

ILO Asia-Pacific Working Paper Series

Local economic development and
youth employment in the Philippines:
the case of Davao City

June 2010

Subregional Office for South-East Asia and the Pacific
Manila

Copyright © International Labour Organization 2010
First published 2010

Publications of the International Labour Office enjoy copyright under Protocol 2 of the Universal Copyright Convention. Nevertheless, short excerpts from them may be reproduced without authorization, on condition that the source is indicated. For rights of reproduction or translation, application should be made to ILO Publications (Rights and Permissions), International Labour Office, CH-1211 Geneva 22, Switzerland, or by email: pubdroit@ilo.org. The International Labour Office welcomes such applications.

Libraries, institutions, and other users registered with reproduction rights organizations may make copies in accordance with the licences issued to them for this purpose. Visit www.ifro.org to find the reproduction rights organization in your country.

ILO Cataloguing in Publication Data

Local economic development and youth employment in the Philippines: the case of Davao City / International Labour Office, ILO Subregional Office for South-East Asia and the Pacific. - Manila: ILO, 2010
xiv, 39 p. (ILO Asia-Pacific working paper series)

ISBN: 9789221215738; 9789221215745 (web pdf)

International Labour Office; ILO ILO Subregional Office for South-East Asia and the Pacific

youth employment / promotion of employment / local economic development / Philippines

13.01.3

The designations employed in ILO publications, which are in conformity with United Nations practice, and the presentation of material therein do not imply the expression of any opinion whatsoever on the part of the International Labour Office concerning the legal status of any country, area or territory or of its authorities, or concerning the delimitation of its frontiers.

The responsibility for opinions expressed in signed articles, studies and other contributions rests solely with their authors, and publication does not constitute an endorsement by the International Labour Office of the opinions expressed in them.

Reference to names of firms and commercial products and processes does not imply their endorsement by the International Labour Office, and any failure to mention a particular firm, commercial product or process is not a sign of disapproval.

ILO publications and electronic products can be obtained through major booksellers or ILO local offices in many countries, or direct from ILO Publications, International Labour Office, CH-1211 Geneva 22, Switzerland. Catalogues or lists of new publications are available free of charge from the above address, or by email: pubvente@ilo.org

Visit our website: www.ilo.org/publns

Printed in Philippines

Foreword

Youth unemployment and the difficulty of transiting from school to work has been a persistent and significant problem not just in the Philippines, but throughout the Southeast Asia and Pacific region. A number of policy and programme initiatives have been introduced to address youth unemployment problems including provision of labour market information, skills training and upgrading, online job-matching, nurturing of entrepreneurship skills, etc. All these initiatives benefit from the political will of different stakeholders and often require both large sum of money (usually taken from national budget appropriations where they have to compete against other urgent priorities) as well as human resources and the energy to sustain each initiative. Despite all these programmes, the problem of youth unemployment persists. This might lead one to pose questions such as: “are we doing the right thing?”, “what types of youth-oriented and labour market initiatives would lead to employment creation?” and so forth.

In order to ensure these initiatives and reforms impact on young people and their lives in a positive and tangible manner, there is a need for a greater understanding of the nature of the environment that such initiatives are designed to address. As well as understanding the dynamics of the labour market, an important first step is to know the current profile of young people entering the workforce for the first time. This study is a response to that need and was commissioned by the International Labour Organization (ILO) through the *Promoting Youth Employment in the Philippines (PYEP): Policy and Action Project* to assist policy makers (especially those operating within local government units who interact most often with young people needing work) in analyzing the real situation of the youth today in their locality: their needs, aspirations, and constraints, etc. so that officials and social workers can target and prioritize particular youth groups in greatest need, better address the problems they face and craft value-for-money solutions, measures, and/or youth investment options.

As always, we at the ILO Office hope that this initiative can be used by other local government units (LGUs) towards better understanding of the youth and employment challenges in their locality for them to craft effective and efficient measures to address youth unemployment.

Linda Wirth-Dominice
Director, ILO-SRO Manila

Preface

The Philippines was one of four countries selected for an initial three-year phase of the ILOs Action Programme for Decent Work under an agreement signed in 2002 between the local tripartite partners.¹ Promoting youth employment is one target outcome under this Decent Work Country Programme (DWCP) specifically under Pillar 2: “creating employment opportunities for men and women”.²

The Canadian International Development Agency (CIDA) Philippines through its Private Sector Development Fund provided a grant to pilot-test the youth employment project in the Philippines. The PYEP project aimed at capacitating relevant stakeholder institutions to assess the state of the labour markets at both the national and local levels, identifying employment growth areas that would provide opportunities for current and future youth, and its various segments. These segments were identified as: (i) students; (ii) the employed youth (including those that were self-employed); (iii) the unemployed job-seekers; and (iv) those not in the workforce.

Finally, armed with the knowledge of current and potential future opportunities, the project sought to foster the necessary conditions to realize these opportunities. An important component of this was recognition of the need to promote entrepreneurialism among the youth and a series of training modules were introduced and piloted in specific localities designed to encourage youth to think of themselves as micro entrepreneurs.

Importantly, the project disaggregated the factors and conditions surrounding youth unemployment from the more general unemployment and underemployment problem facing the Philippines and fostered the realization among stakeholders that this was indeed a separable problem that required its own specific set of interventions in order to resolve. Unemployment during a person’s early working years can discourage a person and reduce self-esteem. This often leads to a lifetime of unemployment or underemployment and wasted potential for the country.

To make the programme implementable and measurable, the project management team dovetailed its project strategy with the ongoing effort of the ILO Manila to promote local development and decent work in other areas.

Thus there were a number of activities funded under the youth employment project that were carried out to address broader targets of the DWCP which were co-funded through other allocations: for instance promoting local development and decent work (such as developing the studies linking youth employment to local economic development strategies) and also funds allocated for promoting gender equality in employment.

Eight pilot locations were selected partly on the basis of recommendations of the Department of Labor and Employment–Bureau of Rural Workers (DOLE-BRW) which the DOLE assessed as showing already some level of success based on implementation of other national flagship programmes including those on poverty reduction. The final decision was also made on the basis of an assessment of the ILO Manila as to the openness of the local LGU leadership to work with the ILO in this regard.

Policy research was undertaken which led to consequent technical discussion and advocacy activities conducted to harness multi-sector support for a policy and action agenda that would complement,

¹ See for example http://www.unwire.org/unwire/20020514/26368_story.asp (accessed 21 November 2009).

² See for example ILO, 2006 *From Pilot to Decent Work Pilot Programme*, Geneva; available online at http://www.ilo.org/wcmsp5/groups/public/---dgreports/---integration/documents/publication/wcms_079471.pdf (accessed 23 November 2009).

replicate, disseminate, and scale up the delivery of tried and tested employment support services for youth throughout the country. These policy research papers are integrated into this set of working papers.

National and local partners participated in a series of ILO-organized advocacy and learning forums and were oriented in the ILO entrepreneurship tools (KAB, GYB/SYB, and GET AHEAD) which were pilot tested in 48 secondary schools throughout the country as well as in the Technical Education and Skills Development Authority (TESDA)-administered schools.

Knowledge materials were produced to assist both institutional partners and target youth beneficiaries during and after the project period while documentation of the supported demonstration projects helped in disseminating lessons and facilitated replication of good practices by other parties.

Finally and at the local level, ILO-CIDA-PYEP supported research into youth unemployment in each pilot location through a youth employability survey. This was followed by a multi-stakeholder consultation, the outcome of which provided the basis for development of a local youth employment strategy.

Location-specific projects were developed to create immediate and limited scale demonstration effect on jobs, incomes, and decent work status of target youth segments. These were piloted in the eight localities using ILO tools and expertise and generated results favourable to intermediary local institutions and target youth beneficiaries. These demonstration projects were useful for improvement, replication, and scaling up. These particularly covered:

1. Angono –five demonstration projects anchored on art tourism including: (i) arts exhibits; (ii) traditional animation and artistic training; (iii) souvenir items development and culinary arts; (iv) souvenir items development using recycled materials; and (v) tour guide training and transport-aided tourism promotion that directly enhanced skills. These were translated into jobs and income opportunities initially for 110 young artistically inclined youth.
2. Concepcion – one project anchored on eco-tourism titled “LGU and Youth Employment Generation Capacity on Tourism Development” that enabled 20 youth direct beneficiaries duly screened and selected, from the different barangays of the town to acquire through structured learning opportunities necessary attitude, exposure and skills to start, grow and sustain in a business-like manner the operations of an LGU tourism services shop, This will indirectly benefit 400 local potential and existing artisans and entrepreneurs by providing new outlets for their products.
3. Cotabato City – one demonstration project focused on enabling a Muslim youth-run organization to prepare and expand its social enterprise service lines to include blueprinting services on top of established computer and photocopying services; in effect creating additional opportunities for the organization’s target out-of-school-youth; and enabling employed out-of-school-youth to earn incomes sufficient to cover for their needs and for costs in pursuing a short vocational/technical training course of their choice.
4. Davao City – one project involving various stakeholders in enhancing the employability factor of targeted disadvantaged youth in the city such as the out-of-school-youth and the job seeking unemployed youth technically inclined to engage in jobs in the hotel and restaurant industry, building electrical wiring trade and metal arc welding trade. The programme provided for skills training, testing, and certification; entrepreneurship orientation, personality development, post-

training employment services, and a mechanism for employers' feedback on programme participants.

5. Dumaguete –one demonstration project involving various stakeholders in enhancing values, industry/trade skills and entrepreneurship base of local unemployed graduates. As an adjunct to this, the city provided two tracks of post-training employment facilities services for the youth. One track is geared towards getting trainees employed in the labour-short but high-paying business process outsourcing-information and communication technologies (BPO-ICT) sector as well as in hospitality and automotives sectors. Another track was geared towards enabling these young people to start-up their own service shops.
6. Guimaras Province –two different projects with the first one supporting employability and actual employment of 50 local youth for housing sector jobs implemented prior to employment strategy planning as an emergency response to the oil spill disaster that affected local livelihoods and incomes of affected communities in the province in 2006 and the second one complementing resources mobilized by the provincial government to implement an integrated set of employment interventions based on identified gaps and action points from the youth employment planning workshop.
7. La Castellana – one demonstration project affording young people and their parents in comprehensive agrarian reform programme (CARP) whose long pending land disputes case have been finally settled and thus ready to respectively invest in the development of their respective lands, with entrepreneurship orientation, training, and post-training advisory services.
8. Marikina City – In addition to the survey and youth planning forums, the ILO provided the city with technical (e.g. feasibility studies, trainings, forum facilitation, and advisory services) and brokering (e.g. between BPO firms and Marikina LGU) services to complement the overall efforts of the LGU to organize a fully functioning one-stop-shop labour market centre capable of delivering a comprehensive set of employment services for the city with a special focus on the more disadvantaged youth segments.

These projects served as a deciding point for LGUs and stakeholders to mainstream youth employment policy and action points in local development planning, budget, and administration processes.

This second set of papers in this series provides the case studies that highlight how these ILO-sponsored interventions complemented local economic development initiatives in each of these eight areas and the result obtained.

As noted in the independent evaluation report,³ PYEP is clearly just a beginning. Nevertheless, it has managed to establish momentum that can be carried on by the project partners with or without further project support.

It underscored the challenges facing all the partners involved: the local governments, the partner non-governmental organizations (NGOs), the schools and training institutions, the employer groups, trade unions, national government agencies, and the international development institutions involved (ILO and CIDA), that is to do what is necessary to ensure that such momentum is not dissipated.

³ Working Paper No. 7 of the Youth Employability series.

This current series of working papers provides a useful benchmark of the various youth employability outcomes against the backdrop of local economic development strategies. From this, it is possible to assess the longevity and achievements of the various projects undertaken as well as the concepts and lessons that can be carried over into other localities concerned with building youth employability into their development programmes. For more detailed information, readers are referred to the Terminal Report, produced by ILO Manila.

Table of contents

Foreword	iii
Preface	v
List of tables.....	x
List of figures.....	x
List of box.....	x
List of acronyms	xi
Acknowledgements.....	xii
Glossary of terms	xiii
1 Introduction.....	1
1.1 An overview of Davao City.....	1
1.1.1 The image	1
1.1.2 Territorial profile	1
1.1.3 Population and workforce.....	2
1.1.4 Economic and job growth centres	4
1.1.5 Registered establishments, capitalization, and employment	6
1.1.6 Registered business lines (2006–2008)	9
1.2 Antecedents to decentralization.....	11
1.3 The challenges faced by City Hall.....	12
1.4 Key responses and cumulative gains	13
2 LED implementing strategies and structures	15
2.1 Responsibilities for LED partnership building and implementation activities.....	16
2.2 Promoting professionalism in a highly politicized organization	16
2.3 Challenges in forming and strengthening partnerships	18
2.4 Some good practices towards productive and gainful inward investments	18
2.4.1 The local investment incentives code.....	18
2.4.2 The Davao product branding system	20
2.4.3 The Ateneo de Davao University Center for Business Research and Extension Services	21
3 The Davao Youth Employability Enhancement and Development Programme.....	23
3.1 Background to the YEEDP Programme	24
3.2 The scope of the local intervention	25
3.3 Partnering and implementation process.....	25
3.4 Lessons learned	27
4 The way forward	30
4.1 Continuing and emerging challenges and development thrusts	30
4.2 Current LED priority programmes and projects.....	30
4.2.1 Peace and order.....	31
4.2.2 Environmental management	31
4.2.3 Social services	32
4.2.4 Infrastructure	34
4.2.5 Economic	34
4.2.6 Administration.....	36
5 References.....	37
5.1 Interviews	37
5.1.1 From the city government of Davao.....	37
5.1.2 From national government line agencies	38

5.1.3	From private sector institutions.....	38
5.1.4	From beneficiary groups	38
5.2	Documents.....	38
5.2.1	Documents collected from field research.....	38
5.2.2	Documents collected from desk research.....	39

