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Local economic development and
youth employment in the Philippines:
the case of La Castellana

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Manila

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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 ILO's 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 and 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 center 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.

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List of acronyms

ABC	: Association of Barangay Captains
BPO	: Business Process Outsourcing
BSP	: Bayanihan Savings Programme, a local microfinance initiative
BRW	: Bureau of Rural Workers
CARES	: College Assistance Relevant Education System
CARP	: Comprehensive Agrarian Reform Programme
CARL	: Comprehensive Agrarian Reform Law
CIDA	: Canadian International Development Agency
DAR	: Department of Agrarian Reform
DENR	: Department of Natural Resources
DOLE	: Department of Labor and Employment
DSWD	: Department of Social Welfare and Development
DWCP	: Decent Work Country Programme
ELA	: Executive and Legislative Agenda
EO	: Executive Order
FASTRAC	: Farmer's Agricultural and Trading Center
GPK	: Gawad Pangulo sa Kapaligiran (Presidential Award for Environmental [Clean and Green] Programme)
GYB	: Grow Your Business
HOPE	: Help Organize and Protect our Environment
ILO	: International Labour Organization
IRA	: Internal Revenue Allotment
KAB	: Know About Business
LDDW	: Local Development and Decent Work
LED	: Local Economic Development
LEED	: Local Economic and Employment Development
LGSP	: Local Government Support Programme
LGU	: Local Government Unit
MARO	: Municipal Agrarian Reform Office
NSO	: National Statistics Office
NTP	: National Tuberculosis Programme
OFW	: Overseas Filipino Worker
OSY	: Out-of-School-Youth
OWWA	: Overseas Workers Welfare Administration
PEDO	: Provincial Economic Development Office

PEE	: Public Economic Enterprise
PESO	: Public Employment Service Office
PYEP	: Promoting Youth Employment in the Philippines
RA	: Republic Act
RPT	: Real Property Taxes
SEF	: Special Education Fund
SPES	: Special Programme for Employing Students
SSS	: Social Security System
SYB	: Start Your Business
TB	: Tuberculosis
TESDA	: Technical Education and Skills Development Authority
TNS	: Taylor Nelson and Sofres
ToE	: Training on Entrepreneurship; also Training of Entrepreneurs
UPLB	University of the Philippines-Los Baños
YMA-PRO	: Young Movement of Achievers for Progress and Reform

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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

Aksyon ng Sambayanan Laban sa Kahirapan	:	Poverty Free Zone (PFZ) project of the DOLE; a component of the action programme for decent work in the Philippines
Barangay	:	The smallest administrative district of government in the Philippines; also “barrio” from the Spanish
Career Pathways	:	A Department of Education pilot programme integrating trade skills and entrepreneurship instruction in select high schools to be mainstreamed in the secondary education programme
Cavan	:	A traditional means of measuring quantities of rice at the wholesale level. One large cavan or sack of rice is usually equivalent to 50 kilograms but sometimes it only reaches 48 kg. (or if the sack is smaller or half in amount equivalent to 24-25 kilograms)
Consuelo Zobel Alger Foundation	:	A private foundation operating under US law and based in Hawaii, founded in 1998 to assist disadvantaged women, children and families in the Philippines and in Hawaii. In July 2002, it was officially renamed the Consuelo Foundation Incorporated
GET AHEAD	:	Gender and Entrepreneurship Together (GET) an ILO training and resource kit in four modules targeting women; see for example http://www.ilo.org/public/english/region/asro/bangkok/library/pub4c.htm (accessed 2 December 2009)
Hacienda	:	A sugar cane plantation or estate
Haciendero	:	The plantation owner
Hilot	:	Natural hilots are those who are naturally gifted and inclined to practice without the usual formal training, but intuitively learned and traditionally/alternatively trained by their own parents or grandparents but their innate knowledge can be harnessed /enhanced/widely recognized and trusted if documented, studied and combined with theoretical/scientific foundations and if practitioners are provided with formal training and certification
Liga ng mga Barangay	:	League of Barangays
Pahinungod	:	A Visayan word meaning “oblation”; in the context used here it refers to a programme undertaken by the University of the Philippines emphasizing community service; see for example: http://www.pahinungod.8m.com/ (accessed January 10, 2010)
Plantilla	:	The approved organizational establishment against which individual positions can be filled; from the Spanish meaning <i>template</i>
Poblacion	:	The center of a town or municipality, usually the administrative district
RA 7160	:	The Local Government Code of the Philippines (1991), Republic Act 7160
Sacada	:	A worker on a sugar cane plantation
Sangguniang Bayan	:	The local legislative body of a municipality

Sangguniang 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
Sari-sari store	:	The Filipino equivalent of a “mom-and-pop” store that sells to local communities
Sitio	:	An administrative enclave within a barangay, also <i>purok</i>
Townsfolk USA	:	Townsfolk of La Castellana in USA–Filipinos from La Castellana who are in USA and they provide child development related support e.g. building of day care centers and school facilities

Figure 1: The eight pilot areas



Local economic development and youth employment in the Philippines: the case of La Castellana

1 Introduction

This study is based on interviews conducted and report prepared by Maria Asuncion, A. Ortiz and Francis Vergara (October 2005) with LGU officials on decentralization and employment promotion strategies of La Castellana in the province of Negros Occidental (Region VI, Western Visayas). It describes the policies, programmes, and strategies adopted by La Castellana from the time it was a fifth class municipality until it became a second-class municipality. The town today is a first class municipality.

Prior to publication, update interviews and additional data collection were undertaken by M.A.A. Ortiz (October 2007 and November 2009) on initiatives for incorporating youth employment and employability strategies into local development plans, budgets, and institutional structures as well as implementing and sustaining these strategies even after completion of the ILO-CIDA Youth Employment Project.

Secondary data has been sourced from available regional, provincial, and municipal data on La Castellana, from the LGU and relevant line offices and from ILO Youth Employment Project files.

La Castellana is a relatively small municipality with a population, as of 2007 census, of 70,838, distributed among 13 barangays (the smallest unit of local government in the Philippines). It is low-income municipality that during the leadership of its mayor from 1998–2007, focused its resources methodically on a particular type of development investment for each three-year term of his service: from investing in physical and environmental management infrastructures during his first-term, to investing in social development programmes and services during his second-term to projects oriented towards sustainable economic development during the third-term.

La Castellana was one of eight areas selected throughout the Philippines as part of the CIDA funded initiative into enhancing youth employability. The programme was carried out during 2006–2007 under the guidance of the ILO Subregional Office for South East Asia and the Pacific and through a project management team located at the ILO Office in Manila.

La Castellana had been previously selected as one of the LGU learning models for developing the Local Development and Decent Work (LDDW) information, assessment, and action toolkit in 2002. This had been done on the recommendation of Negros Council for People Development, an NGO based in Bacolod City. It is a municipality with a high poverty incidence rate compounded by unresolved cases relating to agrarian reform and which provided a challenge for promoting social dialogue and implementing decent work strategies. Subsequently, La Castellana was also recommended by the Region VI Development Council to be a pilot area for youth employment.

In this paper, the youth employability initiatives undertaken within La Castellana are addressed within the context of the municipality's local economic development (LED) agenda. Its focus is on local employment promotion strategies and within this case study are presented some mini-cases of successes or breakthrough experiences as a result of the ILO-CIDA intervention.

Our study describes the demographic and socio-economic profile of La Castellana, the factors that have led the municipality to progress from fifth class to first class municipality and then goes on to discuss employment and livelihood issues with a special emphasis on youth employment.

An important aspect—and a factor in achieving success—is to demonstrate how the Local Government Code introduced in 1991 (Republic Act [RA] 7160), provided new opportunity for local initiative that fostered leadership, management, and new programmes which transformed La Castellana into a progressive municipality and changed (for the better) the behaviour of its constituents, stakeholders, and beneficiaries. For this reason, in this study we have made reference to several important aspects of RA 7160 that inform the policy process at the local level.

We will also discuss how the current quality of life of the municipality and its future development outlook and prospects have been affected as a result of local employment promotion and development strategies.

1.1 Demographics and socio-economic profile

La Castellana is strategically located as an inland center at the heart of the Negros Province and serves as a gateway between Negros Occidental and Negros Oriental and is part of the Central Visayas Region. It is located on one of the main highways that traverses the island from the east to the west coast. Formerly a small village under the jurisdiction of Pontevedra, a coastal settlement of some 10,000 people due west of La Castellana, the area was officially acknowledged as a town by virtue of Executive Order (EO) 101 proclaimed by then Governor General Francis Harrison on 1 January 1918.

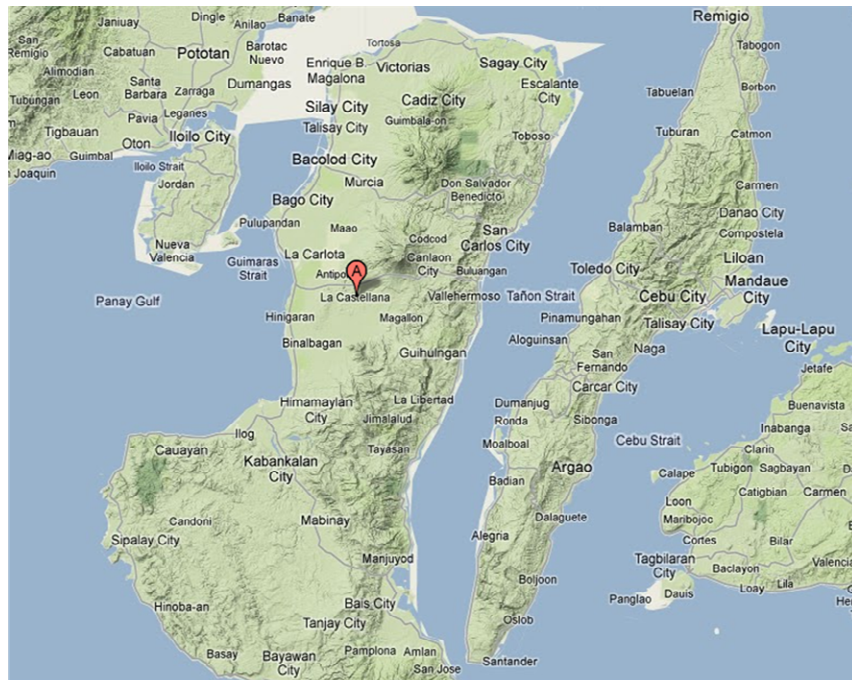
A majority of the early settlers of the town were farm workers from Panay Island and Negros Oriental brought in by *hacienderos* to work their sugar plantations. La Castellana is also a melting pot of professional and entrepreneurs, including educators from Ilocos, Antique, and Bicol, businessmen from Bohol and Batangas as well as farm managers and skilled workers from Iloilo.

1.1.1 Geographical features

The municipality of La Castellana is one of the 19 municipalities and 13 cities constituting Negros Occidental. It is located 67 kilometers southeast of the provincial capital, Bacolod City. It is an interior town lying at the foot of Mt. Kanlaon⁴, the heart of the province, serving as a gateway between Negros Occidental (Western Visayas region) and Negros Oriental (Central Visayas). La Carlota City bounds it on the north, Hinigaran and Pontevedra on the west, Moises Padilla and Isabela on the south, and the provincial boundary of Occidental and Oriental on the east (Figure 2).

⁴ Highest peak in central Philippines.

Figure 2: The geographic location of La Castellana



Source: Google maps

Formerly, it was a small village under the jurisdiction of Pontevedra which is a coastal settlement of some 10,000 people due west of La Castellana until the area was officially acknowledged as a town by virtue of EO 101 proclaimed by then Governor General Francis Harrison on 1 January 1918. The 13 component barangays including Robles the name of the *poblacion* or the central district of the town are Sag-ang, Cabacungan, Nato, Talaptap, Lalagsan, Puso, Manghanoy, Mansalanao, Camandag, Biak-na-Bato, Masulog, and Cabagnaan.

Primarily an agricultural area approximately 1,000 feet above sea level, the municipal territory covers a total land area of 21,541 hectares (ha), which represents only 2.72 per cent of the total land area of the province of 792,697 ha. Five per cent or 1,077 ha of the town's land area constitutes part of the Mt. Kanlaon Natural Park, covered with natural and plantation forest. A total of 77.24 per cent or 16,639.32 ha is agricultural land. Around 11,000 hectares of the latter type of land use area is devoted to growing sugarcane, the major cash crop of the town and the province. Other staple crops grown in the area include rice, coffee, corn, and banana.

A total of 5,577 ha of land is covered under the country's land ownership transfer programme, the Comprehensive Agrarian Reform Programme (CARP), as provided for in RA 6657 otherwise known as the Comprehensive Agrarian Reform Law (CARL) of 1988. A total of 95 major taxpayers of the town come from these agrarian reform estates.

1.1.2 General population

As noted above, the 2007 National Census recorded a population of 70,838 (NSO Philippines 2008). This represents an annual population growth rate of 2.84 per cent during the intercensal years 2000–2007. This growth rate is higher than the national average of 2.04 per cent and well above the

provincial rate of growth, which during the same period was below the national average at 1.44 per cent.

Table 1-1: Comparative population growth rates from recent census data

Growth rate	Population			Annual population growth rate		
	1-Aug-07	1-May-00	1-Sep-95	2000-2007 (per cent)	1995-2000 (per cent)	1995-2007 (per cent)
Philippines	88 574 614	76 506 928	68 616 536	2.04	2.36	2.16
Region VI	6 843 643	6 211 038	5 776 938	1.35	1.56	1.43
Negros Occidental	2 370 269	2 136 647	2 031 841	1.44	1.08	1.30
Bacolod City	499 497	429 076	402 345	2.12	1.39	1.83
La Castellana	70 838	59 102	N/A	2.84		

Source: National Census Office

The 2007 figures shown in Table 1-1 represent a natural increase of the municipal and Bacolod City population on the one hand and a continuing drift of the regional and national population to other regions and countries. On the other hand Table 1-2 shows the population counts since 1960. In 2000, the town recorded a population count of 59,102 persons, a slight decline in population compared to the 1995 record although the 2007 figures (reported above) show an increase once more.

