan de Oro that time only had a budget of maybe P25 or 28 million. Today, it's almost a billion. So makikita mo ang laki ng diperensiya.

*So your experience in Cagayan de Oro inspired you to work on this kind of law?*

Definitely, definitely. I think when I became local government secretary, i saw the problem on a wider scale and when I was city mayor, i saw the microcosm of that problem played out in the city of

Cagayan de Oro. I had the benefit of looking at the problem with more particularity as well as the problem on the national scale. And i used that experience to craft the Local Government Code.

*Since you have this proposed bill containing amendments to the Local Government Code, can you summarize to us the specific amendments?*

Number one, we want to increase the powers of local government units. I'm talking in general. This is just a summary. Instead of just the powers that are exercised by local government units, we want to empower them some more. Like compelling regional or national officials located in the city or in the province to be summoned by city or provincial officials to answer questions regarding development plans.

Also the power to cite for contempt people who do not follow the orders of the Sangguniang Panglalawigan or Sangguniang Panglungsod, a power that they don't enjoy as of now.

Then, increasing the share from 40 to 50 percent of the internal revenue taxes. And probably give the local government units more jurisdiction over environmental problems.

Salamat hijo ha.