List of tables

Table 1-1:	Davao City population and labour force data, 2000	3
Table 1-2:	Davao City population and labour force data, 2000	3
Table 1-3:	Davao City's network of economic growth centres	6
Table 1-4:	Number of businesses in 2006, 2007, and 2008, Davao City and by district.....	7
Table 1-5:	Capitalization value of registered businesses in 2006, 2007, and 2008, city and by district	8
Table 1-6:	Employed persons in registered businesses in 2006, 2007, and 2008, city and district	8
Table 1-7:	Changes in registered businesses, capitalization, and employment, 2006-2007	9
Table 1-8:	Changes in registered businesses, capitalization, and employment, 2007-2008	9
Table 1-9:	Business and job growth indicators (2005-2006).....	10
Table 2-1:	Products awarded the Davao seal of excellence.....	20
Table 3-1:	Employment, unemployment, and unemployment, Regions XI and Philippines.....	24
Table 3-2:	Davao City YEEDP partnership arrangement	26
Table 3-3:	Davao City YEEDP training courses (first batch).....	27
Table 3-4:	Updates on Davao City YEEDP training courses	29

List of figures

Figure 1:	The eight pilot areas	xiv
Figure 2:	Davao City.....	2
Figure 3:	Davao City: key business indicators.....	5

List of box

Box 1:	Youth employability enhancement and development programme (YEEDP): updates as of January 2009	28
--------	--	----

List of acronyms

BIMP-EAGA	: Brunei Darussalam-Indonesia-Malaysia-Philippines – East Asian Growth Area
BREED	: Business Resource and Education for Enterprise Development
CIDA	: Canadian International Development Agency
CCDO	: City Cooperative Development Office
CSSDO	: City Social Services and Development Office
DCIPC	: Davao City Investment Promotion Center
DOLE	: Department of Labor and Employment
DTI	: Department of Trade and Industry
GYB	: Generate Your Business
HRD	: Human Resources Development
IAWTG	: Inter-Agency Technical Working Group
ILO	: International Labour Organization
KAB	: Know About Business
LDDW	: Local Development and Decent Work
LED	: Local Economic Development
LGU	: Local Government Unit
NGO	: Non-Governmental Organization
OCPDC	: Office of the City Planning and Development Coordinator
OJT	: On-the-Job-Training
PEDO	: Provincial Economic Development Office
PESO	: Public Employment Services Office
PGMA-LEP	: President Gloria Macapagal-Arroyo–Ladderized Education Programme
PhilExport	: See Glossary
PRODMEG	: Programme for Development of Manpower and Employment Generation
PTEDC	: Provincial Training and Enterprise Development Center
PWD	: Persons with Disabilities
PYEP	: Promoting Youth Employment in the Philippines
RA	: Republic Act
SME	: Small and Medium Enterprises
SYB	: Start Your Business
TESDA	: Technical Education and Skills Development Authority
TNS	: Taylor Nelson and Sofres
UNICEF	: United Nations Children’s Fund
UP	: University of the Philippines
YEEDP	: Youth Employability and Development Programme

Acknowledgements

Special thanks to CIDA for supporting the ILO's project of Promoting Youth Employment in the Philippines (PYEP), the select young women and men who participated in the survey, the multi-stakeholders in the eight pilot sites of the project who worked in validating the survey findings and providing their valuable comments and the additional inputs and insights provided by the team from Taylor Nelson and Sofres (TNS) who administered the survey process and the various youth employment demonstration projects implementers in the eight pilot sites.

Acknowledgement also to all assisting researchers and local stakeholders from the government and the private sector who assisted and contributed in the various stages of developing and updating the case studies for each of the pilot sites, from 2005 to 2009 and to the ILO-PYEP, Employment, and Publication teams for the overall efforts in delivering this knowledge product and especially Ms Maria Asuncion Ortiz who coordinated the research, writing, and compilation of these case studies.

A note on spelling and other conventions

In accordance with the practice of the International Labour Organization (ILO) this document follows the general spelling conventions as laid out in the Oxford Dictionary. Where two or more alternative spellings are allowed, we normally apply the first such spelling.

Exceptions are made for proper names. Thus we use the general term of "labour market" and "labour scenarios" but "Department of Labor and Employment" and "Labor Code of the Philippines".

The Philippine *Youth in Nation Building Act of 1997* defines youth as those within the age group of 15–30 years while the Department of Statistics uses the cohort 15–29 years. Both are used in this group of studies depending on the source of information.

Glossary of terms

Banca	: A traditional outrigger boat common throughout Southeast Asia
Barangay	: The smallest administrative district of elective government in the Philippines; also “barrio” from the Spanish
Caranderia	: Small traditional restaurant or canteen
CLETF	: Child Labor Education Task Force; a component of the ILO’s international programme for the elimination of child labour
Davaoeño	: A citizen of Davao (note that the term applies not only to Davao City but also to surrounding provinces)
PhilExport	: The Philippine Exporters Confederation, Inc. (PHILEXPORT) is the umbrella organization of Philippine exporters accredited under the Export Development Act of 1994., Also known as RA 7844
Plantilla	: The approved organizational establishment against which individual positions can be filled; from the Spanish meaning <i>template</i>
Poblacion	: The central district of a city, town or municipality; often reflecting the original settlement, the Poblacion is also usually the seat of the local administration.
RA 6713	: Code of Conduct and Ethical Standards for Public Officials and Employees (1989)
RA 7160	: Local Government Code of the Philippines (1991)
Sangguinang Bayan	: The local legislative body of a municipality
Sangguinang Kabataan	: Youth Council
Sangguinang Panlalawigan	: The legislative board of a province under the chairmanship of the vice governor
Sangguniang Panlungsod	: The legislative branch of a city government

Figure 1: The eight pilot areas



Local economic development and youth employment in the Philippines: the case of Davao City

1 Introduction

This first part of the case study report provides an overview of Davao City in terms of its image, area, population, economic activities, and job growth prospects. We identify the challenges faced by the key stakeholders which they have sought to address using local economic development (LED) strategies. From this we move to a discussion of the results thus far achieved for the city.⁴ We then move to issues related to unemployment, and especially youth unemployment and the involvement of Davao City in the ILO-CIDA policy and action programme that ran from 2005 to 2007.

1.1 An overview of Davao City

1.1.1 The image

Davao City is one of the most competitive cities in the Philippines, and perhaps in the whole of Asia.⁵ The strategic position of the city, situated at the south-eastern tip of the Philippines and on the rim of Asia Pacific, makes it a natural centre of commerce, trade and services, not only for Southern Mindanao but also for the developing trading hub of the so-called Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA). It has a well-developed port and an international air terminal, which provide regular air, sea, and land linkages to major destinations in the Philippines and regular direct air linkages to both Singapore and Manado, Indonesia. It has been cited by tourism organizations as the “Most Peaceful City in Southeast Asia” where people of diverse cultural backgrounds, religions, ideological beliefs and dialects can live harmoniously and prosper.⁶

1.1.2 Territorial profile

Davao City is an independent city located in the south-eastern part of the Mindanao region lying at the southern end of the Philippines (Figure 2). It is widely regarded as being one of the most progressive cities in the Philippines and serves as the commercial centre of the Davao Region (Region XI). It is bounded on the north by the province of Davao del Norte; on the northeast by the municipality of Sta. Cruz, on the south by the province of Davao del Sur; on the east, the Gulf of Davao and Samal Island; on the west, Mt. Apo and the province of North Cotabato; and on the northwest, by the province of Bukidnon.

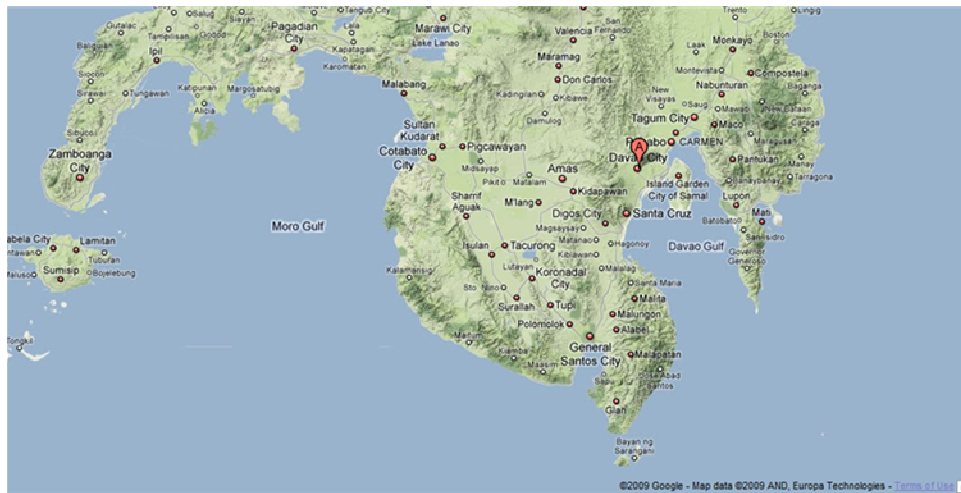
It is a sprawling city covering a total land area of 244,000 hectares (ha) or 2,440 square kilometers, making it one of the largest cities in the world by area. In terms of land use, around 77 per cent is dedicated to agricultural and pasture use with plantations devoted to banana, pineapple, coffee, and coconut taking a substantial portion of the total.

⁴ Interviews and report for ILO and CIDA by M.A.A. Ortiz in 2007 and in 2008. Secondary materials provided by Davao City LGU and Chamber of Commerce and downloaded and viewed from their respective websites.

⁵ Based on Asian Institute of Management survey (2001, 2003 and 2005) using indicators of quality of life, cost of doing business, dynamism of local economy, infra, linkages, and accessibility and quality of workforce.

⁶ References for this portion: Davao City LGU: *Invest in Davao 2005*; *Socio-Economic Indicators 2007*; *Woman and Child Statistical Guide 2007*.

Figure 2: Davao City



Another 11.3 per cent is forest land and 6.4 per cent is set aside for conservation purposes. Only 6 per cent is classified as built-up and settlement area for residential, institutional, commercial, and industrial uses. Under the city's approved land use plan, 15.1 per cent of the total area has been allocated for settlement use; reducing to 67.2 per cent the land that can be maximized for agriculture. The remaining 17.7 per cent must be retained and devoted to forest and conservation.

Davao is gifted with a moderate climate. The land is extremely fertile with mineral-rich soil well suited to tropical and semi-tropical produce. It has unique flora and fauna, and an abundant source of potable water regarded as being equal to the best quality in the world. The city, within its natural terrain, is home to the world's largest bird, the Philippine Eagle with its sanctuary at the foot of Mt. Apo, the highest peak in the country. It is a home also to the rare and fascinating "queen of orchids" known as *Waling-waling* likewise found at the foot of the mountain. It is blessed with exquisite beaches accessible by *banca* (an out-rigger boat) or land travel. It has beach and mountain resorts with amenities for relaxation, recreation, sports, conventions and business activities. As a result, Davao is also becoming regarded as a local and regional tourism hub.

The city has three congressional districts and 11 administrative districts governing a total of 182 component barangays (a barangay is the smallest geo-political unit in the country).

1.1.3 Population and workforce

According to the year 2000 census, Davao had a population count of 1,147,116 across 240,057 household units. The daytime population count however is higher, as it includes workers who commute to the city from surrounding areas. During work days the population is estimated to reach almost two million, since the city is the centre of trade, commerce, and services for the Southern Philippines region. The average annual population growth rate recorded between the years 1995 and 2000 was recorded at 2.8 per cent while population density was given at 470 persons per square kilometer.⁷ This growth rate was higher than the national average.

For the same reference year, slightly over 50 per cent of the total population were women; 32.5 per cent of them were in their reproductive years. In terms of age, 34.9 per cent of the population were

⁷ According to the 2007 census, the population had increased by 19 per cent to 1,363,337 giving an intercensal annual growth rate of 2.5 per cent, slightly above the national average for the period.

children ages 0–14 and 31.8 per cent were youth ages 15–30.⁸ Combining the sizes of children and the youth cohorts, young people constitute 66.7 per cent of the population making the city relatively young in terms of age distribution.

Again using 2000 as the base year, about 55.4 per cent (635,412 of 1,147, 116) of the total population were in their working years, (ages 18–64 years) with around 89 per cent of them were employed and 11 per cent were unemployed and not in the work force. The latter group consisted mostly of young women and young men with limited access either to tertiary education or to school-to-work transition services.

Table 1-1 and Table 1-2 below show available data on the city’s population 15 years of age and above as well as selected labour force data for 2000 and 2003. These show a base labour participation rate of 68.2 per cent and 66.8 per cent respectively. Detailed information from later years were not available to this researcher.

Using the data from 2000 Census; unemployment was around 11 per cent overall but slightly higher in rural areas (12.8 per cent) compared to urban areas (10 per cent). Sixty-four per cent of the workforce was urban.

Table 1-1: Davao City population and labour force data, 2000

Index	Urban	Rural	Total
Total population - 15 yrs and over			730 000
Population in the labour force	320 000	179 000	498 000
Number of employed persons	288 000	155 000	443 000
Number of unemployed persons	32 000	23 000	55 000
Not in the labour force			232 000

Source: 2009 Woman and Child

Table 1-2: Davao City population and labour force data, 2000

Index	Urban	Rural	Total
Total population - 15 yrs and over			782 000
Population in the labour force	320 000	179 000	522 000
Number of employed persons	288 000	155 000	465 000
Number of unemployed persons	32 000	23 000	57 000
Not in the labour force			260 000

Source: 2009 Woman and Child

The city has one of the highest literacy rates in the country which peaked at 98.9 per cent in 1999 although there appeared to have been a slight decline after that time. The city government has been taking steps to reverse the trend and, according to local sources, the city’s literacy rate has moved back up: to 96.9 per cent in 2007 and 97.8 per cent in 2008.⁹

Davaoeños like their fellow Filipinos are English-speaking, generally trainable and industrious. Davao’s labour force is cited as among the best on the island of Mindanao. Most are known to have a

⁸ The Philippine *Youth in Nation Building Act of 1997* defines youth as those within the age group of 15-30 years.

⁹ Source: 2008 SLGR, Davao City.

natural inclination towards the arts and creativity, the reason why many have succeeded in design and related trades.

Diversity among the different population groups is appreciated in the city. Davaoeños are a mix of native tribes (including the ethnic Bagobo, Mandaya, Manobo, Tiboli, Mansaka, and the B'laan tribes), migrants (from all over the Philippine archipelago), and traders (from many countries of the world). The Kalagans constitute a minority but are equally appreciated as being the native Muslims of Davao City.