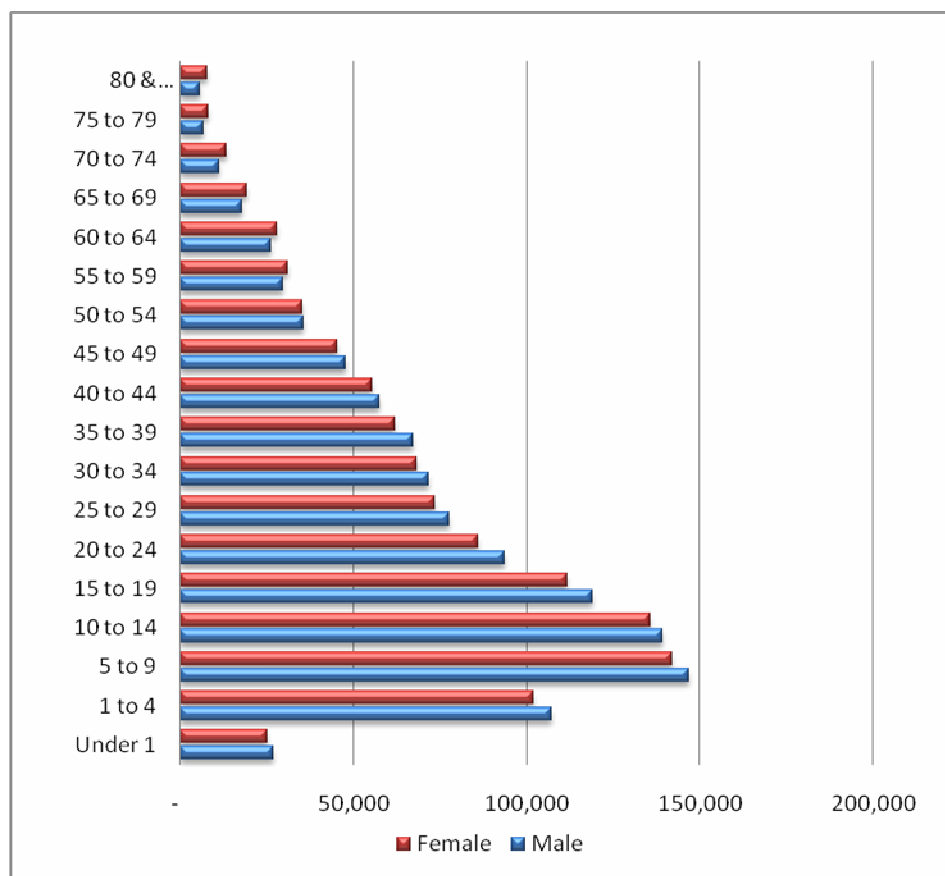
Table 1-2: Historical population growth rates of La Castellana

Year	Population	Absolute increase	Average annual growth (per cent)
1960	35 630	-	-
1970	34 881	(749)	(0.21)
1975	41 321	6 440	3.69
1980	44 684	3 363	1.63
1990	54 368	9 84	2.17
1995	59 620	5 252	1.93
2000	59 102	(518)	(0.17)

Source: NSO 2000 Census of Population and Housing

Of the year 2000 total population, there was a slight preponderance of females over males; 28,752 (or 48.65 per cent) were females, while there were 30,350 males. The municipality has a very young population, with the population pyramid peaking at the age group 5–9, with a count of 8,542 persons. The next-highest population counts were respectively for the age group 10–14, with 7,938 persons, and the age group 1–4, with 6,390 persons (Table 1-3 and Figure 3). Males predominate in each age cohort until the age of 59 years. Thereafter there is a slight excess of females.

Figure 3: Age profile of the population, Western Visayas, 2000 census data



Source: NSO data

Table 1-3: Population by age group and gender, 2000

Age group	Male	Female	Both sexes	Total	Per cent of total population
<i>Children</i>					
Under 1	829	753	1 582		
1–4	3 230	3 160	6 390		
5–9	4 304	4 238	8 542		
10–14	4 033	3 905	7 938	24 452	41.4
<i>Youth</i>					
15–19	3 106	2 835	5 941		
20–24	2 392	2 084	4 476		
25–29	2 055	1 852	3 907	14 324	24.2
<i>Adults</i>					
30–34	2 012	1 856	3 868		
35–39	1 920	1 718	3 638		
40–44	1 596	1 427	3 023		

Age group	Male	Female	Both sexes	Total	Per cent of total population
45–49	1 242	1 188	2,430		
50–54	944	922	1,866		
55–59	824	806	1,630	16 455	27.8
<i>Elderly</i>					
60–64	735	744	1,479		
65–69	481	521	1,002		
70–74	304	345	649		
75–79	192	198	390		
80 and above	151	200	351	3 871	6.5
Total	30 350	28 752	59 102		

Source: NSO 2000 Census of Population and Housing

As can be seen from Table 1-3, children (ages 14 years and below) comprise the biggest portion of the local population representing 41.37 per cent of the total population count for La Castellana. Children and youth together make up more than 65 per cent of the total.

Other documents made available by the LGU suggest that the 2001 population of the municipality was at 64,291, representing 11,319 households and a population density of 2.97 persons per hectare. This population density is typical of the other rural municipalities in the province of Negros Occidental, which has an overall population density of 3.24 persons per hectare.

Among the 13 barangays, the most populous barangay is Robles (Poblacion), with a total count of 11,702 persons across 2,298 households. This is followed closely by Sagang, with a count of 10,677 persons covering 1,786 households. The least populated is Talaptap, with 1,747 persons covering 318 households.

According to local officials interviewed during the course of this study, local population trends show that:

- the proportion of the population of schooling age is increasing in number;
- children and youth are dropping out of school;
- many local graduates remain unemployed; and
- those wanting to work (including both young women and young men) have low levels of work and life aspirations.

The town in general has a weak base both in levels and types of skills needed to meet the qualification requirements of jobs in and out of the country. There is a dearth of opportunity to earn decent incomes locally and access to entrepreneurial jobs poses a further challenge for the ability of the local government to deliver on facilities for primary, secondary, and tertiary schools. It is also challenged to harness its local labour supply and address the agrarian reform problems present in the locality whereby it could harness the productive capacities of the large tracts of land in the town and the potential of the farm population. Strategic steps have been taken towards this direction as will be discussed later in this case study report.

Data collected by the town government shows that around 79 per cent of local labour is employed in primary industries, a further 5.5 per cent in agri-processing industries, and 14.6 per cent in services

industries including trading and commercial activities which are largely confined to the central barangay of the town.

1.1.3 General employment and unemployment situation in La Castellana

Table 1-4 provides comparative data on the employment situation for the Western Visayas region as compared to the Philippines as a whole. In terms of participation, the region is close to the national average and shows the same slight downward trend. While unemployment is also close to the national average, underemployment in the Western Visayas is higher than the national average.

The National Statistics Office (NSO) published data is not disaggregated by province or locality. According to local sources, La Castellana has the data but it has yet to be systematized in terms of local data generation, processing, and packaging into reports that would enable analysts and policymakers to obtain a more detailed and localized pictures of the general employment, unemployment, and underemployment situation.

Further, it has yet to disaggregate the data by age, categories of workers, and segments of youth by as well as across barangays; acknowledging that by doing so it would be able to establish a better picture as to how youth—females and males—fare in the local labour market. This points to the need for capacitating the LGU in the area of labour market research and information processing and dissemination that is at present lacking (November 2009), although it is being developed by the LGU Employment Council through its recently formalized Public Employment Service Office (PESO) with the assistance of DOLE.

Table 1-4: Employment and unemployment data

Index	Philippines			Western Visayas		
	2007	2006	2005	2007	2006	2005
Total population aged 15 and above	56 845.0	55 638.0	54 363.0	4 649.0	4 498.0	4 391.0
Labour force participation rate	63.2	63.8	64.7	63.5	63.3	66.6
Employment rate	93.7	92.6	92.5	94.0	93.8	95.1
Unemployment rate	6.3	7.4	7.5	6.0	6.2	4.9
Underemployment rate	18.1	20.3	21.1	22.0	26.0	35.1

Source: Labour Force Survey data, October round
Population in thousands, survey data in per cent

1.2 Economic and job growth prospects

1.2.1 Agriculture

The local economy of La Castellana is primarily agriculture-based. Sugarcane, rice, and banana are the staple crops. Other locally grown crops include coffee, coconut, and various root crops. Additional crops that have been introduced since 2007 are discussed later in this paper.

Data provided by the LGU of La Castellana shows that of the 11,319 local households, 37.94 per cent were dependent on farming and crop selling activities, 47.67 per cent on agricultural-wage jobs on local estates (*haciendas*) or small farm holdings, 9.32 per cent on operating their own enterprises, and 5.07 per cent on having salaried or wage work with the government offices, private school, and trading and commercial establishments. This means that around 86 per cent of households are reliant on agriculture in one form or another for their livelihood income.

The town is still home to many large agricultural estates. Many of these larger haciendas however are involved in dispute cases between the original landowners and hacienda tenant-farmers in the course of land transfer operations under the CARP. The courts have ordered that these lands be left idle until these dispute cases have been resolved. Affected tenant-farmers have had to seek jobs as hired labour elsewhere pending resolution of their case.

Farm lots that have been redistributed without the necessary organizational and technical support for development has meant that instead of empowerment, agricultural reform has made many workers in a worse plight than before. Lacking capital and skills, they have allowed their own farm holdings to pass to private individuals able to finance farming activities on their lots, while the owners have been reduced back to the category of farm workers.

1.2.2 Tourism

In line with the investment and tourism thrusts of the province and its being a gateway between the western and eastern (Occidental and the Oriental) sides of the Negros Island, the LGU of La Castellana has been gearing up, in terms of infrastructure and mindsets, to exploit its strategic location by becoming one of the preferred tourist destinations, both within the province and in the country.

It has Mt. Kanlaon National Park as a major tourist attraction as well as annual festivals such as the *Baile de Luces* (Dancing of the Lights) and Banana Festival, both of which have the potential to act as major crowd-drawing events that can trigger additional visitor spending. There are many other available ecological, cultural, and historical sites to visit including the natural hot springs, waterfalls, caves, and the organizable activities that can go with it, all of which offer the potential for the development of livelihood activities.

1.2.3 The key LED challenges and responses

A multi-stakeholder youth employment strategy and planning session sponsored by ILO-CIDA and held at La Castellana in February 2007 as part of the local support and delivery programme under PYEP, considered the general challenges facing La Castellana as a community as well as the specific challenges confronting young people in seeking decent work and better life opportunities.

The key development challenge of La Castellana which the former mayor Dr Elumba identified as he started his term in 1999 was pursuit of a development growth path that is debt free and which results in achieving the following key objectives.

- improvement of the town's physical, social development, economic development, and environmental management infrastructure;
- focused efforts to pursue every component of a development agenda needed to deliver results based on the town's agreed development agenda;
- enhanced levels of productivity, income and living standards within the twin frameworks of sustainable economic development, and common sense governance as espoused by the former local chief executive; and
- laying the ground for the development of future projects.

These objectives were presented to the multi-stakeholders and validated by them.

The ILO interventions in support of LED and youth employability took three forms:

- A youth employability survey involving 200 youths and conducted by TNS.
- A multi-stakeholder youth employment strategy workshop resulting in an action plan and identification of lead implementers for each action point among local stakeholders.
- One demonstration project affording young people (and their parents) in agrarian reform communities and 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.

These are discussed in detail in Section 3. But before this, the process of decentralization and devolution and its effect on development of local economic strategies will be addressed in some detail.

2 The decentralization process and sustainable development

“It is hereby declared the policy of the State that the territorial and political subdivisions of the State shall enjoy genuine and meaningful local autonomy to enable them to attain their fullest development as self-reliant communities and make them more effective partners in the attainment of national goals” .

*Book I Title One Chapter 1 Section 2
Local Government Code of 1991*

Further:

“Local government units shall endeavour to be self-reliant and shall continue exercising the powers and discharging the duties and functions currently vested upon them. They shall also discharge the functions and responsibilities of national agencies and offices devolved to them pursuant to this Code. Local government units shall likewise exercise such other powers and discharge such other functions and responsibilities as are necessary, appropriate, or incidental to efficient and effective provision of the basic services and facilities enumerated herein”.

*Book I Title One Chapter 2 Section 17(a)
Local Government Code of 1991*

The 1991 Local Government Code offered renewed prospects of devolution of powers to local executives. It was the catalyst for a number of new initiatives by progressive provinces, cities, and municipalities throughout the Philippines. The local chief executive of La Castellana, Dr Enrico Elumba, interviewed during the course of preparing this report, defined decentralization in the following terms:

“...pertaining to the conferment of autonomy on a local government unit enabling them to appropriately address and prioritize perceived key developmental areas in their locality. This autonomy extends to the generation of resources and the creation of initiatives for the economic advancement of their locality and the social upliftment of its constituents”.

The Code as applied in the local realities of small municipality such as La Castellana in effect enabled the LGU to independently develop a strategic plan and mobilize resources to address perceived key developmental areas of the town, while remaining in line with the overall national development goals and plans. This level of autonomy extends to the generation of local resources and creation of initiatives to advance and uplift the economic and social development status of the town and its constituents.

This authority emanating from the Code, combined with, what the mayor called, sheer political will fired by a “common sense governance” credo and the commitment of its local executives, has enabled the municipality to move forward from being a fifth class to a second class municipality within the first three years of the incumbent’s term as mayor.

2.1 LGU leadership style as a factor in development

With increased autonomy, and in spite of ongoing problems over resource allocation from the central government, many LGUs have flourished and been successful at developing their jurisdictions. La Castellana is one of them and it is useful to examine the factors responsible for its success.

“When a Local Government Unit chooses to do something there must be a goal, objective, and purpose in order that meaningful and effective governance shall be attained. It must include all actions of the LGU and not just stated intentions of the local officials. This is to ensure that the local government adopts the right policies for it to achieve the right goals”.

Dr Enrico Elumba

Essentially, getting where you want to go depends on knowing where you currently stand, how you plan to get there and the means by which you intend to do so. This logical course of action, as guided by the “common sense governance” dictum of Dr Elumba, served as the basis through which the LGU of La Castellana carried out its game plan for development and also provided benchmarks to assess the effectiveness of the same LGU in implementing this strategy.

Given conditions of increased autonomy, and in spite of ongoing problems in obtaining a proper resource allocation from the central government, many LGUs have flourished and been successful at developing their jurisdictions. La Castellana is one of them and it is useful to examine the factors responsible for its success.

The dramatic turnaround in the state of La Castellana’s development can be attributed, in part to the quality of its local officials including the team that held office during the course of this programme. The mayor of La Castellana was then serving his third term in office until his retirement in 2007.

Dr Elumba is a medical practitioner who went into public service. He was described by a number of his constituents and subordinates as the ‘mayor-doctor’, and evidently his diagnostic skill and natural predisposition to care extended beyond his practice as a physician and continued into his duty as the local chief executive of his municipality. In fact, according to local residents, he used his own medical clinic as a means of reaching out to people, and as an avenue to obtain information on the needs of those living within their community.

Local government works best when local chief executives have a ‘hands-on’ approach towards problem solving and are sensitive to the needs of the citizenry or townspeople. According to many people, in Dr Elumba the municipality had a local chief executive who was a professional rather than a politician.

It appears he used his organizational skills and the interpersonal skills had developed as a medical practitioner to create an atmosphere of self-sustainability and independence within La Castellana. He was also an individual who was results- rather than process- oriented and did not allow political pressure to undermine efforts in executing projects which would be for the good of the community.

Again, according to the Local Government Code:

“Local government units shall endeavour to be self-reliant and shall continue exercising the powers and discharging the duties and functions currently vested upon them. They shall also discharge the functions and responsibilities of national agencies and offices devolved to them pursuant to this Code. Local government units shall likewise exercise such other powers and discharge such other functions and responsibilities as are necessary, appropriate, or incidental to efficient and effective provision of the basic services and facilities enumerated herein”.

*Book I Title One Chapter 2 Section 17(a)
Local Government Code of 1991*

This responsibility is reflected locally in the fact that La Castellana has been able to effectively plan and implement its many developmental projects without having to resort to deficit spending. Despite difficulties in sourcing revenues from taxation (as will be discussed later in the study), the municipality has remained debt-free for almost a decade. According to those who have worked closely with Mayor Elumba, he has relied on his resource-based creativity, know-how, and extensive personal network as well as diligence to study every aspect of his duties as mayor; as a result, he has continually and successfully delivered targeted outputs, project after project.

Thus, La Castellana benefited from strong leadership and an entrepreneurial spirit. LGU projects already implemented as well as those that are in the planning stage always have a built-in sustainability factor. This will be discussed further in this paper.

A further characteristic of the local leadership style was that, according to his subordinates, the local chief executive led by example. He influenced others to live out a key phrase in the *Panunumpa ng Kawani ng Gobyerno* (Oath of a government employee) which states that, “...*magsisilbi kami ng lagpas sa takdang oras kung kinakailangan....*” or loosely translated, “to serve beyond the call of duty”. He was said to be a stickler for the ‘hands-on’ approach whereby he closely monitored the progress of all his projects and expected the same level of commitment from his staff.

Local governance in La Castellana was governed by what became known as the ‘five ‘Fs’. These are characteristics that determine the effectiveness of local leadership. Originally coined as a test of leadership by a local executive who turned national politician, Senator Richard Gordon—the former mayor of Olongapo, these leadership characteristics, as adopted by La Castellana are outlined in Table 2-1 below. The five F’s stand for a leader who is:

Table 2-1: Leadership style – the five F’s

The five F's	Behavioural norm
Fast	Must be decisive and act quickly upon his plans to achieve goals
Fair	Must be equitable and ensure the welfare of all concerned
Friendly	Must elicit and foster communication and cooperation
Forward-looking	Must look towards the long-term effects of all his decisions and actions
Flexible	Must know all aspects of the operation within his unit to ensure that all are working towards the same goal

With these characteristics and a platform of government based on common sense, Mayor Elumba steered La Castellana on a clearly targeted and closely monitored path towards steady social and economic growth.

Dr Elumba step down at the 2007 elections and was replaced by Alberto Nicor Jr. The style of the past mayor and the present mayor are somewhat different. The present mayor started as a barangay councilor, and then became a barangay chair, then a municipal councilor, vice mayor, and in 2007 was elected as the mayor. Because he is an experienced politician, many people, while respecting Dr Elumba, believe that the latter can better transcend political differences.

While the former was more results-oriented than process-oriented, the latter is more inclined to follow 'due process' and follows a more consultative approach designed to build consensus. He wants results but, according to his staff, he regularly meets with all department heads and provides necessary LGU support for the line agencies in the town ensuring everyone gets to perform in line with their mandate and contribute to the overall local economic development agenda.

Most people agree, however, that despite differences of style, La Castellana has, in each incumbent an individual who tackles his task with professionalism and dedication.

2.2 The role of strategy in local government

“When a Local Government Unit chooses to do something there must be a goal, objective, and purpose in order that meaningful and effective governance shall be attained. It must include all actions of the LGU and not just stated intentions of the local officials. This is to ensure that the local government adopts the right policies for it to achieve the right goals.”

Dr Enrico Elumba ELA⁵ Message

'Goal', 'objective', and 'purpose' inform good decision-making. Essentially, the message means that getting where you want to go depends on knowing where you currently stand; how you plan to get there (the 'roadmap') and by what means you intend to do so. This logical course of action served as the basis through which the LGU of La Castellana carried out its game plan for development and assessed the effectiveness of the unit in implementing this strategy.

To summarize the experience of La Castellana, effective governance relies on: (i) a clear executive agenda; (ii) a sound development philosophy; and (iii) a strong (but flexible) political will combined with a lot of common sense. These three aspects of governance are discussed below.

2.2.1 A clear executive agenda

The principles followed by the LGU were drawn from the Local Government Support Programme (LGSP) of the Asian Institute of Management and which provided the framework for preparing La Castellana's four-point executive agenda: (i) emphasis on government authority; (ii) delivery of basic services; (iii) participatory governance; and (iv) revenue generation.

On the basis of these principles, the municipality's executive agenda was crafted in accordance with La Castellana's vision and mission statements.

⁵ Executive and Legislative Agenda, see text.

Vision:

“A God-loving community that prospers economically, upholds human dignity, distributes development equitably, sustains peace, and manages human and natural resources effectively”.

Mission:

“To establish a system of governance that ensures meaningful participation and well-being of all in the sustainable development of La Castellana”.

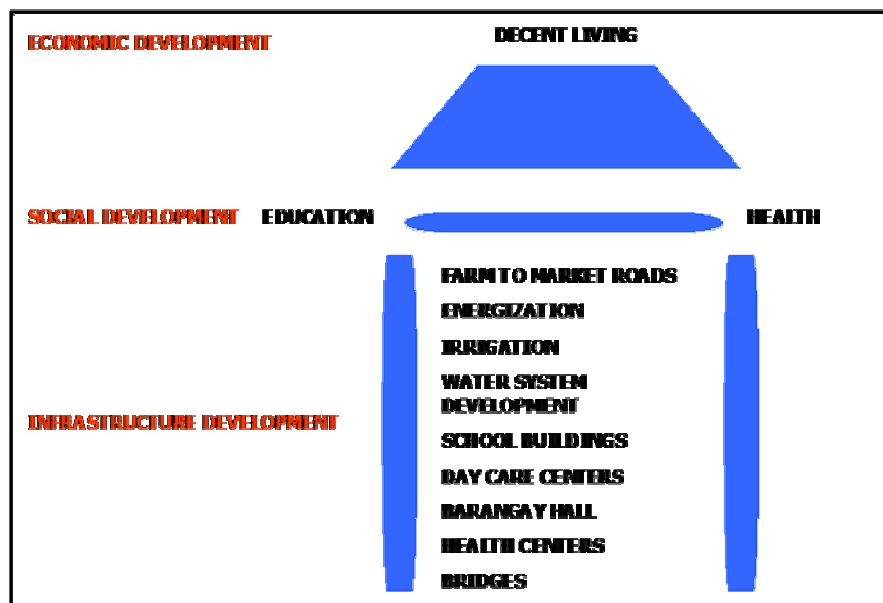
The municipality’s executive and legislative agenda provides a snapshot of what the local government has been able to accomplish thus far in order to identify areas where improvements can be made, both to meet immediate concerns as well as long-term objectives. This agenda is geared towards addressing total human development, food security, financial independence, environmental security, and a development-oriented administration.

The vision and mission statements of the LGU have guided the policies and actions under the three terms of former Mayor Elumba and the same vision and mission statements have guided the present Mayor Nicor who had it publicized to inform and guide all LGU employees, partner institutions, and constituents in the policy development process and programmes that are already in place or under development.

2.2.2 Adopting a sound, three-pronged approach to the development philosophy

La Castellana’s developmental philosophy is patterned after that of a house and three of its main components (Figure 4); its pillars, beams, and roof. According to Mayor Elumba, during each of the three terms he served his efforts were focused on building up one of these components to create a sound structure for the future.

Figure 4: Diagram of the development philosophy



Infrastructure development

“Infrastructure facilities intended primarily to service the needs of the residents of the municipality and which are funded out of municipal funds including, but not limited to, municipal roads and bridges; school buildings and other facilities for public elementary and secondary schools; clinics, health centers, and other health facilities necessary to carry out health services; communal irrigation, small water impounding projects, and other similar projects; fish ports; artesian wells, spring development, rainwater collectors, and water supply systems; seawalls, dikes, drainage, and sewerage, and flood control; traffic signals and road signs; and similar facilities” .

*Book I Title One Chapter 2 Section 17 (2) (vii)
Local Government Code of 1991*

The pillars of the house represent infrastructure development.

Especially crucial for an agri-based economy, the LGU has funded extensive farm-to-market road building projects. This has stimulated trade and commerce within and beyond the locality and has enabled La Castellana to take advantage of its strategic location on the boundary between Negros Occidental and Negros Occidental. Providing access from farms to the cross-island artery has also increased delivery efficiency (e.g. less spoilage of produce). Irrigation was given equal emphasis therefore effectively increasing the area of productive or farmable land.

Presently, all 13 barangays have been electrified. One notable accomplishment in recent years has been the construction of a micro-hydroelectric power plant capable of generating seven kilowatts of electricity and lighting 100 households at very low-cost (approximately PhP2.00/day). Potable water has also been made available to all areas of the town via improvements in the water delivery system.

Budget appropriations were also set aside for the improvement and construction of public school facilities as well as various day care centers. Barangay halls were also given funding for their refurbishment and regular maintenance so as to help support social development within communities.

Social development programmes

The beams of the house represent social development.

Here, the education and health needs of the local population are prioritized. Drawing on the principle of common sense governance, one of the areas given attention by the LGU administration was the need to arm local individuals—and especially poorer members of the community—with adequate knowledge of health and nutrition so as to enable them to obtain decent work and maintain good health so that they are able to lead efficient and productive lives.

Education and training

“Social welfare services which include programmes and projects on child and youth welfare, family and community welfare, women's welfare, welfare of the elderly, and disabled persons; community-based rehabilitation programmes for vagrants, beggars, street children, scavengers, juvenile delinquents, and victims of drug abuse; livelihood, and other pro-poor projects; nutrition services; and family planning services”.

*Book I Title One Chapter 2 Section 17 (2) (iv)
Local Government Code of 1991*

Education has been a priority area within itself. As part of the effort to improve basic education within the community, the LGU has provided free textbooks, reading and instructional materials for elementary students, particularly those in the first to third grades.

An example of how linkages with outside institutions have been used to the advantage of the LGU is the *Pahinungod* (volunteerism) programme, a joint undertaking with the University of the Philippines-Los Baños (UPLB). Through this programme, the local government of La Castellana has been able to improve methods of instruction and increase the local student-to-teacher ratio by having volunteer teachers from UPLB and UP Visayas conduct classes in local schools. This has proven to be a definite win-win situation, as the students are given a better chance to enhance their learning processes while the volunteers were able to gain valuable teaching experience.

To better keep up with the demands of the electronic age, the LGU has also allocated a budget for the provision of computers in support of their IT programme in public schools. The LGU also participates in the Special Programme for Employing Students (SPES). Students with good academic standards are invited to work for the LGU for short periods at minimum wage as a means of gaining work experience. Those who perform well may eventually be absorbed to work full-time for the organization. In this manner, it can be seen as a programme to train and select bright young individuals and evaluate their performance for possible future permanent employment.