1.1.4 Economic and job growth centres

Major agriculture-based activities of the city include the production of fruits such as durian, banana, pineapple, pomelo, mangosteen, mango, rambutan, and marang.¹⁰ High-value commodities such as cut-flowers, vegetables, industrial fibre, oil crops and beverage crops are grown, together with production of livestock that includes poultry, dairy, fishing. Forestry, coconut, rice, and corn growing are also common activities. Aside from agriculture, major industrial activities of the city include the manufacture of industrial goods, food processing, furniture and joinery, metalwork, and the manufacture of gifts, toys, and household goods.

Export and domestic marketing activities for the three years to 2006 were mainly in support of production activities in the following sub-sectors:

- The banana, which remained the leading export commodity of Davao City. It has traditionally accounted for two-thirds of the total value of all the city's export goods. Davao holds the distinction of being the largest producer and exporter of the Cavendish banana in the country making the Philippines the third largest producer of bananas in the world.
- Fresh and canned pineapple which ranked next to banana and which was followed closely by the rubber cup, activated carbon, banana chips, cement, tuna, desiccated coconut, finished wood products, coconut oil, and scrap steel or iron. Together, these constituted the top commodities in terms of value share in the export market sector.
- High-value cut-flowers, a sector which has grown in scale and which has positioned the city as a major domestic producer capable of supplying 60 per cent of the total demand in the Philippines.

There has been a continuing demand for these same commodities. Data from Region XI Bureau of Customs in Davao City shows that for 2008, the top 10 products originating from the city included: (i) fresh banana; (ii) fresh/dried/canned pineapple; (iii) rubber; (iv) banana chips; (v) activated carbon; (vi) desiccated coconut; (vii) gold with silver; (viii) chilled/frozen tuna; (ix) charcoal, coconut shell/briquettes; and (x) coconut oil/fatty acids.

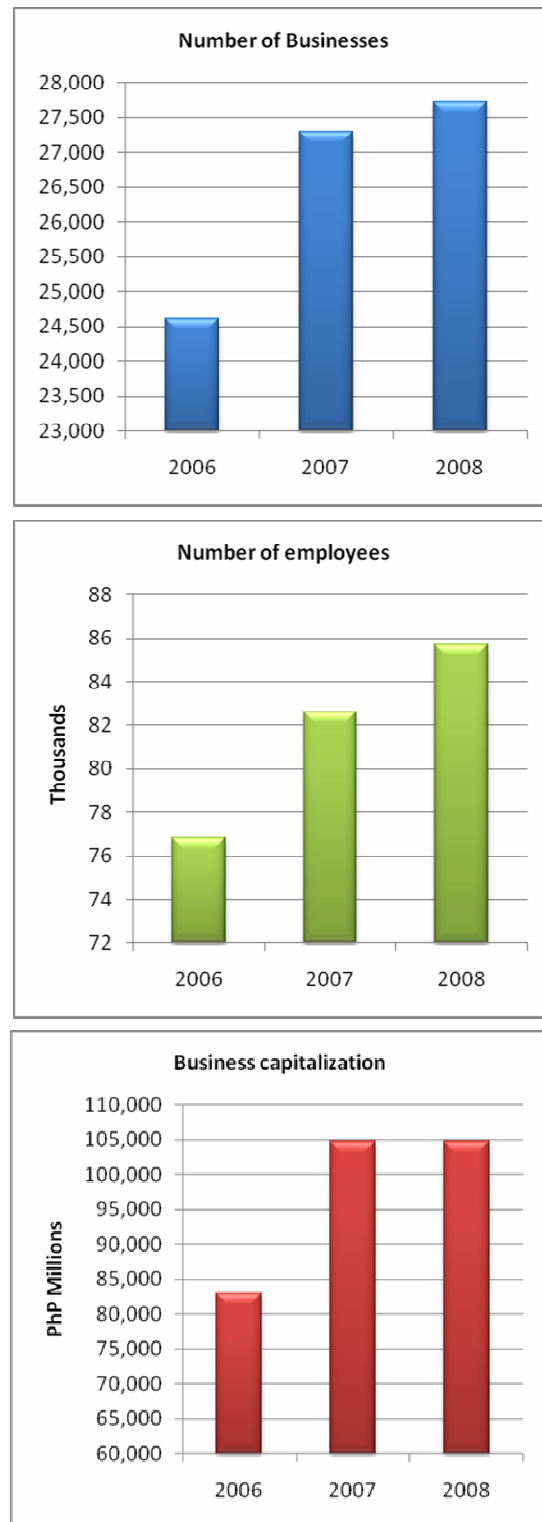
¹⁰ *Artocarpus odoratissimus* a native fruit of Borneo closely related to the jackfruit.

Growth in the real property and tourism facilities sectors has been sluggish in recent years, in part because of conflict elsewhere in Mindanao. However, tourism development as well as the property sector have recently shown signs of picking up. Indeed, the construction and property sector remains a major investment player and job generator for the city. The sector has contributed around 70 per cent of recent investments in the city. The huge housing backlog of more than 40,000 units¹¹ matched with commitments from the city and national governments to the housing sector, signals a continuing demand for construction labour in coming years.

Overseas demand for engineers, nurses, trainers, teachers, hotel workers and other skilled workers has been increasing. This has given rise to demand for skills training centres and general tertiary schools in the city that increasingly offer courses oriented towards overseas market requirements. Services in support of these activities have likewise proven to be areas of growth.

Table 1-3 shows the city's areas respectively for developing a particular local resource; each complementary to all other area activities of meeting present and future development needs and aspirations of its growing resident and transient population.

Figure 3: Davao City: key business indicators



¹¹ As of 2007.

Table 1-3: Davao City's network of economic growth centres

Growth centres	Core business lines
Main urban centre	Central business district / the poblacion
Toril	Secondary growth centre
Mintal-Tugbok	Education and bio-tech research and development centre
Calinan	Centre for agri-based Industries
Bunawan	Industrial/manufacturing centre
Tagurano-Catigan-Eden Tourism Development Zone	Mountain resort and agro-tourism capital
Marilog-Paquibato Economic Zone	Agro-forestry development

Source: Davao City LGU: City Planning and Development Office

1.1.5 Registered establishments, capitalization, and employment

For 2006, a total of 31,609 business establishments were registered with the city government's business bureau. This represented a 7.7 per cent increase compared to 2005 of 29,175. Further, a total of 76,793 persons were declared employed by these registered establishments, a 6.4 per cent increase compared to the preceding year's 71,878 persons.

This represents only a little over 10 per cent of the working age population suggesting that the vast majority of workers are employed in the informal sector or are self-employed.

For 2006, a total of 24,611 business establishments were registered with the business bureau. This represented a 7.7 per cent increase compared to the 2005 of 29,175. Further, a total of 76,793 persons were declared employed by these registered establishments, a 6.4 per cent increase compared to the preceding year's 71,878 persons.

This again represents only a little over 10 per cent of the working age population suggesting that the vast majority of workers are not formally registered with the city government and thus unaccounted in terms of their number and contributions to city employment, capitalization, and incomes.

Figure 3 summarizes key business indicators for recent years. Despite difficult economic circumstances, economic activity has continued to expand.

Table 1-4 shows the number of business establishments registered with the city government across 2006-2008.

It should be noted that a single business establishment may pursue a number of business lines; hence, it has to obtain a business line permit each year from the city government. This system of registering businesses is one way of monitoring the range of activities in which local business establishments are actually engaged. This allows the city government to evolve a local policy environment that reflects actual business needs and establish services to make businesses and employment conditions market competitive.

Table 1-4: Number of businesses in 2006, 2007, and 2008, Davao City and by district

District		Number of business establishments			Percentage change	
	Year	2006	2007	2008	2006-2007	2007-2008
Poblacion		9 303	10 344	10 403	11.19	0.57
Agdao		2 182	2 378	2 343	8.98	-1.47
Baguio		195	197	170	1.03	-13.7
Buhangin		3 160	3 675	3 846	16.30	4.45
Bunawan		974	1 137	1 106	16.74	-2.73
Calinan		915	956	976	4.48	2.05
Marilog		105	89	126	-15.24	41.57
Paquibato		61	71	69	16.39	-2.82
Talomo		5 474	6 190	6 421	13.08	3.73
Toril		1 528	1 553	1 569	1.64	1.03
Tugbok		714	705	696	-1.26	-1.28
Davao City		24 611	27 295	27 725	10.90	1.55

Up by 2 684 Up by 430

Source: Business Bureau – City Mayor’s Office-Davao City; percentage computed by case writer

From 2006 to 2008, over 30 per cent of the city establishments were located in the *poblacion* or the central business district. These are mostly in the service sector—education, banking, airport and travel, hotels, retailing, recreation, health, government institutions, and all other related services. These contribute to more than a billion pesos or 60.53 per cent of the total value of business capitalization in the city (Table 1-5) and to 43,035 or 50.22 per cent of the total employment created in the city (Table 1-6).

Table 1-5: Capitalization value of registered businesses in 2006, 2007, and 2008, city and by district

District		Capitalization (Php M)			Percentage change	
		2006	2007	2008	2006-2007	2007-2008
Poblacion		83 057.93	104 789.06	104 791.87	26.16	2.69
Agdao		2 226.71	2 439.71	2 565.34	9.57	5.15
Baguio		30.75	33.36	36.82	8.48	10.38
Buhangin		5 599.62	45 907.05	45 831.35	719.82	0.16
Bunawan		11 296.99	11 656.34	12 175.93	3.18	4.46
Calinan		443.14	461.29	515.13	4.10	11.67
Marilog		326.92	328.22	23.11	0.40	-92.96
Paquibato		2.35	3.44	4.88	46.56	41.85
Talomo		4 938.30	5 392.29	5 759.38	9.19	6.81
Toril		874.60	927.13	1 213.64	6.01	30.90
Tugbok		169.75	173.90	205.95	2.44	18.43
Davao City		83 057.93	104 789.06	104 791.87	57.9	0.59
			Up by 63,144.74	Up by 1 011.61		

Source: Business Bureau – City Mayor’s Office, Davao City; percentage computed by case writer

Table 1-6: Employed persons in registered businesses in 2006, 2007, and 2008, city and by district

District	Number of employees			Percentage change	
	2006	2007	2008	2006-2007	2007-2008
Poblacion	38 17	41 494	43 035	8.71	3.71
Agdao	5 072	5 281	5 996	4.12	13.54
Baguio	69	79	77	14.49	-2.53
Buhangin	7 863	9 492	10 508	20.72	10.70
Bunawan	6 259	3 375	3 883	-46.08	15.05
Calinan	710	953	1 084	34.23	13.75
Marilog	328	311	44	-5.18	-85.85
Paquibato	10	12	13	20.00	8.33
Talomo	15 536	18 635	17 699	19.95	-5.02
Toril	2 175	2 157	2 567	-0.83	19.01
Tugbok	601	806	789	34.11	-2.11
Davao City	76 794	82 595	85,695	7.55	3.75
		Up by 5 801	Up by 3,100		

Source: Business Bureau – City Mayor’s Office, Davao City; percentage computed by case writer

Furthermore, most new business start-ups and consequent jobs created during the three year period under study can be credited to agriculture, forest-based, and tourism-linked industries located in the districts of Baguio, Buhangin, Paquibato, Talomo, and Tugbok as well as industrial and manufacturing facilities located in Bunawan (Table 1-7 and Table 1-8).

Table 1-7: Changes in registered businesses, capitalization, and employment, 2006–2007

District	Change in number of businesses (per cent)	Change in capitalization (per cent)	Change in employment (per cent)
Poblacion	11.19	26.16	8.71
Agdao	8.98	9.57	4.12
Baguio	1.03	8.48	14.49
Buhangin	16.30	719.82	20.72
Bunawan	16.74	3.18	-46.08
Calinan	4.48	4.10	34.23
Marilog	-15.24	0.40	-5.18
Paquibato	16.39	46.56	20.00
Talomo	13.08	9.19	19.95
Toril	1.64	6.01	-0.83
Tugbok	-1.26	2.44	34.11
Davao City	10.91	57.95	7.55

Source: Business Bureau - City Mayor's Office, Davao City

Table 1-8: Changes in registered businesses, capitalization, and employment, 2007–2008

District	Change in number of businesses (per cent)	Change in capitalization (per cent)	Change in employment (per cent)
Poblacion	0.57	2.69	3.71
Agdao	-1.47	5.15	13.54
Baguio	-13.70	10.38	-2.53
Buhangin	4.45	0.16	10.70
Bunawan	-2.73	4.46	15.05
Calinan	2.05	11.67	13.75
Marilog	41.57	-92.96	-85.85
Paquibato	-2.82	41.85	8.33
Talomo	3.73	6.81	-5.02
Toril	1.03	30.90	19.01
Tugbok	-1.28	18.43	-2.11
Davao City	1.55	0.59	3.75

Source: Business Bureau - City Mayor's Office, Davao City

1.1.6 Registered business lines (2006–2008)

By sector, new jobs created during 2005–2006, can be credited to the following sectors: manufacturing (256.5 per cent), hotel and motel (129.4 per cent), exports (97.4 per cent), banking and financing (78.5 per cent), real estate (55.6 per cent), rice and corn (40.0 per cent), sand and gravel concessionaire (39.0 per cent), services (23.6 per cent), food handlers (21.4 per cent) printing press (14.3 per cent), real estate dealer (14.3 per cent), and franchise holder (5.3 per cent).

Table 1-9 below provides the most recent data available and shows the growth trends of business and jobs created and sustained in the city. It is worth noting that even during 2008 and the onset of the Global Financial Crisis (GFC), Davao continued to register a modest expansion in business activity.