Education in La Castellana does not stop at the school gate. Even out-of-school-youth (OSY) are given the opportunity to improve their education and employability through skills training in auto-diesel mechanics, which is offered locally in association with DOLE. DOLE has also worked with the locality's tricycle drivers, giving them the opportunity to learn the welding trade.

Further in 2007, under the present mayor, the municipality set-up a scholarship programme for college students. It allotted a total of PhP1,248,000 to support the schooling of poor but deserving college students. A total of 74 students from across 12 of the 13 barangays passed the grade and indigence criteria and thus their tuition fees were paid in full by the local government while a total of 148 students from across all 13 barangays were provided with a sum of money to defray part of the scholarship. Measures were taken to ensure that all funds provided were utilized for the purpose of their provision.

In 2008, the programme was institutionalized under the name CARES (College Assistance Relevant Education System). The number of students fully and partly supported by the fund practically remains the same in number as the previous year.

A total of PhP1,487,000 was allocated for the Special Education Fund (SEF) and covered repair work, teacher seminars, spots, and logistics for two district schools and three national high schools. In addition to the 4,185 books donated by the congressional office and Townsfolk USA,⁶ the LGU acquired 100 volumes of reference materials for its public library and half of it was donated by the National Library and Asia Foundation.

⁶ An organization made up of Filipinos from La Castellana who are in the USA and which provides child development related support e.g. building of day care centers and school facilities.

Achievements made in the area of education and training include:

- Education:
 - Number of day care workers—31 all accredited
 - Pre-school centers—6
 - Elementary schools—each of the 13 barangays have an elementary school
 - High schools—one private school and one public national high school located in the poblacion and three other high schools outside of the poblacion
 - Ratio of extension classes to class teacher—1:25
 - Ratio of extension classroom to pupils—1:25
 - Establishment of an Alternative Learning Center
 - Funding from Municipal Government—PhP5,000
 - Funding from Provincial Government—PhP2,000
 - Quidan Kaisahan—PhP150,000
- Livelihood training programmes:
 - Quail raising—39
 - Basic welding—29
 - Basic dressmaking—26
 - Dressmaking—17
- Other training:
 - Mothers' class—31
 - Values education—66
 - Responsible parenthood—52
 - Family literacy—42
- Learning center training:

The Municipal Community Learning Center located at the 10 Horizon Building caters to the educational needs of OSY unable to continue formal schooling for various reasons. Besides attending to the OSY, the learning center provides livelihood and skills training for all other working age population segments:

- The Community Learning Center initiated a medical dental mission for three barangays: Barangay Talaptap, Nato, and Lalagsan. Among the participants were by the 11th IB Philippine Army, Local Health Unit of La Castellana, Provincial Government of Negros Occidental, and Local Volunteers.
- The Community Learning Center is accredited with the Bureau of Alternative Learning Systems under the Department of Education.

- Youth employment trainings directly administered by PESO:
 - SPES 2008–2009—290 recipients
 - SPES 2008–118 recipients from LGU funds, 75 recipients with 40 per cent DOLE funded and 60 per cent representing the LGU share of funds
- TESDA employable skills trainings—148 trained:
 - Welding
 - Building and Wiring National Certification II
 - Carpentry National Certification II
 - Plumbing National Certification II
 - Finishing Course for Call Center Agents NC II
 - Migrant Workers/Overseas Employment recruited—18 recipients
 - Different recruitment agencies conducted special recruitment activities in La Castellana

Health care

“Subject to the provisions of Title Five, Book I of this Code, health services which include the implementation of programmes and projects on primary health care, maternal and child care, and communicable and non-communicable disease control services; access to secondary and tertiary health services; purchase of medicines, medical supplies, and equipment needed to carry out the services herein enumerated” .

*Book I Title One Chapter 2 Section 17 (2) (iii)
Local Government Code of 1991*

Expanding on the second dimension of social development for La Castellana which is health care, the LGU provides free immunization for all its constituents. Since for much of the past decade the local chief executive has also been a medical doctor, it is not surprising that health care issues have been high on the agenda. Preventative programmes—based on the principle that prevention is always better than spending more in the future for cure—have been prioritized. With the limited funding available to the local government, this focus has been extremely important both in terms of social investment and cost control.

A notable accomplishment in the area of health care for the LGU has been a dramatic decrease in the number of people afflicted with tuberculosis (TB). Upon his entry as mayor, Dr Elumba recalled that the number of TB cases in the municipality were around 800. With the implementation of the anti-TB programme, advanced cases by 2007 had been reduced to only 36.

According to the National Tuberculosis Programme (NTP) Officer, Purita Estoya, assigned to La Castellana, across two administrations, the LGU has had to continually raise the level of awareness of the population regarding the symptoms of TB and what can be done to prevent the disease.

A task force was organized to conduct awareness-raising about TB and to educate people regarding preventive measures. It conducted a campaign for people to undertake examination and, for those that tested positive for the disease, to go through regular treatment which was organized. The local government has campaigned and encouraged people showing symptoms of tuberculosis to visit the NTP clinic in the poblacion to undergo regular examination, every six months at least.

For the year 2007–2008 patients which showed indications of possible TB amounted to 393. Of these, 99 were found to be sputum positive, 92 found sputum positive were treated on a regular basis and of the 68 diagnosed using X-rays one was found to be an extra pulmonary case.⁷

The percentage of cured patients has increased every year. In 2007 the rate was 87 per cent (or 143 of the 160 TB patients were cured). In 2008, the rate was 94 per cent or 84 of the 97 TB patients.⁸

Awareness of the importance of reproductive health has been heightened through cooperation with the Kabalaka Development Foundation and the Packard Foundation which have supported seminars and lectures designed to inform the population and especially the youth of La Castellana on reproductive health issues.

Far-flung barangays have been provided with community health centers where local people can obtain basic medical services and receive medical consultations. The LGU has also provided a Barangay satellite ambulance for those remote areas towards the uplands and to be used in case of emergencies.

The spread of rabies has also been controlled with the implementation of an anti-rabies programme that commenced in 1999. House dogs have to be registered with the barangay office and the owners pay a small fee to have their pets inoculated and tagged for identification. Dogs not tagged and found to be roaming freely around are captured and impounded.

“Solid waste disposal system or environmental management system and services or facilities related to general hygiene and sanitation”.

*Book I Title One Chapter 2 Section 17 (2) (vi)
Local Government Code of 1991*

For more than a decade, and as part of efforts to ensure public health, the LGU has been treating environmental improvements as a collateral investment in health care. It has implemented a solid waste management system for the municipality.

All the townsfolk have been properly educated about the nature of the garbage disposal system, and in particular, on how to separate the organic and inorganic waste prior to its disposal. This has been achieved through written notices, lectures, and posters. The inorganic materials collected are either sold or recycled while the organic waste is transformed into fertilizer through composting.

A Waste Conversion Complex has also been put up in support of the garbage disposal project. To further reinforce the programme and instil good waste disposal practices from an early age, the administration has made it mandatory for local schools to teach students basic hygiene and how best to dispose of their refuse. By providing this education in the formative years, it is hoped that the lessons and practices learned will remain with the students for life.

La Castellana has been a recipient of the “Cleanest and Greenest Municipality Award” for the province of Negros Occidental on a number of occasions and even managed to garner a Presidential Plaque of Excellence in 1999 for reaching the national finals in the contest.

⁷ Data as reported by MHO Dr Nenita R. Sol in the LGU performance report 2007–2008.

⁸ Data as recorded by the NTP Officer assigned in La Castellana Ms Purita Estoya.

All the initiatives of the past mayor and the benefits provided for the LGU are being sustained according to the present mayor and evidence of such efforts can be seen with the municipality being declared the Champion in the Search for the Cleanest and Greenest Municipality (category A) in the Province of Negros Occidental in 2008.

The Municipal Health Office has been the busiest department of the LGU during and after the tenure of the mayor-doctor. It has a complement of doctor, nurses, midwives, trained hilot, and natural hilots to deliver on health care services.⁹

From July 2007 to June 2008, a total of 9,607 persons were recorded by the office as having visited the clinic for medical consultation. It performed 250 minor surgeries include suturing, circumcision and excision, and 564 patients were duly referred to the provincial and district hospitals, with about 70 per cent of them transported through the municipal ambulance vehicle. It has continued and improved to deliver on maternal health care, family planning, childbirth, child care, dental services, and mental healthcare services. It has maintained its implementation of the national tuberculosis programme.

To support all the foregoing, the LGU has enforced and monitored local sanitation and other health regulations via water samples testing, toilet inspection, and campaign against violation of Presidential Decree 856, the asin (salt) law and ambulant vending regulations.

Table 2-2: Ratio of public health workers to population, 2008

Using a population base of 71,858

Personnel	Number	Ratio
Doctor	1	1:71
Nurse	6	1:11
Dentist	1	1:71
Midwife	27	1:26

Note: That trained hilots and natural hilots form part of the local health pool of La Castellana

Table 2-2 shows the achievements in terms of health care workers. Other data shows the following:

- Pre-marriage counselling:
 - Total applicants—285
 - Attended seminars—285
- Pre-natal care:
 - Number of women provided with quality pre-natal care—1892
 - Total number of pregnant women—2515
 - Per cent—75.25

⁹ See glossary for explanation.

- Immunization:
 - Number of fully immunized children, 0-11 months—1789
 - Total number of children 0-11, —1940 (TP x 2.7 per cent)
 - Percentage—92.22 per cent
- Incidence of child malnutrition:
 - Normal weight—9,640 (90.03 per cent)
 - Above normal—8 (0.07 per cent)
 - Below normal—147 (9.78 per cent)

Economic development

The final dimension covered by the philosophy is that of economic development and, to follow through with the analogy of the house, this represents the roof of the structure. With the two prior dimensions already in place as a means of support, it is then easier to introduce programmes designed to improve local productivity, increase incomes and generate employment. Economic development measures have focused on the following five areas of improvement

Farmer's Agricultural and Trading Center

The Farmer's Agricultural and Trading Center (FASTRAC) complex was constructed initially to supplement and strengthen the agricultural and livestock trade in La Castellana. It is within a five hectare compound that contains a class "AA" abattoir or slaughterhouse, a livestock auction market, ice plant, trading center, barangay trading booths, tree park, and the Kasilingan Village. All amenities within the compound, with the exception of the Kasilingan Village¹⁰ support and foster local value-adding processing of local produce and products.

The LGU owns, operates, and sustains the FASTRAC complex located 100 meters away from the town proper. It was established in 2003 after the municipality purchased the lot from Benjamin Yulo the previous year.

Being a consistent provincial winner in the *Gawad Pangulo sa Kapaligiran* (GPK) programme (Presidential Award for Environmental [Clean and Green] Programme), the former governor of the province granted the municipality PhP600,000 as its share from the province's cash prize being the national winner in the GPK search for the cleanest and greenest province in 2000 and 2001. This amount was utilized to purchase the five-hectare lot. Use of the land was divided as follows:

- Two hectares were used as a relocation site for illegal squatters along the cemetery, school premises, and canals especially in the poblacion.¹¹
- Another two hectares was utilized as projects site including initially the trading center, livestock auction market, AA abattoir, ice plant, and later on barangay booths,¹² tilapia hatchery, gulayan (vegetable plots), agriculture office, league of the barangay office, and a

¹⁰ More on the topic later in the study.

¹¹ These were mostly people who had their livelihoods including tricycle driving in the poblacion.

¹² All 13 barangays were given 80 square meters each out of the two hectare lot for their respective booths where they can stay for the night and at the same time stock their products.

workers development center which currently houses the garment sewers under contract with a non-local garments exporter.

- The remaining one-hectare lot was made a buffer zone where the orchard, municipal garden, and nursery are situated.

Eventually the entire complex with its projects and support facilities was able to address a number of the developmental concerns of the municipality:

- The eradication of illegal squatters along the school premises, municipal cemetery, and canals and consequently providing them with a decent place to live at a very affordable price to acquire and maintain.
- Provision of livelihood opportunities for the relocated squatters and small farmers which made them productive members of the town.
- Containing within the municipality local incomes as well as generating income from the purchases of those coming from outside of the town to La Castellana.
- Building up additional source of local government revenue.

Projects instituted within the complex have contributed to the increase of local revenues:

- Kasilingan Village—this two-hectare relocation site divided into 200 small lots each with an area of 64 square metres. Each lot costs PhP20,000 to purchase, payable over a total of 1,000 days with an instalment price of PhP20 per day. At present, about PhP1 M has been collected. Eventually, when every lot is sold and every obligation settled it will generate PhP4,000,000 for the town.

Furthermore, from the same lot owners, real property taxes are being collected but this comes with continuous need for awareness raising on the need to pay taxes—transforming formerly illegal occupants into active ratepayers and with the benefits that accrue from paying taxes—for government to improve its range and quality of local government services from which, as legal residents, they can rightfully claim.

- FASTRAC Ice Plant—the only ice plant in the central part of Negros Occidental Province, this plant has the entire district and the province as a market. Records of collection show that this facility is normally generating PhP5,000 a week and so can be estimated to generate around PhP240,000 per year. Historically demand is highest from December to May of each year. (Christmas season in December, Baile de Luces Festival in January and the hot summer months until May. It can earn as much as PhP32,000 in a month during these months and up to PhP15,000 in a month during the leaner months).
- AA Abattoir—La Castellana is the only municipality in Negros Occidental that has this grade of abattoir as declared by the National Meat Inspection Commission. Aside from producing clean meat, it also normally generates an income of PhP5,000 per week.
- Gulayan—a vegetable demonstration farm and nursery where technologies toward natural farming are being practiced. It is being maintained by the Municipal Nutrition Council and the Municipal Agriculture Office. Aside from producing organic and safe products, it also generates income which is being used to support its operation. Recently, it was declared as Provincial Winner in the Search for Outstanding “*Gulayan sa Kabanwahanan*” Vegetable

farm in the municipality) launched by the Provincial Government of Negros Occidental and the Provincial Nutrition Committee.

- Trading Center—better known as “bagsakan”. This project solved the congestion of the town’s small farmers or “*bulanteros*” during market days due to limited space of the public market. It generates an income for the local government of around PhP39,000 annually.

The public economic enterprise

Besides being revenue generators, three public economic enterprise (PEE) are also considered ancillaries to local economic development. These are the public markets the ice plant and the abattoir.

The public market is the center of economic activity—the meeting point of producers, traders, and consumers. Price control and other consumer protection measures are strictly enforced to ensure fair dealings among the three groups.

The ice plant has undergone major preventive maintenance and expansion to better serve the needs of ice cream makers, fish vendors, and restaurants, among others.

The abattoir is the heart of the meat industry. Though still short of some structural facilities for the upgrading of its accreditation with the National Meat Inspection Commission, the prescribed practices of an AA abattoir are observed at all times. This assures the public of clean and affordable meat.

According to PEE Division head, enterprises within the government managed and leased facilities had augmented local revenues. For the year June 2008–July 2009, the PEE earned a total of PhP3,781,961.05 and much of this comes from the operation of the public market in the poblacion and the operation of FASTRAC facility together with its component public enterprises. This income is shown in Table 2-3.

Table 2-3: PEE revenue generation, 2008–2009

Facility	Revenue generated
Market in the poblacion	1 746 430.95
Ice plant	169 040.00
Abattoir	452 741.00
Livestock	21 234.00
Trading center	45 420.00
Cemetery	608 321.46
Agricultural products *	50 177.50
Heavy equipment rental**	654 820.14
FASTRAC water and energy consumption ***	33 776.00

* These are produce/products being sold by the Municipal Agriculture Office.

** Include tractors, backhoe, trucking for cane hauling, bulldozer, welding machine, pay loader, road roller, welding generator. Most of these were acquired during the past administration 1998-2007 and some additions during the present mayor. These are rented by private landowner and used in construction works by administration.

*** These are payments from residents of barangays near the FASTRAC tapping into and using the water and energy sources of the FASTRAC.

Although, with the increasing incomes generated from the publicly managed enterprises, the PEE has the capacity to be self-sustaining, the records would show that this has not happened yet. According to the PEE head, this is because the income it generates covers not only the cost of the management

personnel (which she claims can be covered considering the highest graded personnel is on SG 18) under her division, it also has to absorb payments to all the other personnel service workers of which there are 80 workers on a contractual, casual, job order arrangements basis with the local government, and who are assigned to different offices of the LGU. This has been the same situation, from the past to the present local government administration.

Table 2-4 shows the financial status of the PEE for 2008–2009 in terms of income and expenditure.

Table 2-4: Financial summary of PEE income and expenses

Item	July–December 2008 (PhP)	January–June 2009 (PhP)	For the entire year 2008–2009 (PhP)
Gross income	2 042 539.81	1 739 422	3 781 961.81
Operating expenses	1 402 502.00	328 637	1 731 139.00
Personnel services*	4 483 615.50	4 676 495	9 160 110.50
Total expenditure	5 886 117.50	5 500 132	11 386 249.50
Net income	-3843577.69	-3265710	7 109 287.69
Rate of return	-188.18 per cent		

Note: These personnel services should only include six regular office staff, five cleaners, utilities, and 29 contractual, job orders and clean and green maintenance personnel which can be supported by the PEE income. But these cover around 80 other contractual, casual, and job order personnel providing services to the different offices of the mayor.

This will be discussed again later in the section relating to the financial constraints of local government and current measures being undertaken to address the need of the PEE to operate independently as an office in terms of having its own mandate via a municipal ordinance (already in the first reading before the *Sanggunian Bayan*) and independence in terms of financial control and commercial operation as a government-owned enterprise.

Investment in local agricultural inputs production and resources expansion

Local government investment in farm implements and machinery such as tractors, corn/rice mills, and hauling trucks have made the harvesting and food processing much more cost-efficient for the small farmers.

In line with the present mayor's priority on food and livelihood programmes, the following projects were revived, built upon, sustained, and/or initiated to address the more basic needs of its local constituents.

- **Rice seed production**

The rice seed production project had been already started under the previous administration. It was reactivated during the second cropping of 2007 and started with 0.8 hectare farm in Sitio Burugwak in Barangay Manghanoy. For two croppings, the farm produced 167 cavans¹³ of good rice seeds. Seventy-six local rice farmers availed of the seeds. Some paid in cash, other signed in on a plant now-pay later programme.

¹³ See Glossary.

The rice seed production has now expanded to 5.10 hectares—two additional areas in Sitio Buragwak, one in Sitio Apolonia, Barangay Manghanoy, and one in Sitio Cabadiangan, Barangay Camandag. The project will continue to expand until the requirement of good seeds for the 2,000 ha (future expansion) rice production area is fully attained. This is the target set by the municipal agriculture office of the LGU.

- **Tilapia production (part of fish culture-blue revolution)**

The 400-square meter tilapia fish pond within FASTRAC produced about 50,000 fingerlings between July 2007 and June 2008. Some 48,000 fingerlings were dispersed to 98 families with backyard fishponds; the rest were released in Buhangin and Induruyan Rivers to augment the common fish stock. Some 120 kilograms of mature tilapia were sold to defray the cost of feed materials and other maintenance supplies.

- **Vegetable seed production**

This is an on-going effort of the municipality. For 2007–2008 seed production focused on the pakbet¹⁴ group of vegetables such as eggplant, ampalaya, okra, squash, string beans, and the like. The main recipients of seed dispersal were some 2,001 families selected by the Barangay Nutrition Scholars School. The community gardens also availed of the vegetable seeds.

- **Chicken egg production**

Poultry production is an LGU-Cooperative (LCI-PMPC)¹⁵ partnership project that was started in November 2007 with four units of egg machines with 48 heads per unit. Another four units were added in January 2009 for a total of 384 layers. The poultry facility has achieved so far the optimum production of 85 per cent laying capacity or a little less than 70,000 eggs. The fresh eggs are sold to LGU employees, the cooperative store, and direct to local households.

- **Goat and chicken breeding**

The goat breeding project started in October 2007 with 65 native goats upgraded to Bower and Anglo-Nubian breeds. The breeding station is located in Sitio Villacana. It has a goat shelter and a poultry house. A portion of the site (0.30 ha) was planted with Napier grass for forage and fodder. The project has already dispersed three upgraded bucks that serve as breeders to native goats in the locality. The project has also dispersed 19 male goats to farmers in the different barangays. The ‘cut and carry’ component of the goat breeding project serves as a model for the use of goat manure as fertilizer. In April 2009, 30 heads of Kabir chickens were procured for breeding purposes, the offspring of which will be later dispersed to interested farmers. The Kabir chickens are raised in a free range environment together with the goats. This approximates the way a farmer traditionally raises chicken.

- **Livestock dispersal**

A total of 12 cattle, 19 carabao, 38 swine, and 267 goat have been dispersed throughout all 13 barangays of the town and these are all on an in-kind loan repayment scheme.

¹⁴ Pakbet is a local mixed vegetable preparation that provides balanced nutrition for the family.

¹⁵ La Castellana-Personnel Multi-Purpose Cooperative.

Capacity building in high yielding but environment friendly agricultural techniques

Much emphasis has been placed on capacity building particularly in adopting the latest agricultural techniques. Slowly making the transition from chemical-based farming methods to that of organic farming, the LGU has teamed up with various organizations such as BIND, PDAP, Alter Trade, PRRM, and Quidan Kaisahan in disseminating knowledge on this new technology.¹⁶ In doing so, they hope to increase the potential yield of the farmers as well as safeguarding the well-being of the environment.

Savings programmes

Another capacity building programme that was undertaken during the tenure of the former mayor was known as the *Bayanihan Savings Programme* (BSP). The programme was similar to one implemented concurrently by the Pasay City LGU, and involved the training of individuals within a community to increase their marginal propensity to save.

Basically, this programme was designed to reinforce the habit of saving a proportion of their income and budgeting the remainder to meet expenses. Members of the community were taught to set aside a portion of their income as savings prior to paying expenses so that upon adequate accumulation, they are able to invest it in some means of livelihood.

Those who joined the programme were grouped into financial centers, each with its own hierarchy of officers. Initially starting and targeting organized groups of women, there were (as of 2007) 24 centers scattered across the municipality with participants ranging from OSY, nurses, and farmers.

Every week, these centers would convene a meeting of their members who were exposed to values formation and livelihood training. It was also during these meetings that each member contributed a small amount, usually between PhP5–10, which was collected by the treasurer of each respective center.

All transactions were recorded via individual passbooks for the members and also in a main bankbook that was handled by the center's officers. Regular reports were given to members updating them as to how much money has been collected for a particular period.

Should an individual wish to completely withdraw from the programme, he or she was able to take out their share from the account at anytime with one per cent being left behind as a service fee. For those who chose to stay on, they were given the opportunity to borrow from the center depending on the approval by the officers of a simple business feasibility study prepared by the borrower. If found feasible, the needed money was lent out and the center assisted the lessee start his or her own small enterprise.

Start-up enterprises assisted through the programme have included *tapa* making, corned-beef making, goat raising, swine fattening, vegetable production, and dairy products.

The Health Workers Savings Group is the only group that has survived across two administrations and kept their interest and process disciplines as described above where others had internal group problems (values related) that led to the closure of the group-based undertakings.

¹⁶ Among the aforementioned organizations, only BIND (Broad Initiatives for Negros Development) and Alter Trade are still actively implementing their programmes.

2.2.3 Evolving employment assistance programmes and services

The LGU has gradually evolved its employment assistance services since making a start in this direction in 2003. Among the various activities undertaken have been the following:

- **Job fairs for local and overseas workers**

The LGU has organized job fairs involving recruiters for local and overseas jobs and this continues until the present time. It is an official function of the municipal PESO which was started by two local councilors under the mayor's office during the previous administration.

- **Passport processing programme**

The LGU devised a unique programme for employment generation referred to as the Passport Processing Programme. Through this programme, one individual per *sitio*¹⁷ is selected to be sent to work abroad.

The LGU started by shouldering all processing expenses including medical tests, NBI clearances, visa application, and passport documentation. The recruitment agency placement fee is the only cost carried by the individual. Prior to introduction of the programme, passport applicants needed to travel to Manila and other cities to process and acquire their passports. Under this scheme, the LGU paid the travel and accommodation expenses of Department of Foreign Affairs officers to enable them to issue passports within the town itself.

No monetary compensation is asked by the LGU for the processing. The individual however, upon obtaining work overseas, must recruit another person from his or her sitio and help them be able to work in the place where they are working. The programme allows those people who are industrious but lacking in funds to find a better means of living abroad than relying on remote recruitment agencies. Equally, those moving overseas have a ready network on whom to depend and for safety. A similar programme but involving out-migration to another province is also in place wherein deserving graduates of vocational courses are referred to semiconductor firms outside of Negros Island.

There have been 34 individuals who availed of this programme and worked overseas as domestic helpers, mostly in the Middle East.

All these initiatives aim to create a multiplier effect wherein the steady increase in incomes and standards of living perpetuates a cycle of continuous and sustainable development for the municipality. The downside to the out-migration programme according to the local PESO coordinator (of the newly formalized PESO) is that the takers are often low-skilled workers being deployed as domestic workers in other countries as they have yet to strengthen their networking and monitoring capabilities to ensure that domestic workers deployed abroad are in safe working conditions.

- **The LGU as a human resources provider for another province**

In a major employment initiative, two councilors, Nonoy Elumba and Remuel Lajo, worked directly with a local recruitment agency that supplied factory workers to Mitsumi, an

¹⁷ A territorial enclave that forms part of a barangay administration but which is not an independently governed unit.

electronics company with manufacturing facilities in Danao City, Cebu Province. This was done with the support of the LGU in Danao.

- The recruitment agency administered tests for job applicants in the town.
- Out of 160 applicants who took the tests, 41 passed and were employed by Mitsumi.
- The two councilors spent their personal funds to go with the successful job applicants and make sure these hires (all of whom were women) made it safely to their final destination in Cebu. Because there were still many vacancies in Mitsumi, they even visited neighbouring towns in Negros Occidental to try recruiting more workers. But the LGUs in those towns were not supportive of the scheme.

- **The LGU getting into a subcontracting arrangement with a non-local garments firm**

This was initiated by the same councilors in 2007 in lieu of lost opportunities with Mitsumi and inspired by the practices demonstrated by Angono and Marikina in bringing in the business and job opportunities from the outside to the locality for employment creation. Women and men were provided with skills training and jobs in garments sewing and at present, subcontracting opportunities from the garments sector remain in place.

- **Reactivating the PESO towards institutionalizing it as an LGU office with a separate office budget and accountability**

The PESO has been reactivated and is no longer under the Mayor's Office. Instead it operates as an independent office to facilitate both overseas and local job placement.

Currently the PESO has its own separate office, staff (PESO manager, coordinator, and two support staff) and some borrowed facilities from other offices, but its budget remains under the discretionary fund of the present mayor.

A municipal ordinance is being worked out by the employment council chair, who was one of the two past councilors working closely with the past mayor) so that the PESO has a separate budget independent of the mayor's discretionary fund in order to ensure long-term sustainability.

Livelihood assistance to organized rural and urbanizing communities is expected to increase self-employment. Forty-three persons participated in the community technology-based training programme conducted by TESDA and funded by Congressional Funds. These trainings are conducted to prepare local workforce for competitiveness both in the local and global jobs markets.