Table 1-9: Business and job growth indicators (2005–2006)

Business lines	Calendar year			Percentage change	
	2006	2007	2008	2006-2007	2007-2008
Annual fixed fee—trucks for hauling, tourist buses, golf carts, motorized banca, car for hire, and other transportations	271	346	363	27.68	4.91
Amusement places (AMS) —bowling, bar, club, videoke, theatre, resort, parks amusement places	810	827	861	2.10	4.11
Brewers, distillers, rectifiers, compounders	1	1	1	0	0
Business—fixed tax-delivery services e.g trucks, vans, jeepneys, other delivery vehicles	2 012	2 807	2 874	39.51	2.39
Concessionaire	57	81	67	42.11	-17.28
Dwelling places, commercial					
Boarding houses, lodging houses, and dormitories	505	595	613	17.82	3.03
Hotels (3 to 5 star)	8	8	10	0	25
Hotels below 3-star, apartelles, pensions, inns	39	46	56	17.95	21.74
Motels, drive-inns	2	3	3	50	0
Other commercial dwelling places	3	9	6	200	-3.33

Business lines	Calendar year			Percentage change	
	2006	2007	2008	2006-2007	2007-2008
Financial Institutions—banks, pawnshops, lending institutions, money shops, insurance	-	1 262	1 235	-	-2.14
Flammable, combustible, explosive; storage of gasoline, LPG, diesel oil, etc.	325	353	389	8.61	10.20
Food handlers—carenderia, restaurant, refreshment parlour, etc.	2 633	3 071	3 180	16.64	3.55
Franchise holders	60	67	62	11.67	-7.46
Lessors, dealers, brokers of real estate	1 127	1 686	1 784	49.60	5.81
Medical establishments—medical clinics, hospitals, laboratories	291	313	335	7.56	7.03
Memorial parks and private cemeteries	10	10	12	0	20
Manufacturers	1 524	1 707	1 678	12.01	-1.70
Mining products	1	6	9	500	50
Peddler of general merchandise	0	10	11		10
Private/public owned markets	7	2	1	-71.43	-.50
Printing and publication	138	153	153	10.87	0
Producers/processors	543	618	613	13.81	-0.81
Retailers	22 876	22 895	22 549	8.31	-1.51
Services	6 970	7 508	8 230	7.72	9.62
Subdivision owners	23	24	27	4.35	12.5
Transshipments, trucking services	297	316	131	6.40	-58.54
Wholesalers, distributor, dealers	4 059	4 364	4 399	7.51	-0.80
Total	44 592	49 088	49 652	10.08	1.15

Note: The number of business lines should not be understood to be the same as the number of business establishments as a business establishment may have more than one business line

Generally despite the GFC that emerged in the second half of 2008, there was an overall increase in the number of business lines applied for with the government as well as growth in terms of capitalization and employment specifically in the market segments of small hotels (below three-star), inns, pension houses; storage of liquefied gas, diesel and other fuels; services and subdivision property development.

Results of local studies as well as consultation activities suggest that the main areas of job growth are those associated with agriculture: fruit and vegetable processing, cut-flower growing, livestock and hog raising and higher-end agro-based products. Some job growth has also occurred in the following:

- resort development and expansion of existing resorts, medium and low-cost housing;
- tertiary healthcare and beauty, tourism, travel and tours, workforce training and knowledge based (medical, legal, design), outsourcing within the ICT sector;
- technical-vocational training and certification as well as freight consolidation/logistics within the services sector; and
- training, teaching, nursing, engineering fields under the overseas employment sector.

1.2 Antecedents to decentralization

Davao was largely untouched by Spanish influence until the middle of the 19th century when a Christian settlement was established in what was essentially an area ruled by a Muslim chieftain. The Americans arrived in 1900 and introduced new farming and plantation practices that led to the establishment of abaca and coconut plantations, many of them owned by Japanese who had also migrated to the area around this time. Indeed much of the early entrepreneurial spirit of Davao owes itself to the early Japanese settlers in the area who developed the copra, timber and fishing industries that subsequently become the basis of economic development and prosperity.

In 1936 during the Commonwealth Period, then Assemblyman Romualdo C. Quimpo of Davao sponsored a bill in Congress establishing Davao as a chartered city. President Manuel L. Quezon signed the bill into law on October 16, 1936 and the city was formally chartered on March 1, 1937.

The onset of the Pacific War in 1941 brought fear among Davaoeños because of the sizeable Japanese population living there and concern that the city might attract undue attention from the Imperial Japanese Army that had displaced the Americans in Luzon. As a result much of the population was evacuated to the outskirts of the city. Aside from occupation, Davao was largely untouched by the war.

Prior to its subdivision into three provinces (Davao del Sur, Davao del Norte, and Davao Oriental) in 1967, Davao constituted a single province. While Davao City was located within the one province, as a chartered city, it had remained independent of any provincial government since 1937.

It should be noted that Davao City was never a component city of Davao del Sur as stated by some Philippine textbooks. These were written by historians unfamiliar with the localities in Mindanao and who had erroneously indicated that Davao City is under the province of Davao del Sur. This is an error of fact that has continued for generations.

As already noted, from the outset of its modern development, Davao City has been a melting pot for people of many different cultures who have been integrated into a single, yet diverse, local culture. Davaoeños have proven themselves to be adept at general trading, farming, and government employment. Job opportunities expanded with the emergence of the city's principal industries including logging, copra, banana, corn, abaca, ramie (*Boehmeria nivea*), mining, and fishing. After the decline of the logging industry, banana production took over as the leading export product.

The 14 years of martial law that ended in 1986, brought the city back to troubling times as armed insurgent groups rebelled against the government. Davao became a hotbed of ideological wars and criminality; "revolutionary taxes" were collected from businesses and from individuals by insurgent groups.

Even after the peaceful revolution in 1986 that restored democratic government to the Philippines, these ideological wars continued despite the return of civilian rule. Civilian groups organized and armed themselves, taking the law into their own hands. The *Alsa Masa* (Uprising of the Masses) organized in the Agdao district of the city in February 1987 was an armed civilian anti-Communist organization whose recruits included some former members of the New People's Army. A number of NPA members refused to give up their armed struggle. Indeed, a fracturing of the armed opposition took place with remaining leftists forming another vigilante group *Nakasaka* (United People for Peace), as a counter to the *Alsa Masa*. This group first emerged in April 1987 in Davao del Sur. The semblance of anarchy in the city continued to depress the local economy; peace and prosperity for Davaoeños remained elusive.

When Rodrigo R. Duterte became mayor in 1988, he was well aware of the deep troubles facing Davao City. As a lawyer and an active public prosecutor during the martial law years, he knew first-hand how the city had deteriorated in terms of peace, order and public safety and how this had clearly led to a deterioration in economic productivity—from the situation of a steadily growing economic base to a dismal scenario of job and income creating factories leaving the area and relocating to China and other countries.

1.3 The challenges faced by city hall

The passage of Republic Act (RA) 7160, otherwise known as the Philippine Local Government Code of 1991, enacted in 1992 was intended to further the decentralization of governance in the country. It provided a new impetus and framework for local economic and political development. Since that time, the major challenges Davao City has had to face under the leadership of Mayor Duterte, included the following:¹²

- Restoring and maintaining law and order in the city in contrast to the troubling times of the pre-1986 martial law years. As was the case in other areas of the Philippines, this was a period when the Davaoeños saw deterioration in the investment climate and the decline of production.
- Davao City retrogressed from being, simultaneously, an agricultural and industrial growth centre to a situation where local factories migrated to other countries where the investment climate was less volatile.
- Organizing the city government and building the needed capacity to perform and deliver the city's expanded public services mandate following the passage of RA 7160.
- Setting clear development directions through comprehensive planning and with the active participation of a wide range of government and non-government organizations capable of supporting the vision of the city of becoming a premier socio-economic and tourism centre for the Mindanao region, East ASEAN Growth Area as well as the Asia Pacific Region generally and anchored on sustainable development.
- Building resilience and an ability to cope with economic downturns, both in terms of the normal cyclical nature of business activity as well as shocks, such as occurred in the aftermath of the 1997 Asian Financial Crisis.
- Sustaining the momentum on peace and development efforts to ensure a steady growth of tourism receipts as well as “bricks-and-mortar” investments which would translate to more and better enterprise development, employment and income opportunities for Davaoeños.

1.4 Key responses and cumulative gains

Mayor Duterte remains in charge of Davao City to the present time making it one of the most stable administrations in the Philippines. Davao City under this stable leadership has cumulatively achieved the following agenda.

¹² Based on interviews with Davao City Mayor Rodrigo Duterte (December 13, 2007), LGU officials and private sector partners, (November 8–9, 2007).

- Upon assuming office in 1988, the mayor enacted policy, budgetary and implementing measures to restore and maintain law and order and build local capacities to match emerging threats to the city and the wider geographic area.

Maintaining peace, order and safety was seen as a necessary condition for sustaining inward investment, growth and prosperity in the city and throughout the region as well as sharing the benefits derived from that growth. From a three-digit crime incidence per 10,000 people in 1985, Davao City reduced its monthly crime volume to an average of only eight cases per 100,000 persons from 1999 to 2005.

- One of his first actions as mayor taken even before the enactment of RA 7160 was the reorganization of the city into 11 administrative districts, in order to make the city government's development programmes and services more inclusive and responsive to the needs of a very diverse mix of local constituents from across 182 component barangays of the city.

The mayor instituted the establishment of a satellite office, the appointment of a deputy mayor¹³ and the location of needed city government personnel in every administrative district.

Muslim and tribal leaders were also appointed as special deputy mayors since they were deemed to be in a better position to tackle particular issues and problems of priority and special concern to native tribal and Muslim constituent groups of the city.

- In 1992, a further reorganization was undertaken within the city government to better deliver on the general welfare provision of the Local Government Code. This reorganization instituted multi-sector based forums for planning, legitimizing, financing, executing and accounting within local development work at the city and barangay levels.

These forums included: (i) the local development planning machinery of the city and in each of the 182 barangays; (ii) the legislative department including its standing committees within each of the three legislative districts of the city; (iii) the executive department with its 18 city-wide line departments as well as; (iv) representatives of the 11 administrative districts.

The city government has been continually reorganized to better reach out to and address the needs of each area and sector within its jurisdiction.

- Mayor Duterte obtained approval for the City Comprehensive Development Plan 1996–2021, which was a product of a lengthy and litigious multi-stakeholder development consultation, planning and legislative process under the Davao City Development Council. The plan identified and described a range of development issues and challenges facing the city. It was forward looking as it not only addressed the immediate needs of the city but anticipated future problems allied to the fast growing population, expansion of urban settlements and changing patterns of resource use and development. It spelt out the various deliverables and strategies that would result in installation of physical, social and economic development infrastructures.

In undertaking this development strategy the city government was mindful that all intervention efforts should work towards keeping Davao City as a premier socio-economic and tourism centre in Mindanao and beyond. The plan has been instrumental in pursuing

¹³ Which was later abolished.

sustainable land use management and the development of long term programmes and projects for the city. (1992–1995; 1996).¹⁴

- Starting in February 1993, the *Invest in Davao* project of the city government was introduced and managed by the Region XI Office of PhilExport¹⁵ with funding from USAID and the PhilExport National Office.

Since entering its second phase in February 1996 the programme has been fully funded by city government with a PhP30 M allocations from the city's annual development fund. Investments generated through this project reached over PhP5 B towards the end of 1997. (1993-1996; 1996-1998).

- A key piece of local legislation—the *Davao City Investment Incentive Code*—was created under City Ordinance No. 2017 in November 1994 and this was backed up by a further piece of local legislation, City Ordinance No. 2269, that provided the implementing rules and regulations.

Both ordinances were the first-known initiatives from a local government that grants incentives to investors over and above those incentives granted under the *Philippine Omnibus Investment Code* (1994). Incentive applications came in droves in 1995 after its introduction. Investments generated by Invest in Davao with the Incentive Code in place totalled to PhP5 B in 1995, then went up to PhP6.9 B in 1996 and then declined slightly to PhP6.8 B towards the end of 1997.

Further landmark socio-economic legislation has been introduced by the city that is complementary to the Investment Incentive Code. This includes:

- a. The *Children's Welfare Code* of 1995 passed specifically to empower children 1–17 years old and shield them from any form of abuse during their process of development.
 - b. The *Women's Development Code of 1996* which empowered women and shielded them from any form of abuse in the process of their own development (1995-1996).
 - c. The *Water Code* in 2001.
 - d. The *Shelter Code* in 2007.
- The Davao City Investment Promotion Center (DCIPC) was created under Executive Order No. 31 series of 1998 in August 1998 to strengthen the investment drive *in the aftermath* of the 1997 financial crisis and *the consequent pre-termination of the Invest in Davao* project. The DCIPC was placed under the overall supervision of the City Planning and Development Office with a PhP3 million allocation from the city government's annual development fund. (1998).
 - The Investment Incentive Code of 1994 was amended in August 1999 to further boost preferred investment and employment generation for the city as outlined in the development plan that focused on agriculture-based investment and employment.

¹⁴ The plan of 2007 has been opened for review and updating.

¹⁵ See List of acronyms.

Under the amended Code, a new Investment Incentive Board was constituted, wherein six membership slots were provided to recognize major business groups in the city. Seven *plantilla*¹⁶ positions were created as a technical secretariat to underpin the Board and to regularly man the investment promotion centre and operate under the City Planning and Development Office (1999).

- City investments into local partnerships, peace and order, social and physical infrastructure and, of late, economic and employment creating programmes for the city have been directed towards the more indigent and disadvantaged sectors of the city. These efforts have been intensified.

Investments have helped reverse the production slowdown that the city experienced during the five years following the Asian Financial Crisis of 1997 and has led to improvements in peace and order, establishment and full operation of the SM Mall—which has generated thousands of direct and indirect jobs and income opportunities for residents.

Davao's export products have experienced renewed market demand and infrastructure development in production areas has been accelerated. Delivery of social service programmes have also been intensified (2001–2004 and beyond).

2 LED implementing strategies and structures

Development planning in the Philippines proceeds from the local to the national level through the operation of local, provincial, regional and national development councils. While local development plans have to conform to national law and policy, there is still much scope for local government to create their own investment environment. Devolution of planning was one of the major achievements of RA 7160.

Davao City has been one of the success stories of recent years. Through a process that has included stable government, consistency of policy application and stakeholder engagement, the city has progressed to the point that it is now regarded as being one of the foremost urban centres, not only within the southern Philippines but within Southeast Asia as a whole.

In this section we briefly examine the structures in place that have worked for the local stakeholders so as to foster, drive and sustain economic partnerships among them resulting in broad-based economic growth and particularly in the generation of more and better jobs and incomes for the city.