2.2.4 Business and investment promotion

Twenty seven new businesses opened up in the municipality between July 2007 and June 2008 (Table 2-5). Of these, 18 were commercial establishments; six were in the service industry, three in micro-finance, and one in telecommunications. Eight of those businesses brought in capital investments from outside, foremost of which were the Amar Emporium, Maria Gracia Pawnshop, and Domino water refilling. These new businesses invested, in aggregate, initial capital amounting to PhP1,350,000.

Table 2-5: Newly opened businesses, 2007–2008

Business type	Number	Initial capital (Php)
Commercial	18	887 400.00
Service industry	6	471 000.00
Micro-finance	3	481 675.00

2.2.5 Exercising a strong but flexible political will

Given limitations in resources, human resources and cultural traits; changes can still be effected by the willingness to search out areas where niche improvements can be made notwithstanding these constraints. In the LGU's own terminology, one must adapt one's thinking to each given reality and adopt a common sense approach to problem solving. Examples of this strong but flexible strategy are outlined below.

Cockfights transformed into a cultural show

Taking the problem posed by the traditional sport of cock fighting provides the first example. The practice is deeply ingrained in La Castellana's local culture, as it is in many parts of the Philippines. These events are often the scene of unbridled gambling and disturbances in peace and order. Often they are associated with crime syndicates and are a place for money laundering at the local level. Knowing that cockfights can never be fully removed from the culture of its townsfolk, the administration has transformed the cockfights into a cultural show wherein the LGU controls the frequency of the events (every 15th and 30th of the month), assigns police personnel to monitor peace and order as well as decreasing the opportunities for farmers to spend their money on gambling.

Peaceful relocation of squatters

Squatters have also been a major concern. Squatters had occupied parts of the cemetery and even areas adjacent to school grounds. The Kasilingan Village, a two hectare section of the FASTRAC complex has been used to accommodate relocated squatters from different areas of the municipality.

At Php20 per day for 1,000 days, 200 squatter households were provided with suitable concrete housing, featuring water and toilet conveniences which they can call their very own. Furthermore, their proximity to the FASTRAC complex encourages them to participate in the trading process allowing them to earn a small but decent living. Relocation is not difficult if the people involved are provided with alternatives and given the chance to advance their current state of living.

Most of the squatters are from remote barangays of La Castellana who choose to stay, live, and make a living in the town's poblacion or district center. Many of these are tricycle drivers and need to be where their likely sources of income are to be found.

2.3 Funding and resource constraints

Lack of sufficient funding and other resources has been a dilemma for many LGUs since devolution. While the national government has devolved responsibility to LGUs for many local functions and service delivery, quite often the responsibility given has not been matched by provision of the required resources. The 1991 Local Government Code addresses the issue of funding in the following terms:

“Local government units shall have the power and authority to establish an organization that shall be responsible for the efficient and effective implementation of their

development plans, programme objectives, and priorities; to create their own sources of revenue and to levy taxes, fees, and charges which shall accrue exclusively for their use and disposition and which shall be retained by them; to have a just share in national taxes which shall be automatically and directly released to them without need of any further action; to have an equitable share in the proceeds from the utilization and development of the national wealth and resources within their respective territorial jurisdictions including sharing the same with the inhabitants by way of direct benefits; to acquire, develop, lease, encumber, alienate, or otherwise dispose of real or personal property held by them in their proprietary capacity and to apply their resources and assets for productive, developmental, or welfare purposes, in the exercise or furtherance of their governmental or proprietary powers and functions and thereby ensure their development into self-reliant communities and active participants in the attainment of national goals” .

*Book I Title One Chapter 2 Section 18
Local Government Code of 1991*

For relatively small and rural LGUs such as that of La Castellana, the administration and delivery of basic social services as well as developmental projects is highly dependent on: (i) the Internal Revenue Allotments (IRA) which according to law must be automatically remitted to the LGU by the national government; and (ii) real property taxes (RPT) which are raised locally and which require sustained effort on the part of the municipal treasury office.

Whenever there is the reduction in the amount of the IRA due to a municipality and/or at times when it is not automatically released as the law stipulates, the LGU's development programme suffers because of inelasticities in the other expenditure areas of development financing, especially personnel services. On the other hand, reduction in the collection of RPTs adversely affects the public education programme which is funded principally from this source.

Despite having a clear-cut and well-thought out strategy for the continuous development of the municipality, lack of funds has been a major hindrance in the efforts of the LGU to raise local standards of living and implement desired programmes.

La Castellana *Sangguniang* officials interviewed for this study see the problem in terms of two factors:

- the implementation of the CARP which has greatly reduced the collection efficiency of the municipality in obtaining revenues from RPTs; and
- the discrepancy in the distribution process of collected taxes within the municipality.

These are both discussed below since they are important factors in many LGU areas and provide insight into the broader problems faced by local government in deploying resources for economic development.

2.3.1 The impact of CARP on LGU revenue

Presently, the agricultural land area declared for taxation by the municipality is approximately 16,639 hectares. Upon the inception of the CARP, some 5,577 hectares (33 per cent) were allocated for distribution amongst beneficiaries of the programme. These 5,577 hectares have been identified as prime lots which prior to distribution were handled by hacenderos or landowners (Box 1).

Box 1: Understanding the political dynamics of CARP

As a general background, the backlog cases on land transfer under the Comprehensive Agrarian Reform Programme (CARP) in the Philippines are largely concentrated in the provinces of Negros Occidental and Oriental.

During the administration of the former mayor of La Castellana, the LGU initiated a number of LED and employment creating programmes. However, unresolved problems relating to land redistribution hampered these efforts as there was considerable tension within the town and there was a danger that measures designed to introduce further economic reform could be misconstrued by the various protagonists with the result of triggering further division and violence among the concerned parties.

The former mayor believed it was the job of the national government through the provincial government to intervene and help settle the local land transfer dispute cases. A dialogue among the concerned parties and in the presence of national government agencies was needed but the circumstances were such that because of the extreme positions adopted by both sides, this was not feasible and carried the danger of provoking further violence.

Nevertheless, the LGU was well positioned to provide technical and financial assistance to local agrarian reform communities through livelihood development support services that would benefit household heads and members of CARP communities but this assistance could only be offered after outstanding cases have already been resolved (Elumba, November 2005).

However, under the leadership of the incumbent Mayor Alberto Nicor (former vice-mayor), a slightly different approach has been adopted. It is his belief that the uncertainties surrounding CARP have lingered too long and it is time to subject the disputes case to dialogue leading to settlement. He adopted this as a priority for action within the first 90 days of his first term in office in 2007. (The MARO gives a slightly different version claiming that it was the national office of the DAR that initiated the dialogue and the mayor was only responding). His objective was to bring to a win-win close a highly sensitive issue that had divided the town and which appeared to be a necessary condition for advancing local economic growth.

With the active support of the provincial government, the Secretary for Agrarian Reform through the Provincial Agrarian Reform Office and the Catholic Bishop of the local diocese, the incumbent mayor was able to engage the original land owners and the intended beneficiaries of the disputed local CARP area into a dialogue series and effected a win-win close of the outstanding land transfer cases.

As observed by the LGU, the collection of taxes during the times when these lands were under the possession of the original landowners was more efficient than it has been since land ownership was transferred to CARP beneficiaries. According to the former mayor, the entry of CARP severely undermined the locality's tax collection resulting in back taxes totalling 98.5 per cent of potential revenues caused by the inability of present small-scale landholders to pay their required taxes.

The latter's inability to pay has been compounded by a lack of support from government that would enable agrarian reform beneficiaries to use their respective parcels productively via a diversified cropping system and provision of a whole range of farm-to-market support.

Documentation provided to this researcher illustrated this problem and is summarized in Table 2-6. This table summarizes a partial list of CARP covered areas consisting of 27 taxpayers/estates within the municipality. Nineteen of the 27 taxpayers have failed to remit their proper taxes and many of them have not made any remittance at all. Only PhP216,386.44 in taxes—2.56 per cent—has been collected so far from a potential PhP8,440,100.27 in assessed revenue. This equates to back taxes totalling PhP8,223,713.83.

Table 2-6: CARP collections and tax owing

Item	Collectibles	Collected	Tax owing
Totals	8 273 051.11	212 076.82	8 060 974.29
Percentage		2.56	97.44

Evidently, the relationship between the LGU and officials of the national government implementing the CARP programme has produced a major disconnect which has not yet been addressed but which, the LGU feels, has had a major and adverse impact on its ability to deliver services.

While the CARP was widely seen as a means of empowering those that till the land and freeing them from tenant farming; the system, as implemented it appears to have produced unwarranted side effects that were unforeseen by the originators of the programme. The implication for local government revenues is one such side effect and for a municipality such as La Castellana, it has lost a major revenue stream without being able to develop an alternative or compensating income source.

According to local government officials interviewed, prior to distributing the land, no appropriate feasibility studies were conducted to ascertain whether or not the programme would be sustainable for those concerned. The sole objective appeared motivated by a political agenda—that of land distribution to the poor. No thought was given to the consequences of dealing out the land, neither to the implications for the beneficiaries nor with regard to the capacity of the local government to support the beneficiaries in terms of land area development and supporting socio-economic programmes that would deliver sustainability.

These officials claim that the Department of Agrarian Reform (DAR), the agency responsible for land distribution even failed to gauge its own capacity to handle the programme. Considering that the covered area for distribution spans around 5,000 hectares.

Until recently, the Municipal Agrarian Reform Office (MARO) had only three female personnel monitoring the progress of disposition in the area and one additional male personnel (2007), was added under the present administration.

The MARO male personnel undertakes the monitoring of the status of the land prior to and after disposition to identified beneficiaries which means there was no regular monitoring during the time when the personnel were all female. The MARO does not have even its own motorized vehicle which the personnel can use to facilitate access for monitoring the status of lands in remote areas.

Nor has there been any concerted effort by the DAR through the MARO to engage in dialogue with the LGU and the landowners. Due to this failure of communication, suspicions have arisen and the LGU believes it is always frustrated in its efforts to deliver technical or financial support to the beneficiaries. Furthermore, the lack of coordination with the LGU affects future expansion and development since the LGU is not informed as to what areas are to be covered in the redistribution programme.

But equally, the MARO complain its office was not being even supported by the LGU in terms of access to information of the list and location of all the local haciendas, the names of the owners and intended agrarian reform beneficiaries and the status of lands transferred (to those beneficiaries) and retained (remaining with the original land owners), land development status and current assessed value, tax dues, tax collected, and tax owing so that they can also help in independently checking the status of agrarian reform beneficiaries who are said to have leased out their rights to the land in exchange for daily work for pay. The disconnect appears to be a fundamental flaw representing a systemic failure.

The DAR does not have any security measure in place that holds the beneficiaries liable for selling or mortgaging the land they obtained through the programme. All these oversights have negative consequences for the three main CARP stakeholders: the beneficiaries, the original landowners, and

the LGU in which the redistribution takes place and which is reliant on the revenue from property for much of its income.

The CARP beneficiaries themselves are placed in an invidious position. Due to lack of financial and technical support, the beneficiaries do not have the resources or adequate know-how to productively utilize their land. At best, the beneficiaries obtain possession of their land for only 1–2 months before being forced to mortgage their holdings. Since they are no longer earning a wage, even if they do manage to retain ownership of the land, they have difficulty in finding funds to cover basic living expenses. Even less are they able pay taxes on their property.

For those who do sell their lands, they are relegated back to their former status as workers or labourers and any benefit they received from ownership is quickly lost since very few of them are able to manage their assets responsibly. To further aggravate the situation, the process of redistribution, strips the new owners of benefits provided by the former landowners such as food assistance during the off-season and social benefits including health, burial, education for their children as well as retirement benefits paid through the Philippine Social Security System (SSS).

In the end it seems the farmers—those that till the land—are left with nothing at all. When they do get to work on the land once again, they work on a “*pakyawan*” or piece-meal basis, making them worse off than when they started the programme.

Many landowners on the other hand, feel they have been unfairly compensated for the release of their lands. The payment they eventually received for their land usually fails to take account of improvements made on the property or fair market value. The perceived inefficient screening process utilized by the DAR also leaves the former landowners feeling short-changed since there are instances wherein their regular farm workers do not get a fair share of the dispersed land. Somehow, “*dumans*” or temporary workers manage to obtain parcels of the land just by joining in the clamour.

Finally, the local government is not left unaffected by this problem. The incapacity or refusal of the beneficiaries to pay the corresponding property taxes diminishes the ability of the LGU to execute projects for the wider development of the locality, especially in terms of education. As mentioned earlier, the SEF is dependent on RPT receipts. The reduction in taxes collected means less funds available to improve education.

Even the tax collection process becomes more complicated because of the CARP. Instead of having to approach one landowner to collect the tax on a given parcel of land, the LGU now has to get the same amount from 50 beneficiaries. This necessitates more human resources and more time in attempts to collect the funds from the existing owners of the haciendas as well as from emerging new owners.

Peace and order is also affected with heated disputes arising between the actual tillers of the land and “bogus” beneficiaries. These disputes more often than not lead to unwanted violence. However, the MARO denies there are bogus claimants.

The LGU is also forced to shoulder burdens formerly borne by the hacenderos, including the maintenance of hacienda roads and farm inputs. The LGU also has to provide the displaced workers with food assistance, educational funds, medicine, hospitalization, burial, etc. Although there are substantial lands that are not covered in CARP and retained by the hacienda owners, whatever corporate income taxes they have to remit to the local government is remitted to the place where the owner’s head or main office is located e.g. in Makati City, Pasig City, or Quezon City. Thus the area in which the land is physically located derives no benefit at all from such payments.

To address these problems, the local government in La Castellana has come up with the following agenda:

- Declare a moratorium on land disposition in municipalities where the current hectareage disposed is beyond the capability of the government to support.
- Determine the “real” beneficial ownership of the disposed lands and strictly implement pertinent rules against CLOA violators.
- Establish a “Public Economic Enterprise” to assist CARP beneficiaries in productivity enhancement and product marketing.
- Promote the convergence of socio-economic support programmes of the LGU, the involved NGOs and landowner-investors.
- Promote dialogues between CARP Stakeholders—DAR, landowners, beneficiaries, and the LGU.
- Beef-up the human resources and logistical capability of the MAROs.
- Re-study the CARL (RA 6657) with emphasis on the sustainability of the programme and revenue generation.

2.3.2 Unfair distribution of collected taxes

A second problem faced by the LGU in its revenue effort is the manner in which collected taxes are distributed. The tax allocation arrangement is shown in Figure 5.

Fifty per cent of all local taxes collected go to support the SEF while the other 50 per cent goes to the provision of basic services:

- The education component is further fragmented with one half going to the municipal SEF¹⁸ and the other half being assigned to the provincial SEF.¹⁹
- The basic services component which covers for other local government services is divided between the barangay, the province, and the municipality, each receiving 25 per cent, 35 per cent, and 45 per cent of the funds respectively.²⁰

Combining the municipal taxes collected and redistributed, 12.5 per cent goes to the barangay, 45 per cent goes to the municipality, and 42.5 per cent goes to the provincial government (the latter redistributing it to all other towns under the province which according to the local government officials are economically better off than La Castellana).

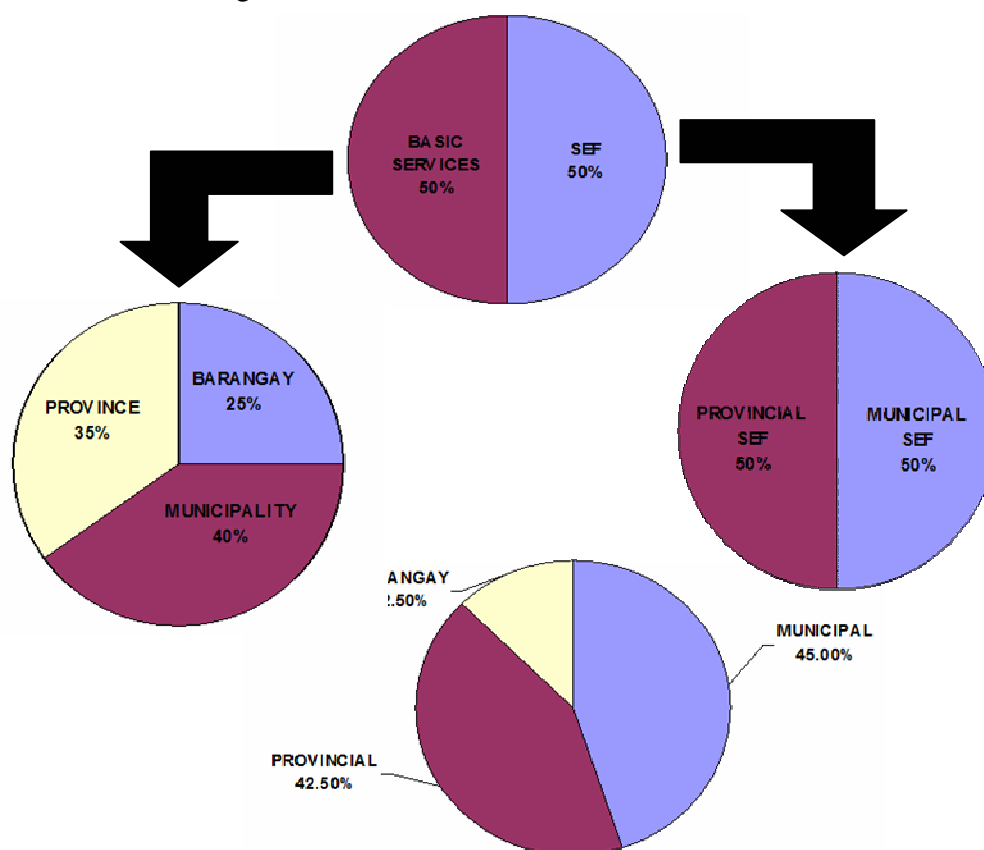
It is noticeable that almost half (42.5 per cent) of the total taxes collected within the municipality is given to the province. This means that if local collections amount to PhP2.5 M, the improvements being made by the provincial government for La Castellana would not even amount to PhP1 M.

¹⁸ Effectively 25 per cent of all collected taxes go to municipal SEF.

¹⁹ Effectively another 25 per cent of all collected taxes go to provincial SEF.

²⁰ Effectively 12.5 per cent, 17.5 per cent, and 22.5 per cent of all collected taxes respectively goes to the barangay, the province, and provincial government services.

Figure 5: Tax allocation and distribution



If the municipality can get a bigger share of the pie, it would be able to afford to provide better public services and implement more developmental projects with an expanded revenue base but without having to resort to loan packages or “beg” for external funds. This has been a major constraint for the local government which it has sought to overcome by intensifying awareness raising amongst local townfolk on local taxation issues and promoting responsibility amongst local tax payers especially real property owners (of agrarian lands, commercial property, residential property, and cemetery property) and by doing the same at provincial and national level awareness raising forums.

2.3.3 Intensifying awareness raising of local taxation issues

Despite the diminished tax base that has restricted the inflow of revenues; through prudent cash management, the LGU has managed to progress.

The constituents of the municipality are made conscious of the importance of paying the correct taxes through posters displayed in high traffic areas. These posters, written in the vernacular language of the area, stress the importance of paying taxes and its significance to the kind of service the local government is able to give to the people.

The Local Tax Code is reviewed every five years in order to make all procedures and taxable items as well as practices clear, realistic, and responsive to the growth needs of the local economy. This is followed by strict implementation of procedures relevant to the operations of the municipality. The last time it was revised and approved was in 2003 by virtue of a local municipal ordinance passed by

the *Sangguniang Bayan* which was the basis for the Local Treasury Office justifying its tax collection campaign and in strictly implementing procedures relevant to the municipal operations.²¹

All records being held by the assessor's and treasurer's offices have been gradually computerized for ease of access and monitoring since 1997 of assessed status and value of lands within the land retention rights and are still in the possession of the original land owners (as not all lands need to be disposed of under the agrarian land) and of lands that have its ownership transferred to the tillers or supposedly new landowners.

3 ILO interventions in support of youth employability and employment

In the introductory section to this study we noted both the young demographic of the area and the high incidence of poverty, a result of the heavy dependence of the locality on agriculture as a source of livelihood activities.

In Section 2 we provided the context of the ILO involvement and addressed the actions already being taken by the local administration to deal with development issues and promote investment and employability throughout the municipality.

In this section we address the specific interventions undertaken by ILO-CIDA as part of its interventions under the PYEP project during the period 2005–2007.

3.1 Why La Castellana?

When ILO began its initiative to develop tools that would support LDDW to address the issues surrounding unemployment, underemployment, income generation, social protection, equality, and rights issues, it chose to do so against the background of selecting various settlement environments—that of urbanizing cities, a province, a rural-urbanizing municipality, an agricultural municipality, and a coastal community.

La Castellana was selected to pilot the programme as an example of a rural agricultural municipality. It first came to the fore in 2002 under Mayor Elumba. The town was first represented in a forum organized by ILO in Iloilo, attended by various stakeholders including representatives of the different participating LGUs, DAR, Department of Trade and Industry, DOLE, and TESDA. It was attended by ILO local staff (Lourdes Santos), a consultant (Eugene Gonzales) and international staff (David Lamotte and Amelita K. Dejardin).

During the forum in Iloilo, the CARP and its implementation challenges were raised in the context of achieving decent work. The issue in question was with regard to the kinds of decent jobs that can be generated in a locality faced with CARP implementation challenges.

The second time La Castellana and ILO officials met in 2004 when the draft tools for LDDW prepared by a number of ILO consultants and staff were presented for feedback. The third time La Castellana officials met with ILO and other relevant LDDW stakeholders was during a forum at the Asian Institute of Management in 2005.

²¹ A new motion for amendment of the code began in the local legislative council in 2008 and 2009 the proposed amendments are still on the first reading.

The fourth time was the launch of the LDDW toolkit at the Local Employment Creation Forum for Youth organized in Angono in 2006.²² Councilor Fernando Elumba shared the basic education and related practices/initiatives of La Castellana with participants in order to improve the foundation for building employability skills within its local human resource base. He touched on the entrepreneurial instruction provided by the national high schools for their students and how these had improved the overall employability of the future workforce of La Castellana.

The resulting LDDW toolkit did not necessarily reflect in its entirety, the recommendations made during the consultative process. There was some criticism of its contents were and comment that the manner in which it was organized was not useful for them. What they initiated and reported to ILO as their good practices were born out of their own common sense responses to the needs of the locality.

Nevertheless, the toolkit was a useful adjunct to inform the local LDDW process. The GYB/SYB training was considered useful as a guide for managing the LGU and its projects in a more businesslike manner even though the one training session was only run for 16 youth within agrarian reform communities. The youth employment survey helped the LGU look into the problems of youth with greater sensitivity to the circumstances met by each youth segment. No longer was it addressing youth in amorphous fashion but rather by segment.

The Know About Business (KAB) provided the teachers not only with KAB instructional training but also an opportunity to network with other teachers and share their experiences and plans. It helped them see the results of the KAB instruction in other places and this enabled them to make informed choices as to how these modules and learning tools could be incorporated into their own teaching programmes.

Above all, participation in the ILO-CIDA programme provided local stakeholders with exposure to national forums through which they can now benchmark their local policies and practices.

3.2 Development of the local programme

Much of the local youth employment programme of the town was developed by the LGU which built upon the existing programmes of DSWD, DOLE, and TESDA programmes. Through its participation in the PYEP project, it was able to enhance these programmes with the capacity building activities that were supported by the ILO using both its regular as well as CIDA funds. In the case of La Castellana, these included:

- The participation of local school teachers in KAB or and LGU officials in the GYB/SYB trainers' training.
- The conduct of a local youth employment survey by TNS followed by a results validation forum organized by an ILO consultant.
- Conducting of a multi-sector youth-focused employment forum involving an ILO expert with the experience and knowledge required to tackle a range of interrelated issues relating to local development and decent work.
- Inviting the local planning and employment focal persons to a follow-up seminar-workshop.
- Providing support for demonstration projects. The initial proposals made by the LGU for ILO support however were received too late to be built into the programme. However, towards the

²² This was CIDA funded using the youth employment funds.

end of the project the ILO did provide the LGU with support for those youth in communities where land transfer issues had been settled in a manner that allowed these communities to move forward.

The only project with direct fund support from ILO using CIDA funds implemented locally was the conducting of GYB/SYB training for the youth in an agrarian reform settlement site.

The three major interventions are discussed in more detail below.

3.3 Results from the TNS survey

The TNS survey was undertaken in 2006 and the main findings are reported below. Of the 200 youth surveyed by TNS via multistage random sampling in 2006:

- **Youth segmentation:**
 - Twelve per cent were self employed
 - Fourteen per cent were wage employed
 - Thirty-six per cent were students
 - Eight per cent were unemployed job-seekers
 - Thirty per cent were youth not in the labour force
- **Income class:**
 - Fifty-seven per cent belong to class D income group
 - Forty-three per cent belong to class E income
- **Age group:**
 - Forty-four per cent belong to 15 to 19 age group
 - Thirty per cent belong to 25 to 29 age group
 - Twenty-six per cent belong to 20 to 24 age group
- **Civil status:**
 - Sixty-eight per cent were single and never married
 - Thirty-two per cent were married/living in
- **Education attainment:**
 - Eighty-four per cent had attained either elementary (29 per cent), some high school (33 per cent), or high school education (22 per cent)
 - Eight per cent had some/completed vocational training
 - Seven per cent had some college and 2 per cent had completed college
- **OFW remittance recipient:**
 - Twelve per cent of surveyed youth were recipients of overseas Filipino workers (OFW) remittances

- **Definition of good, decent, quality job:**²³
 - Fifty-three per cent associate a “decent job” with the amount of compensation received
 - Twenty-seven per cent associate it with financial security gained
 - Twenty-five per cent associate it with the nature of job
 - Eleven per cent associate it with company reputation
 - Note that more youths who are unemployed or not in the labour force associate the concept with a permanent or regular job while students’ top two definitions are salary-related and financial security

3.3.1 The self/wage employed youth profile

- Of the 26 per cent or 52 self/wage employed youth:
 - Thirty per cent had the status of regular work
 - Forty per cent were on contractual/casual status
- Fifty-nine per cent had relatives as sources of information for job search and 33 per cent used friends.

Consistently, most learned of job vacancies or lucrative business ideas through them as well. This may also be due to one or a combination of a number of reasons:

- Most of them lack money to pay for essentials (transportation, food, requirements, etc.) when job hunting
- They lacked skills, confidence and work experience
- Free employment services are not accessible/known to them
- Eighteen per cent would accept any job whatever the conditions, 14 per cent would accept a job provided it were stable, well paid, and fitted to the level of qualification obtained.
- Fifty per cent were inclined to work abroad if given the opportunity.
- The minimum monthly salary required averaged PhP1,800.
- Fifteen per cent had written contracts.
- Twenty-eight per cent had benefits other than salary.
- Nine per cent had received training on their present job.
- Eighty-one per cent were secure in their present job.
- Sixty-two per cent believed men and women had equal opportunities in the workplace.
- Sixty-two per cent were not aware of any union in workplace and 10 per cent were not interested in public affairs while 7 per cent claimed they did not have time for union activities.