2.1 Responsibilities for LED partnership building and implementation activities

From the perspective of Mayor Duterte, the local government has prime responsibility for managing the local economy particularly through the provision of an environment conducive to productive investments, enterprises and industries, enabling them to establish themselves and flourish. This environment embraces political stability, cost-competitive utilities, state of the art business and public amenities as well as liveability of the environment.

This, of course, is a theme rehearsed by many local government officials; but in the case of Davao City it has gone beyond rhetoric to create a thriving business and urban environment.

¹⁶ See Glossary.

Mayor Duterte states that he is a firm believer that once the needed environment is in place, business decisions must be left in the hands of the private sector and their organizations and decision-makers. It is the nature and the task of privately-owned enterprises to create jobs and wealth for the local economy.

In the case of Davao City, designing and implementing a series of LED parallel strategies and activities has been further devolved to a number of local institutions but only to the extent that the city government (through the RA 7160) is in a position to mobilize government and non-government agencies mandated to contribute to (and benefit from) local economic development. Within the city government itself, implementation is a function of several different branches, units, and levels of government.

2.2 Promoting professionalism in a highly politicised organization

The heads of departments and offices of the city government are appointed by the city mayor with the concurrence of the majority of the city council subject to Philippine Civil Service law, rules and regulations governing among others approved *plantilla* or regular positions within the city government and both the extent and limitations of local government authority to effect employee appointments, movements, development, or release.

All matters on human resources and development in local government units are governed by the civil service law, rules and regulations and other promulgations unless otherwise specified in the Local Government Code. In line with this practice, the Civil Service Commission generally has the authority to take final action on matters relating to the appointment and movement of people in the line units of local government.

In the case of the city government of Davao, as far as its human resources practices are concerned, it has been certified and given the authority to take final action on appointments subject to Civil Service Law, Rules and regulations per CSC Resolution No. 061291 dated July 18, 2006. The reason for this is the city government has standard and desirable mechanisms in place and as described below.

Given the large workforce of the city government, the city government through its human resources department has well-organized and continually develop mechanisms for managing its personnel.

Its personnel department is structured into five divisions: (i) personnel selection and transactions; (ii) training and career development; (iii) personnel benefits and welfare; (iv) personnel planning; and (v) an administrative division. These five divisions are managed by a total of nine personnel based at city hall.

It has decentralized the function of the personnel department at the district level, through the city government's district level offices headed by a district administrator who also performs HR functions at the district level.

The city government has established a personnel selection board composed of employee representatives holding second level, fourth level, and department head level positions. It has instituted a transparent selection process for appointing individuals to civil service positions, whereby vacancies are openly and extensively announced using radio and television airtime, and all applicants go through a process that includes a qualifying interview and written examination. All those in the short-list are ranked accordingly, attested by the personnel department as competent and fit for the job; so whoever among them is selected and hired by the mayor and members of the council is duly

qualified to perform the assigned work. This selection process limits the discretion for political appointees and discourages them from selecting candidates who do not even qualify for the job.

Newly appointed employees are issued with contracts, a performance plan and a performance merit plan. They are provided with orientation and continuing training programmes including components on values development and human behaviour in organizations. Senior employees or internal resource persons are the ones facilitating these programmes. Some of these involve invited speakers from national government agencies or NGOs. The city administration has also established child minding centres for its employees with services provided by ten personnel.

For all employees, the city government provides special programs where employees have the chance to strengthen camaraderie and teamwork. It has allocated a budget for employee training but as the personnel department started to assume and coordinate the city public employment service office (PESO) this has been reduced and re-allocated in favour of trainings for city constituents.

It promotes good culture, customer orientation among its employees and effects an awards and incentives system for personnel excellence. It has conceptualized and implemented the character advocacy programme highlighting a positive quality of employees every month such as diligence, industriousness, etc.

- It effects a colour coding system in terms of preparing a performance plan so that employees report on performance based on originally set targets (one colour). The performance plan is submitted each January and review and adjustments in the original performance plan (another colour) are allowed as long as the changes are necessary. A performance evaluation report then has to be prepared based on original set targets noting adjustments made.
- There are two main parts of the employee evaluation system. The first part is the service performance output of the employee (70 per cent) and the second part is the personal behaviour of the employee (30 per cent). The system is based on indicators such as commitment to public interest and professionalism which are in line with what is provided for in RA 6713. It allows for employees to rate their supervisors and this encourages peer rating as well.
- It has determined a more balanced distribution of incentives and bonuses based on performance of the employees.

By an Executive Order, the city government has grievance machinery in place. A complainant has to discuss first his/her issues with the immediate supervisor before presenting it to his/her department grievance committee and central grievance committee.

Under the system for conducting investigations on employee grievances and in administrative cases, a committee gathers all facts, prepares a report, calls up the employee concerned, and presents all the facts to him or her. Decisions are made based on the evidence and merits of the case. Employees on job order contracts are also covered regarding terms of employment violations and sanctions are handed out according to the information stated in the contracts.

The city administration conducts employee satisfaction surveys and generally employees have given positive feedback as to the state of the city government's organizational set-up, systems, and conditions. The mayor only intervenes on important issues where his presence is necessary. In most cases, the day-to-day activities are left to the civil service staff management.

2.3 Challenges in forming and strengthening partnerships

The city government has been quite successful in bringing together different sectors and stakeholders in local development planning and cooperation programmes. Social convergence has been adequately achieved so far.

But city hall has yet to engage in more open dialogue with the private sector and the latter expects the government to do more than just provide the environment needed by businesses and social development NGOs. Spokespersons for the private sector claim that the city administration also has to assess the planning, coordination and implementation functions and structures of the city government; i.e. to determine whether the planning and development coordination office should be freed from its implementing functions in order to improve efficiency and effectiveness. This has been advocated by the private sector for some time.

The Planning and Development Coordination Office, as presently constituted, is composed of several different divisions and attached units. Most of its divisions such as the Investment Promotion Center can be spun-off as independent implementing units of the local *Sangguniang* (Council) which approves policies, plans, and projects. The planning and coordination office can possibly retain its research and statistics division as well as its monitoring and evaluation division, whose staff provide facilitation and coordination support to the different committees working in the city legislative council.

2.4 Some good practices towards productive and gainful inward investments

Davao City has taken a number of initiatives in support of local economic development. The development plan is regarded as a continual “work in progress” capable of review, refinement, and adaptation as circumstances change. In the process of implementation, good practices are developed and lessons learned that inform the review and refinement process.

Examination of the Davao situation provides constructive lessons and provides helpful insight to future LED practitioners in and outside the territory.

2.4.1 The Local Investment Incentives Code

Davao City was the first local government to enact a local investment incentive code that offers incentives beyond those offered by the *Philippine Omnibus Investment Code* of 1987. Passed in 1994 and amended in 1999, the local code aims to actively engage private sector business groups in the process of encouraging inward investment to the city and the generation of additional employment opportunities. Based on an analysis of the city’s competitive advantages, it identifies specific areas for investment as well as the requirement and qualifications of enterprises for fiscal and non-fiscal incentives in return for investing in the city.

In Davao City, there are two fundamental qualifications needed by an enterprise for availing of local investment incentives. These are: (i) a minimum capitalization of at least PhP1 M; and (ii) an ability to generate employment for at least 10 people from Davao City.

In return, qualified start-up enterprises are granted incentives by the city government. These are: (i) a three-year exemption from payment of local fees and charges including the mayor’s permits, building permit fees, and other charges following the placement of the investment; and (ii) a two-year

exemptions from payment of basic real property taxes. The exemption from payment of building permit fees is only a one-time transaction.

The logic for providing investment incentives is that they facilitate creation and operation of start-up enterprises and the expansion of existing ones at least cost (in terms of non-labour cost) to business establishments (sole proprietorship, partnership, corporations, or cooperatives) in order that they can achieve their natural goal—to profit and grow the business, thereby contributing to the economic development of the city.

Expanding businesses can also apply for incentives provided they also expand the number of employees under their hire. A separate book of accounts will be required to determine the increases in sales as a result of the expansion. The tax on the increases in sales will be exempted. This means that the old establishment will still have to pay their usual rate of taxes prior to the expansion (minus the increases in tax assessment as a result of the expansion). Again incentives will be for three years for sales and two-years on the incremental increase in the value assessment of the real property tax.

The local population as well as local government benefits from this arrangement in terms of reducing the incidence of unemployment as new or expanded enterprises create new jobs and incomes opportunities for Davaoños and increase the disposable income of local households thereby providing a multiplier effect throughout the local economy. Increased business activity provides additional revenue for government which can be used to further social well-being, community peace and order, and other local government service capacities.

As soon as the investor has approval from city hall, a certificate of incentives is issued. Copies are provided to the office of the city assessor and city treasurer so that they can monitor and assess the value of assets introduced as well as the financial performance of the investor within the period that it enjoys tax and non-tax incentives.

Financial reports have to be furnished and beneficiary firms agree to cooperate in scheduled visits by city officials for documentary review. This enables the city government to establish the financial capacity, stability of the business and its operational viability at the end of the period during which the incentives are granted. At the same time other city government officials are able to assess whether employees can be provided with income levels above the minimum specified by the regional wage boards.

After expiration of the incentive period, companies are required (based on regularly provided and verified financial reports) to start covering the full cost of their business operations including payments for permits, taxes and other charges earlier forgiven.

The incentive programme has not been without its critics but overall, has functioned well. However, some constructive lessons have already been learned:

- The Investment Promotion Center has learned that front-line staff must be prepared to discretely handle all investors interested in potential and emerging investment areas in Davao, and not only those within the designated preferred investment areas of the city, nor within its established negative list. Measures are being taken to address this concern.
- Considering that the investment incentives promote better tax collection, albeit on a deferred basis, it is felt that there is a need for closer coordination among the various offices dealing with investment applications: especially the zoning, assessor; investment, treasury, and legal offices. Acquisition of a software package that would establish a common set of parameters

for all concerned offices to follow would reduce the exercise of arbitrary discretion on the part of any office and result in greater transparency in the handling of investment applications.

- Due market intelligence, common parameters, coordinated efforts, individual diligence, and ethics are necessary for the programme to succeed over the longer-term.



2.4.2 The Davao product branding system

The Davao branding system is a private sector initiative introduced in 2006 to raise the quality, process standards, and marketability of locally produced and packaged products that people from Davao City were able to identify with, thereby instilling a strong sense of pride, creating an impression of strong identity, and supporting evidence of premium quality local products.

Branding aims to institutionalize a local mechanism for recognition of Davao products that are of exceptional quality and to heighten the aspirations of local producers to be recognized for product quality and excellence and make them appreciate and adopt the local branding system, thereby providing positive reinforcement. It is use instils identity and pride among the local Davao population who are made aware of the quality of their locally produced products.

The Seal of Excellence (shown right) is a privilege awarded by the branding system to products that qualify as determined through an Accreditation Board, which has established the accreditation criteria that have to be met for a product to be judged to be excellent and of premium quality. Table 2-1 shows examples of Davao-made products initially awarded with the Seal of Excellence include:

Table 2-1: Products awarded the Davao seal of excellence

Product type	Product	Producer
Floriculture	Orchids	Sul Orchids Farm
Floriculture	Orchids	Chua's Orchid Garden
Floriculture	Cut-flowers	Himmels Blumen
Floriculture	Tropical plants	Puentespina
Nursery seedlings	Fruit/seedlings	Belviz Fruit Nursery
Processed food	Dolphin noodles	Eagle Cooperative
Processed food	Shredded fish	Edesy Marketing
Processed food	Pork skin	Porky Best Products

Source: Davao Chamber: SME Center

The Accreditation Board is made up of representatives of four organizations:

1. Department of Trade and Industry (DTI)
2. Department of Science and Technology (DOST)
3. Department of Agriculture (DA)
4. Small and Medium Enterprise Center set up by the Davao City Chamber of Commerce

The ultimate goal of the branding system is to create a strong identity and a market presence for local products. Initially this will be within the greater Davao region, although as acceptance grows it is intended to be marketed to produce sent to other regions and eventually, exported to other countries.

The search continues for other products worthy of the Seal of Excellence. Meanwhile, the SME Center is working towards a parallel system of branding that extends beyond agriculture-based enterprises and suited for small service shops in the city allied to making the city a haven for tourists and investors.

2.4.3 The Ateneo de Davao University Center for Business Research and Extension Services

The Ateneo de Davao Center for Business Research and Extension Services ¹⁷ is one of the two centres of the Ateneo de Davao School of Business and Governance.¹⁸

Ateneo De Davao University is a premier Filipino, Catholic and Jesuit University founded by the Philippine Province of the Society of Jesus in 1948 and which aims to establish a standard of excellence in academic and spiritual formation in various fields.

The School of Business and Governance was constituted in year 2000 and integrates all undergraduate and graduate level programmes dealing with business and governance. These include both undergraduate level business courses and the graduate level government administration programme which used to be a part of the College of Arts and Sciences. It also includes the master degree programmes for business administration, public accountancy and management which were previously a part of the graduate school business programmes.

The School aims to provide a dynamic learning environment for responsible and humanistic business education, research and administration. It strives to be comparable to the best business schools in the world in the quality of its academic instruction, research, computer and management and research and extension offices.

While the University continuously maintains a strong tradition of academic excellence, it also strives to realize its mission of forming young men and women into ‘persons for others’ through its various community outreach and alternative education programmes. The Ateneo Center for Business Research and Extension contributes to the University and School through research, advisory, and training services oriented towards the development of local businesses in the city and local governance practices in the region.

Through the Partnership Development Facility of Pearl2, the Center for Business Research and Extension Services initiated and implemented the Business Resource and Education for Enterprise Development (BREED) Project.¹⁹ It aims to develop a training and accreditation system for SME advisors and consultants in key cities within Mindanao: Cagayan de Oro; Iligan; Butuan; Davao; Kidapawan; Tagum; Digos; General Santos; Koronadal; and Cotabato.

According to the Director of the Center, the main activities undertaken are the following:

- Feasibility studies and surveys are conducted both for public dissemination and for private consumption. It accepts and administers surveys contracted out by national or global institutions and these are published and circulated to all agencies concerned. These include the SWS (Social Weather Station) corruption survey and the AIM (Asian Institute of Management) competitiveness ranking project for Davao. It also conducts consumer surveys

¹⁷ Much of this section based on interviews with Christine Rizado-Omar, the CBRE Director, November 2007.

¹⁸ The other is the Center for Local Governance.

¹⁹ See for example <http://www.pearl2.net/> (accessed 10 January 2010).

jointly with the Ateneo Graduate School as well as feasibility studies and other analytical work.

- Its training and extension programmes are designed for local executives and are conducted in partnership with the private sector. One key subject under the local governance programme is that of managing local economic enterprises. It also offers programmes on basic management, financial management and other technical training for supervisors, team-building activities and strategic planning. Furthermore, it conducts on-site training programmes for former rebel-returnees enabling them to engage in business and livelihood activities and receive business mentoring support with young entrepreneurs to inspire them.
- The Center is represented in the various councils of the city government including the peace and order council, the environment committee of the *Sangguniang Panglungsod*, the energy committee and the health committee promoting reproductive health for family planning. It is also actively involved in the economic cluster meetings of the city government. The Director of the Center used to work with the DTI and thus brings energy to the Center's involvement in the development of local economic policies in the city.

Some of the policy questions and challenges identified by the Center include:

- Is the Ateneo de Davao producing the right graduates?
- Are engineers who are being trained, adequately prepared to meet the emerging demands of local and global industries?
- Should the school encourage graduates to be employees or to put up their own enterprises?
- Is the school teaching young people the right values? Are these values integrated in the formation of the youth given the environment—the media, household, and other institutions?
- Are school faculty members skilled at handling the various situations that arise and especially in improving the values system for the students?

Specifically, the centre contributes to local governance and enterprise development in terms of providing research, training and strategic planning facilitation services for the city government. In a strategic planning conducted by the centre, stakeholders agreed that Davao should grow at the pace suited to the development of its local citizenry and identified priority key product areas to develop and trigger the development of other local services.

Based on its local resource endowments, it identified processing of agriculture produce such as cut flowers, fruits and vegetables activities as key areas to stimulate growth in the agriculture sector and consequently developing pre and post production services including financial services.

In a project of the Asian Development Bank focused on harnessing the economic partnerships among BIMP-EAGA member countries, the centre conducted an assessment of the advantages of Davao City. Considering that it has a number of good quality universities and hospitals it can focus on promoting tourism linked to its education and health services, which will in turn improve inbound air traffic and encourage the development of related services. Being part of the BIMP-EAGA offers considerable growth potential for the city.

The school has already experimented with a doctoral degree programme designed for students coming from Thailand. At any one time, it can service 40 students and in fact was able to service the

educational needs of this group and contribute to revenues not only for the school but for the community generally.

Although small-scale it offers opportunities for expansion and provided it can tap other markets, it offers a viable English-language education that can be marketed at a cost much lower than the traditional educational destinations. It is currently looking at Indonesia which sends students to Australia or New Zealand as does Malaysia. The School will be undertaking one programme in cooperation with Australia's Charles Darwin University.

The city stakeholders consider education as a key export product of the Philippines. It has already explored the possibility of establishing an HRD network for exchange programmes. This will result in greater economic activities such as travel, hotels and businesses linked to the programme in which Ateneo will partner with the UP, University of Malaysia-Sabah, and other universities within BIMP-EAGA. The programme is also intended to promote cultural and social understanding among the countries in the region.

The Center facilitates the localization of the SME development plan for four provinces. In the Compostela Valley the local chamber of commerce has recommended the creation of an entrepreneurs' bank since development financing is limited and cost is high. The concept is that entrepreneurs will contribute to a PhP10 M bank fund with counterpart funds coming from Davao City government. This will be made available to start-up and growing enterprises and will counter the usurious lending practices in the locality and region. A formula wherein a group of three can borrow from the enterprise bank is being worked out so that there will be checks and balances in managing and sustaining the use of borrowed funds.

The Ateneo Centre has suggested that the city government's Investment Promotion Center should be given proper attention in terms of personnel capacities so as to develop the centre's response in dealing with potential investors and by undertaking proactive marketing and promotions to sell the city and the region.

3 The Davao Youth Employability Enhancement and Development Programme

Despite a pro-active city administration that has succeeded in re-establishing Davao City as a leading commercial center in the southern Philippines, unemployment and underemployment remains a problem. In part, due to the fact that Davao has become an education center for southern Mindanao and also due to the success of the city administration in restoring peace and order, there has been a drift of population to the city from other areas of Mindanao. As noted already (page 2), the population of Davao City increased by almost 20 per cent between 2000 and 2007 placing added strain on the local government.

Across the Philippines, the employment rate in October 2007 was registered at 93.7 per cent, while for Region XI it was 95.1 per cent and thus better than the national average. This was also higher than the previous year's rate of 92.6 per cent.

Across regions, the employment rate at that time was highest in Cagayan Valley (97.7 per cent). Other regions with relatively high employment rate were the Zamboanga Peninsula (97.1 per cent), Autonomous Region in Muslim Mindanao (97.0 per cent), Cordillera Administrative Region (96.9 per cent), Eastern Visayas (96.8 per cent), and MIMAROPA (96.3 per cent). The National Capital Region (NCR) had the lowest employment rate at 89.4 per cent.

Comparing data for the three years (2005–2007), Table 3-1 shows that Davao has a better track record than the national average over the period and especially for an urban centre which acts as a natural magnet for surrounding regions. Likewise the unemployment rate is below the national average. In the case of underemployment, the national data supports a claim that Davao has made significant inroads to the problem of underemployment, falling from 25.9 per cent in October 2005 (significantly above the national average) to 15.5 per cent two years later (significantly below the national average).

Table 3-1: Employment, unemployment, and underemployment, Region XI and Philippines

Index	Philippines			Region XI		
	2007	2006	2005	2007	2006	2005
Total 15 years old and over ('000)	56 845	55 638	54 363	2 702	2 608	2 551
Labour force participation rate (per cent)	63.2	63.8	64.7	65.6	65.8	66.3
Employment rate (per cent)	93.7	92.6	92.5	95.1	94.5	94.1
Unemployment rate (per cent)	6.3	7.4	7.5	4.9	5.5	5.9
Underemployment rate (per cent)	18.1	20.3	21.1	15.5	19.1	25.9

Source: Labour Force Survey Data, October round

3.1 Background to the Youth Employability Enhancement and Development Programme

Davao was one of eight local government units selected to participate in the ILO-CIDA sponsored Youth Employability Enhancement and Development Programme (YEEDP) which ran from mid-2005 to late 2007.²⁰ The inception and initial round of implementation of the YEEDP programme were off-shoots from the ILO commissioned 2006 youth employability profiling study undertaken in Davao City and follow up activities including the local multi-stakeholder employment planning workshop held on February 6, 2007 as well as the technical workshop amongst local planners and employment focal persons from across localities on April 16–17, 2007 in Manila.²¹

These activities were undertaken as part of the CIDA funded ILO Promoting Youth Employment in the Philippines Project which, under the YEEDP Programme, sought to facilitate the creation of employment opportunities for young people in the country. The city government of Davao willingly took up the challenge of piloting the partnership approach to local employment planning and administration which would target and benefit young people who constitute the bulk of the population and the future workforce of the city.

In the minds of the LGU stakeholders, success in the pilot run of the programme was a break or make exercise in the area of partnership-based employment planning and administration. If successful, it could be expected that youth employment issues and concerns would be mainstreamed in LGU plans, policies and budget, and regular programmes and services with strong multi-sector cooperation and support.

3.2 The scope of the local intervention

In Davao, the main component of YEEDP was one project undertaken to enhance the employability factor of targeted disadvantaged youth in the city. These included the out-of-school-youth and the job-

²⁰ See PYEP-PAP Terminal Report and preface to this series for details.

²¹ Ibid.

seeking unemployed youth who were technically suited to jobs in the hotel and restaurant industry as well as in the building electrical wiring trade and metal arc welding trades. The programme provided for skills training, testing and certification; entrepreneurship orientation, personality development, post-training employment services, and a mechanism for employers' feedback on programme participants

The project involved the conduct of locally assessed short-cycle, high impact training sessions and special courses designed to equip the targeted beneficiaries with the skills necessary for gainful employment, entrepreneurial undertakings and other productive and well-compensating endeavours. After training, it would also connect them to identified available employment opportunities.

Specifically, the programme was structured as a short-cycle, high impact unemployment intervention designed to:

- provide skills training that would enhance the employability of the targeted segments of local labour particularly the youth of Davao City;
- prioritize provision of skills training to those youth who are technically inclined to learn and seek employment; and
- Provide employer-employee matching for trained beneficiaries who wish to find skilled employment as well as those who wish to engage in entrepreneurship opportunities.

3.3 Partnering and implementation process

The city government of Davao partnered with a number of agencies, programmes, and interventions in the area of youth development, entrepreneurial and cooperative development, and labour and employment in order to undertake the programme.

Tapped as active collaborating agencies in the implementation of YEEDP were TESDA, Davao City Chamber of Commerce and Industry, Inc. (DCCCII), DTI, and DOLE. The full scope of the partnership arrangement is outlined in Table 3-2.

On the part of the city government, CSSDO, PESO, and CCDO actively participated in YEEDP aside from the OCPDC which served as the coordinating office for programme implementation.

Through a series of consultative meetings, the agencies agreed on the needed approach and formed an Inter-Agency Technical Working Group (IATWG) for a unified and coordinated effort to implement the programme. Roles were defined accordingly in order to proceed smoothly as presented in Table 3-2.

The members of IATWG participated in the first consultative meeting on June 19, 2007 and a second on June 23, 2007 in order to generate inputs on the short-listing of priority and special courses, the mechanics in the selection and screening of targeted beneficiaries and the identification of training institutions to be involved. During the June 2007 meeting, the representatives of the partner agencies also helped in finalizing the text of the Terms of Reference which they later signed.

A third consultative meeting on July 23 2007 was called to present to IATWG members the final list of priority and short-courses, the identified training institutions, the qualified beneficiaries, and the logistical preparations made for the training proper.

Basic information such as the number of beneficiaries in every priority course and the nature of training that they would acquire were particularly emphasized to agencies such as DCCCII, DTI,

DOLE, CCDO, and PESO which were responsible for matching the skills acquired by beneficiaries to services in demand by industries, for the referral of trained beneficiaries to cooperatives for possible livelihood assistance and for their referral to companies/ industries for gainful employment.

Table 3-2: Davao City YEEDP partnership arrangement

Agency	Role, tasks, and functions
Technical Education and Skills Development Authority (TESDA)	- Responsible for facilitating the conduct of trainings in priority courses by TechVoc institutions. - Assistance in the acquisition of training design.
Department of Trade and Industry (DTI)	Referral of graduates to companies/industries for gainful employment.
Department of Labor and Employment (DOLE)	- Referral of graduates to companies/industries for gainful employment. - Assistance in employment enhancement, regulation, organization and education through the DOLE programmes and projects.
Davao City Chamber of Commerce and Industry, Inc. (DCCCII)	Assisted in the matching of skills acquired by beneficiaries to services in demand by industries to facilitate employment.
City Social Services and Development Office (CSSDO)	- Responsible for the recruitment process. - In-charge of inviting, qualifying, screening, and profiling of beneficiaries.
Public Employment Services Office (PESO)	Referral of graduates to companies/industries for gainful employment.
City Cooperative Development Office (CCDO)	Referral of trained beneficiaries to cooperatives for possible livelihood assistance.
Office of the City Planning and Development Coordinator (OCPDC)	- Functioned as the coordinating office for all the implementing agencies. - Served as secretariat providing administrative support to activities involved in the implementation of the programme. - In-charge of short listing of training courses. - Ensured logistical preparations.

Source: Davao City Government: Terminal Report to ILO, 11/2007

During the conduct of the training sessions, which formally started during the first week of August 2007, representatives of TESDA and CSSDO assisted the staff of OCPDC in the monitoring of training activities. The training for the four priority courses outlined in Table 3-3 was concluded by the first week of September.

Table 3-3: Davao City YEEDP training courses (first batch)

Priority and short courses/training Institutions	Number of trainees	Training period	Number of hours
Personality Development Training Seminar*	31	September 3-4, 2007	16 hours
Business Skills Training Seminar*	31	September 17-18, 2007	16 hours
Hotel Housekeeping (Joji Ilagan Career Center Foundation, Inc.)	3	August 1-31, 2007	40 hours
Hotel and Restaurant Services and Waitering (Philippine College of Technology)	13	August 1-31, 2007	80 hours
Building Wiring Electrician (TESDA Provincial Training Center)	8	August 7-September 10, 2007	160 hours
Shielded Metal Arc Welding (TESDA Provincial Training Center)	7	August 7-September 10, 2007	160 hours

* Compulsory course attended by all trainees

Source: Davao City Government and Terminal Report to ILO, 11/ 2007

After completion of the training on priority courses, a meeting of IATWG members was held on September 28, 2007, for the presentation of outputs, discussion of lessons learned, and the formulation of general and specific recommendations.

A beneficiary could choose what short course to take among the list of priority courses and depending on her/his area of interest. The chosen course was also considered as the basic course. Special courses refer to the Personality Development and Business Skills Training which the scholars were required to attend.

The profiles of graduates, including their respective skills and qualifications gained from their training, were provided to member agencies of IATWG which undertook responsibility for the referral of the trained beneficiaries to employment and/or livelihood assistance. The IATWG was unanimous in prioritizing the placement of trained beneficiaries in various firms for on-the-job-training (OJT) as the most feasible and practical step to landing a permanent job.

For those who were interested in starting a business, CCDO and CSSDO committed to find ways of contributing specific amounts from their existing programmes and projects to be utilized as seed capital for group business undertakings of the beneficiaries.

3.4 Lessons learned

With the exception of the welding course, all 31 targeted beneficiaries from the priority and short courses were actually trained in Personality Development and Business Skills training. The trained beneficiaries were referred to IATWG member agencies for OJT, job matching, livelihood assistance, and employment particularly with the active participation of DCCCI, DTI, and DOLE.

Aside from the benefit to those trained, the exercise forged and strengthened the partnerships among agencies with programmes and interventions in the area of youth development, entrepreneurial and cooperative development as well as labour and employment. The LGU and other project stakeholders claimed that the project was an “eye opener” for them.

As they talked about “convergence”, they realized that it was the first time that they had sat together to plan and implement initiatives that would create local economic and employment opportunities for the targeted youth segment and which capitalized on their existing mandates, programmes, and personnel.

They recognized too that while they had previously achieved social convergence particularly in the areas of gender, health, child and maternal care, they had not achieved economic convergence and had been content to focus on their tasks within their own institutions. They did not realize that they could achieve more by working together and they were able to broaden their horizons as a result.

Members of the IATWG became confident that with the success they had in this kind of partnership they could proceed further in addressing the more challenging policy and action points identified during the February 2007 multi-stakeholder employment planning workshop held in Davao City.

Box 1: Youth Employability Enhancement and Development Programme (YEEDP): updates as of January 2009

First Batch

Out of the 31 YEEDP scholars (1st batch), four were given employment by the City Government of Davao.

All scholars in all technical/vocational short courses were recommended for further training to reinforce their skills acquired. Out of the 16 who took up Hotel and Restaurant Services and Waitering and Hotel Housekeeping, only four have continued formal training on Housekeeping, under the PGMA-LEP Scholarship programme.

One scholar, who took up welding, was recommended for further training on Welding National Competency, Level II (NC2) under the PGMA-LEP. He was able to complete the Welding course and is now placed for a job abroad.

One scholar, who took up Welding have continued formal training on Welding, NC2 under the PGMA-LEP and another one for Welding NC 2-Pangulong Gloria Scholarship Programme (PGSP).

Second Batch

In the summer of 2008, the City Government sent 27 scholars at the Philippine College of Technology for training in the Housekeeping Course. Expenses were charged against YEEDP funds.

To date, out of the 27 scholars, 20 were able to finish the on-the-job-training (OJT) and the remaining seven were scheduled their OJT on the first semester of 2009.

Further activities including the Personality Development Orientation and Business Skills Seminar were scheduled for March 2009.

Third Batch

As of January 2009, further batch of scholars were enrolled through the TESDA-LEP Scholarship. Twenty-three of whom took up Food and Beverage at ACES Polytechnic College while a further 17 scholars took up Commercial Cooking at the St. Joseph Technical Academy.

Funding

The YEEDP budget for 2009 is PhP2.5 Million as continuing funds.

Based on the achieved result, the Davao City LGU proposed the allocation of PhP4.8 million for 2008 for support of out-of-school and other disadvantaged youth to enable them to proceed to tertiary schooling. This was broken down into the following components:

- Tech-Voc Scholarship—PhP2.5 M
- Livestock Dispersal Programme—PhP1 M
- Barangay Skills Training Programme—PhP600,000
- Barangay Livelihood Project—PhP700,000

The *Sanggunian Panlungsod* Committee Chair on Labour and Employment (Councillor Ibuyan) is now studying the future possibility of establishing a separate tertiary level school as current city efforts are focusing on ensuring children complete high school. The project has continued into 2009 with PhP2.5 M being allocated by the Davao City Government (Box 1 and Table 3-4).

The Davao City Chamber of Commerce took on the challenge of screening the trained OSY so that they could recommend selected individuals with confidence to their members and encourage them to employ these youth on the basis of their actual qualifications. The Chamber was pursuing promotion of youth entrepreneurship further. Finally, it has started networking with the Cagayan de Oro Chamber for that city's requirement for 10,000 welders and to train and link Davao out-of-school-youth to such an opportunity.

The youth beneficiaries who had initially been employed as assisting clerks in the Davao City *Lingap para sa Mahirap* Programme at the Davao Medical Center found the opportunity life changing. They

assessed themselves as being more self-confident and in relating with different people and for those that were single parents they would strive to keep themselves employed so as to ensure that their children would be well prepared for the future.

Table 3-4: Updates on Davao City YEEDP training courses

Batch /Courses/ Training institution	Number of trainees	Training period	Number of training hours
(TESDA-LEP) ²²			
Refrigeration and air conditioning services/University of South-Eastern Philippines (USEP)	23		256
Mechanical services/USEP	49		143
Automotive servicing/USEP	41		524
Building wiring installation/USEP	25		402
Third batch (TESDA-LEP)		July–Aug 2008	
Commercial cooking)/St. Joseph	17		436
Food and beverage	23		336
Fourth batch (TESDA-LEP)		May 5–Aug 1, 2008	
Housekeeping	27		540
Fifth batch (TESDA-PGS)		Oct–Dec 2009	
Automotive servicing/Davao Institute of Technical Education, Inc.	5		524
Building wiring installation/Samson Technical Institute, Inc.	5		402
Shielded metal arc welding/JIB Welding Academy	25		268
Front office services/Bellmec Training Center	5		436
Commercial cooking/Davao. Doctors College	10		336
Food and beverage services/St. Joseph Technical Academy	5		116
Baking/Pastry production/St. Joseph Technical Academy	5		286
Bartending/St. Joseph Technical Academy	5		286
Housekeeping/St. Joseph Technical Academy	5		436
Consumer electronics/CORE Competency Learning Center	15		438
Computer hardware servicing/South-eastern Mindanao Institute of Technology	15		3
Sixth batch		Oct– Nov 2009	
Welding/JIB Welding Academy	50		
Seventh batch		Nov 2– Dec 1, 2009	
Security guard training (Pre-licensing course)/La Roma Safety and Security Academy, Inc.	20		

²² This batch of scholars was facilitated by the City Planning Office even before the YEEDP was formally launched into a programme. It is incorporated in this report since the implementation of the above is of the same nature.

4 The way forward

4.1 Continuing and emerging challenges and development thrusts

The city government of Davao recognizes that with the city's vast, rich and unique natural resources, rich collective cultural heritage and a driven people, the city is in the forefront of the country's future development.²³ With the prospects of peace in Mindanao, Davao City which is already regarded as one of the most functional cities in Mindanao could accelerate its economic development.

In view of the foregoing, the city government maintains its position that the development vision, goals, and objectives, as outlined in the city's Comprehensive Development Plan will be actively pursued; the mandate and prerogatives of the city government under RA 7061 of 1991 continually exercised. Major initiatives in consonance with (and complementary to) the national goals, objectives and thrusts are being undertaken; key roles of civil society, the business sector and the city government have been duly recognized.

All policy and programme thrusts and partnership arrangements are guided by the principles of sustainable development ensuring the harmonious integration of a sound and viable economy, responsible governance, social cohesion and ecological integrity to benefit Davaoeños foremost.

As spelt out in the inaugural address of Mayor Duterte on June 30, 2007 at the start of his current term (2007–2010), all efforts must be directed to the improvement of the lives of Davaoeños, enhancing their well-being and providing them with opportunities and choices to become productive members of the society.

4.2 Current LED priority programmes and projects

The city government has outlined its priority areas for development intervention from 2008 to 2010, taking off from what it has thus far achieved and concentrating on those goals that have not yet been achieved over the years, as presented below.

4.2.1 Peace and order

The city government is sustaining and intensifying its campaign to maintain peace and order in the city. Based on an assessment of prevailing and emerging threats to the peaceful development of the city, the local mayor takes the position that the city government can never be complacent and indecisive at anytime in ensuring people in Davao live peacefully. In view of this, the city government continues to maintain an effective and efficient peace and order programme. This means:

- sustaining a partnership with uniformed police and military to further encourage discipline on the streets and in the communities obtaining the cooperation of all productive and responsible sectors of the society; and
- sustaining resource provisions in the areas of emergency medical services, crime detection (through the city K-9 unit), crime suppression (through the city police emergency assistance unit), fire prevention and auxiliary services, and urban search and rescue services.

A budget of PhP0.5 B for 2008 was proposed to the peace and order programme of the Executive Department although this was not approved in its entirety.

²³ City government of Davao: *Thrusts and Priority Programmes 2008–2010*; interviews with Rodrigo Duterte, Mario Luis Jacinto; commentaries from Davao City dailies; generated from interviews and per analysis.

4.2.2 Environmental management

The city government is cognisant of the need for sustainable development and maintains its position that the carrying capacities of the natural environment are continually challenged and calamities can be expected to be in the offing if measures to arrest indiscriminate and mindless activities that degrade the environment are not adopted. The city government is continuing with programmes and projects aimed at enhancing the environment and mitigating degradation, both in the built-up and upland areas as major priorities. For three years to 2010, the focus of its interventions and resources is being directed in the areas of ecological solid waste management, watershed rehabilitation and coastal resource management.

By 2010, the projected waste generated in Davao City will increase to 762,224 kg per day from 700, 835 kg per day in 2007. Hence there is the urgent need to support projects and activities that make the solid waste management system work for the city. These include:

- waste segregation at source and recycling nodes;
- nursery establishments in every barangay;
- protection and conservation of forest resources;
- development of urban forestry parks;
- park and playground beautification;
- community cleanliness;
- private sector and citizen's action on environment protection and rehabilitation; and
- information and education campaigns in support of these programmes.

The current administration believes that the protection and conservation of the environment is everybody's concern; that with committed, aware and responsible citizenry the city can be assured of that development will be a life-sustaining process.

At the local policy level, the 14th City Development Council General Assembly attended by a wide range of government and non-government stakeholders was held on December 13, 2007. That assembly began by unanimously supporting the Integrated Solid Waste Management Programme as proposed by the Community Environment and Natural Resources Office. Further steps will be taken in order for the Council to adopt the necessary city ordinances to back up the programme. At the ground level, the city government has recently begun the development phase of the sanitary landfill for the city to better manage its solid waste management system.

4.2.3 Social services

In the area of social services, the Davao City LGU is giving priority attention to four areas: (i) health and well-being; (ii) child and youth development; (iii) family-oriented programmes; and (iv) other areas of special need.

Health and well-being

The local government of Davao is also focusing on the health and well-being of the local citizenry and has put in place preventive measures designed to ensure the continuing well-being of the people. Major health programme being undertaken include:

- child and maternal health care (with reference to its Women's Development Code and Children's Welfare Code);
- enhancing the awareness of the ill-effects of smoking (with reference to its Comprehensive Anti-Smoking Ordinance);
- an anti-rabies campaign;
- ensuring safety of water sources;
- a disease control programme; and
- a reproductive health programme (with reference to managing population, empowering women, balancing roles of women and men).

Also, the city government is sustaining efforts to address the need of the indigent population who cannot afford life sustaining medicines and medical services. It is maintaining its *Lingap para sa Mahirap* (Caring for the Poor) partnership programme with the Davao Medical Center.

On local children and youth development

The city government believes that the future lies in the ability of younger generations to take the cudgels of development. Every effort must be exerted to ensure that they be provided the opportunity to realize their full potential and become productive citizens of the city and, from the onset of one's life cycle, the best basic needs of children be provided. In support of this, it is sustaining and expanding child development and protection programmes in partnership with UNICEF, sector-based groups, and other pro-active private sector groups.

Target areas for children include:

- a child rights advocacy programme;
- early childhood care and development services;
- child education support programmes;
- an HIV/AIDs prevention programme;
- a child and maternal health and nutrition programme;
- programmes for children in need of special protection (related to armed conflict, domestic violence, trafficking, juvenile court cases, etc.);
- child development and protection policies, programmes, and systems in local institutions; and
- customized education programme for Muslim children anchored on peace and development.

The Davao City LGU continues with a range of youth-oriented programmes and services including the following:

- implementing a sports development programme;
- repair and upgrade of the Almendras Gym;
- construction of the Davao City Sports Complex;

- sustaining operations of Davao City Treatment and Rehabilitation Center for Drug Dependents; and importantly
- mainstreaming policy and action points drawn from the multi-stakeholder youth employment plan into the city plans, budget, and regular service; and
- sustaining the pilot-tested ILO Youth Employability and Enhancement and Development Programme benefiting out-of-school, unemployed, and youth who dropped out of the workforce.

Families in need of decent shelter

The city has an enormous shelter backlog of at least 40,000 units. A majority of the urban poor, especially those whose present dwelling units are situated within danger zones as well as those who will be affected by the implementation of major infrastructure projects look forward to being assisted in acquiring decent shelter. After months of hearings, and readings (prior to the 15th Council), and weeks of debate, the *Comprehensive Urban Shelter and Services Development Code of Davao City* better known as Shelter Code was finally signed into law on December 2007.

The Shelter Code provides for funding of a total of PhP85 Million, institutionalizing housing for informal settlers and other homeless Davao City residents. The Code tasks the city Housing Authority as the implementing agency, and the local Housing Board as the policy-making authority. Through this ordinance, the city government will accelerate efforts directed towards its shelter and urban land reform programme. Key elements include:

- establishment of the local Housing Board;
- allocation of funds as provided for in the Code;
- acquisition and development of suitable lands as relocation sites;
- invoking the power of eminent domain to acquire and develop idle lands suitable for housing;
- continuing to address the shelter needs of qualified beneficiaries especially those who cannot afford to access formal housing programmes;
- strengthened partnerships with the local private sector and other interested parties in the endeavour; and
- development of areas for expansion within existing relocation sites.

On other local sectors with special needs

The city government is providing support to address important concerns of special needs groups including persons with disabilities, the elderly, and other disadvantaged sectors through programmes and facilities for:

- equal opportunity in employment for persons with disability;
- mainstream participation of persons with disability and the elderly; and
- other activities that will highlight productive participation of disadvantaged and marginalized sectors in the city.

4.2.4 Infrastructure

The city government recognizes that to ensure a continuation of fast-paced development for the city, the existing network of roads and bridges have to be upgraded to cope with increased passenger and vehicular traffic. The time to address this situation is ahead of the actual need arising.

Hence, the city government is upgrading the city's roads, canal and drainage systems; providing alternative roads for traffic in and out of major commercial and business areas and relieving commuters and vehicle owners of unwanted anxiety caused by traffic delays.

The city recognizes that it cannot afford to lose precious time, productivity and potential income simply because the essential infrastructure is not in place. As a result, a comprehensive infrastructure programme is being undertaken to rationalize the allocation and utilization of the resources that can be made available. Major initiatives include:

- drainage improvement and flood control;
- traffic signalization;
- development of farm-to-market and additional roads;
- development of inter-district/growth centres and road networks;
- provision of post-harvest facilities for the agricultural sector; and
- water systems development to ensure adequacy of supply, especially in rural areas beyond the service areas of Davao City Water District.

4.2.5 Economic

Other than maintaining existing economic programmes, the city government has prioritized the enhancement of its agricultural potential as an avenue for future economic development.

Agriculture, fishery, and food security

The city government is pursuing on an integrated agriculture and fishery development programme which will result in optimum utilization of the city's agricultural lands and natural fishing grounds. Needed resources are being channelled to enhance the city's natural competitive advantages in attaining food security and export potential. For the three years to 2010 the focus of interventions by the Davao City LGU are the following:

- Establishment of a modern Davao City Food Terminal Complex in Dalião, Toril to accommodate the growing number of traders and bulk sales of agri-produce in Davao City. This terminal will serve as a consolidation, processing, packaging, storage, and distribution centre for farm produce within and coming into Davao City and provide a shipment hub for domestic and export markets of food-based industries and other agricultural products.
- Completion and utilization of an inventory of production areas for realistic forecasts and targets on agricultural productivity and utilization.
- Enhancement of the incomes of farmers and fishers via programmes for strengthening cooperative and entrepreneurial undertakings of the basic agriculture sector associations and groups.

- Full development of idle and underutilized lands (and not just conversion of lands) for agricultural purpose by mobilizing concerned institutions in addressing problems of access to capital and essential inputs, outdated farming tools, non-dissemination of appropriate technology, and inadequate post-harvest facilities.
- Pursuit of a sustainable inland fishery and mariculture programmes to provide adequate income to the city's fisherfolk.
- Providing support to livestock and poultry sector producers in the area of animal disease prevention to enhance sector productivity as well as the safety of people and consumers from the dangers of potentially fatal diseases.

Investment and tourism

The city government is intensifying efforts to promote the city as a wholesome tourist destination and viable place for investments by reinforcing partnerships with the city's chambers of commerce and tourism associations to ensure that preferred investment areas are adjusted in keeping with the time. Thus:

- The operations of the Davao City Investment Promotion Center will be strengthened and intensified. Likewise, the city government is building up the capacities of its recently localized city Tourism Office.
- The city government is ensuring pro-active support and forging coordinative undertakings with the private sector in initiatives to attract investors and tourists to the city.
- The priority areas for investment are being reviewed, expanded and amended as appropriate; so that they remain attractive and competitive.
- Enhancement of the incentives packages for both new and existing investors is being thoroughly studied and changes adopted as necessary. The new incentive package to be offered will have to be built upon the strength of the city's people and resources in generating employment, promoting livelihood opportunities, prioritizing investments, and developing tourist destinations.
- Physical and social infrastructure support in existing and new investment and tourism sites are being prioritized.
- A comprehensive investment and tourism promotion programme is to be formulated in partnership with the private sector and national government agencies.

Livelihood and employment

Despite having an unemployment record below the national average, the city government continues to prioritize initiatives that would reinforce and/or initiate sustainable livelihood programmes for the city.

The LGU seeks to identify economic opportunities anchored on the natural competitive advantages of the city and its people and those that will result in stable, socially empowered, gender-sensitive, and broad-based development in the provision of access to capital and other inputs. It continues to pursue livelihood opportunities that provide direct and concrete productive linkages between communities and established businesses as well as those that harness the creativity, skills, diligence, and talents of

the people of Davao, individually and collectively to produce goods and services that can compete with the world's best.

Davao City is also strengthening local cooperatives to optimize total available resources and enhance access to markets for products of the Region.

4.2.6 Administration

Revenue enhancement

As projected incomes from traditional sources are insufficient to fully finance the development programmes envisioned in the city's comprehensive development plan, innovative, and viable schemes for generating additional revenues and financing programmes and services will have to be seriously considered. In order to ensure resources are utilized optimally, the city government is intensifying efforts in the following areas:

- sound fiscal management;
- maximizing the potential of the city's tax base;
- improving efficiency in revenue collection; and
- exacting compliance from delinquent and erring taxpayers.

Service systems and capacity enhancement

For the city government, it is important that people see and appreciate where their taxes go as a basis for continuing community support for the development agenda of the city. Hence, the need to improve the systems and procedures in the provision of effective and efficient services. This has been and will be a continuing priority. Key goals include the following:

- Investment in internal and external training as well as skills development programmes to bring out the best in the LGU's human resources.
- Strengthen and capacitate to the fullest, the basic political units—each of the 182 barangays—whose leaders are at the forefront of sensitizing and engaging people in the priority programmes and projects for implementation.
- Embark on a programme to sensitize people in each barangay on what the local government and participation mechanisms can do for them and, more importantly, what they can do for themselves; to manage effectively the resources that are available to them; on the need to network to optimize the opportunities on hand and assert what is rightfully theirs.
- Work towards vertical alignment of barangay plans which are charting their own future consistent with the overall development framework of the city.
- Pursue a continuing review of the comprehensive development plan and the land use plan to ensure that development efforts are attuned to the changing times.
- Ensure city ordinances, rules and regulations are updated to reflect earlier policy initiatives and that they are widely disseminated to the people.
- Invest further in advanced information technology (IT) and the corresponding training needed to use newly acquired IT capabilities.

- Invest in the training for more line offices to make use of the existing Geographic Information System facility of the city government and mainstream its use in all aspects of planning, programming, and project implementation to enable policy makers and implementers to intelligently analyze critical information and arrive at sound decisions in project prioritization and resource allocation.

5 References

5.1 Interviews

5.1.1 From the city government of Davao

Rodrigo R. Duterte, City Mayor, City Government of Davao, 13 December 2007

Edgar R. Ibuyan, Member, Davao City Legislative Council; Chair, Standing Committee on Labor and Employment, 09 November 2007

Mario Luis J. Jacinto, City Planning and Development Coordinator, Davao City Planning and Development Office; Member, Davao City Investment Incentive Board, 08 November 2007, with follow-up

Crescencia de la Victoria, Economist IV, Research and Statistics Division of the Davao City Planning and Development Office, 08-09 November 2007, with follow-up

Ivan Cortez, Economist III, Davao City Investment Promotion Center, 13 December 2008

Jaime G. Adalin, Officer-in-Charge, Davao City Cooperative Development Office, 08 November 2007

Benedicto Crisostomo, Consultant, Davao City Cooperative Development Office, 08 November 2007

Emmanuel R. Jaldon and Orly S. Carillas, Officers, City Tourism Office, 09 November 2007, Davao City

Marilyn Agonia and Astred A. Cajés, Officers, City Social Services and Development Office, 08 November 2007

Florita Olegario, Officer, Human Resources Management Office, City Human Resources Management Department, 09 November 2007

Philip Nidea Jr and Lilibeth Pante Nople, Officers, HRMO-Public Employment Services Office, 09 November 2007

Anastacio Jardin Jr., Asst. City Treasurer, 09 November 2007

5.1.2 From national government line agencies

Teolulo T. Pasawa, Director, Department of Trade and Industry, 08 November 2007,

Armando O. Aquino, Director, Technical Education and Skills Development Authority, (with TESDA Officer Ms. Araceli Guazon), 08 November 2007, Davao City

5.1.3 From private sector institutions

Conrado T. Hernaez, Jr. Executive Director, Davao City Chamber of Commerce and Industry, (with Joy Somera, DCCCI Staff), 08 November 2007

Corazon Mae M. Baylon, Former Board Member, Davao City Chamber of Commerce and Industry; Consultant, Solid Waste Management and SME Development, Small and Medium Resource Network; Project Manager, Social Management System, 08 November 2007 (with follow-up phone interview)

Christine P. Rizado Omar, Executive Director Ateneo de Davao Business Research and Extension Services, Former Assistant Executive Director for the PhilExport Managed Invest in Davao Project of the City Government, 09 November 2007, Davao City

Cesar R. Ledesma, Asia Pacific Peace and Prosperity Initiative, (Partner of Davao City Chamber) 08 November 2007, Davao City

Fernando V. Magdato Jr. University of Southern Philippines, (Partner of Davao City Chamber) 08 November 2007, Davao City Davao City

5.1.4 From beneficiary groups

Select community beneficiaries who earned additional income from the US-DOLE funded Project on Training for Rural Economic Empowerment

Select out-of-school-youth beneficiaries who got employed through the CIDA-ILO-Davao City Government Project on Promoting Youth Employment in the Philippines

5.2 Documents

The 1991 Local Government Code, compiled and edited by Jose N. Nollado; updated by Mercedita Nollado, 2005

Rules and regulations implementing the Local Government Code of 1991 with related laws and concept of Decentralization compiled and authored by Arnell B. Bautista

Proceedings of Youth focused Employment Strategy Planning prepared by Dr Fernando Aldaba

Davao City YEEDP Terminal Report for ILO-CIDA Promoting Youth Employment Project

5.2.1 Documents collected from field research

City LGU Priority Programs and Thrusts for 2007-2010

City Government of Davao: State of the Local Government Report, 2007 edition

Davao City Socio-Economic Indicators, 2007

City Government of Davao: Davao City Woman and Child Statistical Guide on the Situation of Women and Children, 2007 edition

Documents prepared by the legislative staff of Councilor Edgar R. Ibuyan, 2007

Invest in Davao Brochure, 2006

Davao Branding System Brochure, 2006

City Government of Davao: City Comprehensive Development Plan for 1996-2001

Photos and Power point Presentations from Planning and HRD Offices

5.2.2 Documents collected from desk research

Robles Chan Law Group website

Executive pronouncements, local ordinances, transaction forms, facts and figures, eagle logo from
Davao City website: www.davaocity.gov.ph

Executive pronouncements, local ordinances, transaction forms and other facts and figures from
Davao City website: www.dccci.net (with permission from Ms Corazaon Mae Baylon)

News, feature, and opinion articles on City Government initiatives and events from Davao City local
dailies: www.sun.star.com, www.mindanaotoday.com.ph

ILO Subregional Office for South-East Asia and the Pacific

LIST OF YOUTH EMPLOYMENT and LOCAL ECONOMIC DEVELOPMENT PUBLICATIONS

YOUTH EMPLOYMENT

No.	Title	Author(s)	Year published ISBN
1	Youth employment in the Philippines	Mark Emmanuel L. Canlas and Maria Cristina R. Pardalis	2009 978 92 2 121442 7 (print) 978 92 2 121443 4 (web pdf)
2	Choosing and assessing local youth unemployment interventions	Jude H. Esguerra	2009 978 92 2 121444 1 (print) 978 92 2 121445 8 (web pdf)
3	Briefing guide: meeting youth employment policy and action challenges		2009 978 92 2 121469 4 (print) 978 92 2 121470 0 (web pdf) 978 92 2 121471 7 (CD-ROM)
4	Operations guide: managing an ILO-CIDA youth employment country project: Philippines	Camilo G. Casals	2009 978 92 2-121446 5 (print) 978 92 2-121447 2 (web pdf)
5	Enhancing youth employability is a business mission	Rene E. Ofreneo	2009 978 92 2 121448 9 (print) 978 92 2 121449 6 (web pdf)
6	Towards a national policy and action agenda for decent and productive work for youth in the Philippines	Fernando T. Aldaba and Jose T. Sescon	2009 978 92 2 121472 4 (print) 978 92 2 121473 1 (web pdf) 978 92 2 121474 8 (CD-ROM)
7	Promoting youth employment in the Philippines: policy and action project. A final independent evaluation report	Cielito F. Habito	2009 978 92 2 121466 3 (print) 978 92 2 121467 0 (web pdf)
8	Youth employability surveys in the Philippines: an integrative report		2009 978 92 2 121516 5 (print) 978 92 2 121517 2 (web pdf) 978 92 2 121519 6 (CD ROM)

LOCAL ECONOMIC DEVELOPMENT

1	Local economic development and youth employment in the Philippines: the case of Angono		2010 978 92 2 121426 7 (print) 978 92 2 121427 4 (web pdf)
2	Local economic development and youth employment in the Philippines: the case of Concepcion		2010 978-92 2 121424 3 (print) 978-92 2 121425 0 (web pdf)
3	Local economic development and youth employment in the Philippines: the case of Cotabato City		2010 978 92 2 121422 9 (print) 978 92 2 121423 6 (web pdf)
4	Local economic development and youth employment in the Philippines: the case of Davao City		2010 978 92 2 121573 8 (print) 978 92 2 121574 5 (web pdf)
5	Local economic development and youth employment in the Philippines: the case of Dumaguete City		2010 978 92 2 121571 4 (print) 978 92 2 121572 1 (web pdf)
6	Local economic development and youth employment in the Philippines: the case of Guimaras Province		2010 978 92 2 121569 1 (print) 978 92 2 121570 7 (web pdf)
7	Local economic development and youth employment in the Philippines: the case of La Castellana		2010 978 92 2 121567 7 (print) 978 92 2 121568 4 (web pdf)
8	Local economic development and youth employment in the Philippines: the case of Marikina City		2010 978 92 2 121428 1 (print) 978 92 2 121429 8 (web pdf)

Local economic development and youth employment in the Philippines: the case of Davao City

Davao City, with a resident population that now exceeds 1.3 million, is the natural commercial hub of southern Mindanao and also, because of its strategic location, plays a similar role within the Brunei Darussalam-Indonesia-Malaysia-Philippines – East Asian Growth Area. It is known as a progressive city with a stable government and is widely regarded now as being one of the most peaceful cities in Southeast Asia.

The economy is largely centred on agriculture and agricultural products although the vast majority of the city's workforce is employed in the informal sector or is self-employed.

This case study looks at the factors that have given Davao City its enviable reputation and in particular the strategies adopted by the local government to meet development challenges. Discussed in detail is the professionalization of the public service, the local investment incentive code and the Davao product branding system. The role of the Ateneo de Davao University in supporting private sector development is also discussed.

The local ILO-CIDA intervention under the PYEP project focused on the training of out-of-school youth in such areas as hotel housekeeping and restaurant services as well as the electrical and welding trades. Begun under PYEP in 2007 with an initial batch of 31 trainees, the pilot project was successful to the point that with local funding from the Davao City government the project continues to the present time.

Finally, the case study ends by looking at current programmes of the city administration to ensure peace and order, sound environmental management and a supportive social structure so as to sustain Davao City as a preferred destination for investment and, hence, employment growth.

International Labour Organization
Subregional Office for South-East Asia and the Pacific
Manila, Philippines

Tel. (632) 580 9900, Fax. (632) 580 9999

E-mail: manila@ilo.org

www.ilo.org/manila

ISBN: 978 922 121573 8 (print)