²³ Multiple-choice answers allowed.

- A number of youth respondents disclosed that they have or would accept any job whatever the conditions. This may be due to a number reasons:
 - they needed to have experience/acquire skills/confidence in preparation for the job they want;
 - they lack confidence/skills and work experience usually required by companies; and
 - they don't have the luxury of choosing or getting the job they want.
- Most of them said they would be willing to transfer their place of residence to look for better paying jobs/more hours of work. Also, given a choice, many would rather work abroad than stay in the Philippines—this was generally true for young people who were married and aged 25–30 years old.

Note that generally, the required minimum salary that most youth expressed was below the prevailing minimum wage suggesting that they really need a job due to reasons mentioned earlier.

- Considering that a great number of them did not have regular jobs, only a few had written contracts as well as benefits like SSS, Philhealth, etc.
- Only a few of them had received training on their present jobs so most likely, the possibility of being promoted or of getting higher pay was uncertain.
- Note also that though most of them expressed confidence that they could retain their job/business during the next 1–2 years; given a choice, they would still look for other better paying jobs, or additional means of augmenting their income.

3.3.2 Youth not in the workforce

- Thirty per cent constituted this segment of youth surveyed, 51 per cent were from class D and 49 per cent from class E.
- Males comprised only 25 per cent of the total for this segment.
- Family obligations, particularly taking care of children or siblings, were the main reasons why youth who were not in the labour force chose not to look for jobs.
- This was most common among women:
 - who believe that as women (mother or older sister), they are expected to be at home to care for the family;
 - who feel guilty about pursuing a career especially those brought up by full time mothers;
 - whose concept of self worth is defined by their motherhood or care giving role;
 - who see themselves actively looking for work only when all children are old enough to care for themselves (already in high school). However, they worry about finding a job given their age at that time;
 - who believe that if ever they do find work, their monthly salary will only be sufficient to pay the wages of a house helper of “yaya”, so they claim they do not see the logic in working; and

- a number of respondents in this category have plans to go back to school but claim that their parents cannot support their schooling due to pressing financial constraints (generally, they belong to big families).
- Sixty-five per cent are inclined to work in the future but without giving a definite time horizon and 35 per cent specified in the next one or more years. Of these, 17 per cent would be seeking wage employment and 83 per cent are inclined towards some form of business related to buy and sell, grocery, or sari-sari store. Note that:
 - there were those who, given a chance to go abroad, would be willing to work as well;
 - for those who have plans to work in the future, “future” for them would mean when their children or siblings are already old enough for them to leave;
 - their idea of wage employment is mostly in the area of care-giving or office work; and
 - those who would like to start their own business prefer something they can do near to their home so they can still attend to family duties. Their preference to start their own business explains why most of them are in need of capital.
- Fifty-one per cent perceived that knowledge of business and entrepreneurship are skills they needed to understand in order to get the job/business they want. Twenty-nine per cent believed they needed to finish college, 29 per cent required capital, 6 per cent specified communication skills, and 5 per cent needed IT skills.
- Twenty-nine per cent were inclined to work abroad if given the opportunity to do so.

3.3.3 Unemployed job-seekers

- There were 16 persons in this category. 563 per cent were in the class E income bracket and 47 per cent in class D ; 73 per cent were male and 27 per cent were female, 60 per cent were of ages 15–24 and 40 per cent 25–30 years old, 80 per cent were single/never married and 20 per cent were married or living in.
- Like other surveyed youth segments in and outside of La Castellana, unemployed youth belong to the low-income groups/households.
- Data suggests that they are generally younger (15–24 years old) and unattached.
- Most of them cited lack of money to pay for job-hunting essentials such as transportation, food, securing requirements, and medical clearance as reasons for being unemployed.
- Most of them are aware that they lack the necessary skills needed for them to get the job they want.
- They generally lack confidence because of the reasons above plus they lack experience. They find their chances as slim given the many applicants vying for the same jobs.
- Note that most of them aspire to low-level service-related occupations (drivers, housekeepers, janitors, etc.), perhaps because they are very much aware of their limited skills.

- Most of them are willing to transfer residences to look for better paying jobs or more hours of work. Also, given a choice, would rather work abroad than stay in the Philippines. This is generally true for young people who are married and aged 25–30 years old.
- Like other youth segments, they also value education as the key to having the job or business they want.

3.3.4 The students

- Sixty-nine per cent were from income class D and 31 per cent from class E; 46 per cent were male and 54 per cent female; 100 per cent were single and never married.
- Seventy-eight per cent claimed they had plans to work in the future, either as an employee, or self-employed.
- Seventy-one per cent had an inclination to work abroad if given the opportunity.
- Their minimum monthly salary expectation averaged PhP3,000.
- Most respondents aspired to low-level service-related occupations; probably because they were very aware of their limited skills.
- Most of them expressed a willingness to transfer residence to obtain well paying jobs or more hours of work.
- Like other youth segments, they also valued education as the key to having the job or business they wanted.

3.3.5 Youth employment challenges identified

Overall there were several commonly stated reasons across the various segments of the youth for not being able to find work. These included:

- Financial constraints—respondents lack money to pay for essentials (i.e. transportation, food, etc.) while job hunting.
- Stiff competition—with few jobs available, they believed their chances were slim when many applicants are vying for the same job.
- Lacking skills, confidence, and work experience—respondents communication skills (fear of call centers in Concepcion and La Castellana), computer skills, confidence, and composure when being interviewed as well as prior work experience.
- Discouragement—even if they held qualifications, there was a common feeling that there was nothing out there for them. In their own minds they believed that there were simply no opportunities available.

These results were presented to the multi-stakeholder planning session organized by ILO with funding from CIDA in February 2007 from which were developed a series of action points dealing with employment creation on the one hand as well as the development of life and work skills on the other. This is discussed in detail in the next section of this report.

3.4 The multi-stakeholders youth-focused employment action planning workshop

This activity was conducted in February 2007.

Participants in the ILO planning session noted that considering the many haciendas planted with sugarcane, rice, and bananas; most of the local youth population of the town are supported by their own or their parents/relatives' seasonal and low-income farming jobs. Participants agreed that there was a need for the local government to address hurdles effecting better work and life opportunities for local youth in the community.

Specific to the profile and circumstances of each youth segment were the following considerations:

- Employed/self employed—the lack of academic qualifications and practical skills to enable them to look for alternative jobs locally or overseas but with better working conditions, to tackle family obligations and dependency issues.
- Not in the workforce—low levels of skills, knowledge, and confidence discouraging them to go through the job search process, some are highly skilled but lack funds for job search, the constraint of having to take care of their children full time.
- Students—inferiority complex, lack self confidence, discrimination; lack of knowledge, lack of access to good schools, limited skills and training, parents dictating what courses to take and prefer them to pursue courses that will lead to white collar jobs, drops out, lack of technical know-how, lack of parental guidance, love to go to school but do not want to graduate, peer influences on decisions, actions, and behaviour.
- Unemployed job-seekers—unfamiliar with available opportunities, limited skills, willing to work even with minimum pay, discouraged.
- Other disadvantaged youth segments—those with physical and financial disabilities, negative attitude, lack of motivation and strategy, lack of financial capacity, undergraduates with no degrees, therefore lack of employable qualifications, skills, and attitudes.

3.4.1 The workshop programme

Prior to the one-day multi-stakeholder planning session, the ILO mission team (project staff and consultants) met with the local officials of La Castellana to introduce the programme and ensure the appropriate level of support from the LGU and other local stakeholders.

The first session opened the following day, with a message from the ILO team explaining the purpose of the workshop and the expected outcomes. The main points covered were the following:

- The planning process was aimed at enabling local stakeholders come up with realistic action plans for youth employment given limitations with budgets and timeframes. (The project was scheduled to end in June 2007 although local stakeholders signalled their intention to request from CIDA an extension of its deadline).
- There was a determination not to repeat failed projects but rather to treat them as a learning exercise and find out why they were not successful.
- There was also the recognized need to take into account local stakeholders and other players not included in the planning and implementation process. For example, the local government

and the schools need to actively involve parents in the decision processes as an important component of the youth employability policies and programmes, planning, and monitoring.

- The youth can be assets or liabilities for the municipality. From the positive perspective, they are a source of present and future labour supply for the community and can add energy to the local economy. However, if unemployed they can represent a social cost.
- There is a need to analyze the demand for labour which comes from the corporate sector. This includes both private businesses as well as public enterprises. Furthermore, within the horizon should be not only La Castellana, but nearby cities, provinces, and regions of the country where there are available jobs. The challenge then is to ensure the town can connect the local youth to these opportunities.
- There is a need to look at the prospects for both start-up and sustaining local businesses. The LGU, together with its stakeholders, may not easily be able to influence and bring outside business into the municipality; but those within the LGU area can be enticed to start-up or expand existing enterprises and thereby promote local employment creation which is important.
- There is also a need to look at the supply of labour coming from adults and the youth (age range 15–29).
- There are also some youth who are naturally disadvantaged (e.g. the disabled) and opportunities must be explored as to how to afford these people with opportunities for employment.
- ILO too is learning, and is generating ‘lessons learned’ from the workshop. The good practices can be shared with other local governments.
- The workshop was intended to look at the demand and supply sides of the labour market. And addressing the four E’s of youth employment:
 - Employment creation—identifying the demand for jobs, local business within the locality, other provinces, and overseas.
 - Employability—profiling the local supply of labour: adults, youth, disadvantaged youth.
 - Entrepreneurship—devising or enhancing strategies to engage and support people who have the aptitude for business and focusing on youth.
 - Equal opportunity—structuring equal opportunity for making those who are disadvantaged employable and employed.

The interlocutor explained that the questions raised for La Castellana were also being raised in another five localities (but not in Angono or Marikina which had their own process):

- Where will the jobs be within the next five years?
- Five years from now, will the young people be ready to take the job opportunities that are available?

The morning workshop that followed (Workshop I) was dedicated to addressing questions on youth employment creation (demand side), while the afternoon session (Workshop II) addressed questions on employability and the readiness of youth for available jobs (supply side).

3.4.2 The ILO workshop tools

The ILO facilitator opened the session by posing a number of questions to the group as an aid to discussion:

- Where would be the job opportunities in the next five years for the sectors previously identified based though pre-workshop consultations (between the ILO and LGU officials):
 - Agriculture/Agri-business
 - Services (ICT)
 - Construction
 - Tourism
- List the opportunities that can be identified for each sector:
 - Business size and type
 - Likely available jobs and job positions in what sector
 - Estimate number of potential jobs that could be generated (low, medium, many or if there are actual figures available, provide them)

Participants were then asked to select the top three from their list and to assess the market potential, technology, financing, and labour requirements as well as identifying where the industry stood in the business cycle (sunrise or sunset, micro/small/medium enterprise). These results are discussed below and summarized in Table 3-1.

Workshop I: Where are the job opportunities in La Castellana?

Agri-business

- Swine and poultry, milk processing, dairy, rice banana, sugar cane root crops, trade in agri products, tilapia, hog chicken, meat, and fish processing, Vermiculture and organic composting, farming, food processing – fruits, herbal medicine, and insecticide.

Housing/Construction/Infrastructure

- Hollow blocks, home furnishings, lumberyard, glass installation, painting, landscaping, upholstery steel works, masonry, tiles and marbles, real estate, heavy equipment, hauling, and wood.

Wholesale and retail

- Construction materials

Human resources supplier

- Plumber, housekeeping utility, architect, contractor, electrician, driver, mechanic, engineers, security guards, janitorial services, and health services.

Services

- Sand gravel, internet, shoe and watch repair, wholesaler and retailer of spare parts, hardware, house repair, health services, funeral services, art services—printing and xerox, internet, transportation, hotel and restaurant, food catering, carpentry, electric repair mechanics, catering, massage and spa, repair shops, garment house, draftsmen, flower shops, lending investors, and pawnshops.

Table 3-1: Workshop I: Results—identified business opportunities

Market segment	Market potential	Technology	Financing	Labour inputs	Sunrise or sunset; micro, small, or medium
Agri-business					
Food processing (fruits and meat)	High	High	High	Good hiring capabilities	Sunrise—small
Herbal medicine	High	High-existing	High	High—trainers available	Sunrise—small
Blue revolution (tilapia)	High	High	Medium	High	Noon—small
Housing, construction, infrastructure					
Hardware and construction Housing (400 units)	High	High	Low	High	Sunrise—micro
Hollow blocks	Low	High	Medium	High	Sunrise—micro
Building and electrical	Medium	Medium	Medium	High	Small—medium
Quarrying and other services					
Sand and gravel	High			High	Small
Lending business	High			Medium	Small
Construction	High			High	Small
Tourism and services					
Food services (two festivals, pasalubong items-how to attract more tourists)	High			High	Noon—medium
Transportation services	High			High	Sunrise—medium
Repair services	High			High	Sunrise—medium

Workshop II: Action plan for employment creation

The afternoon session began with a presentation of the findings of the youth survey for La Castellana using a power point presentation as noted earlier. A summary profile was presented on the various youth sub-groups: students, youth not in the workforce, employed and self-employed youth, and the unemployed youth.

Three questions posed as a guide to discussion:

1. What are the obstacles and threats to the identified sectors/job opportunities?
2. What are the competitive advantages/factors that will help the sector grow so it will create more employment opportunities?
3. What are the recommended action points – identify lead implementer and support needed to be successful?

The results are summarized in Table 3-2.

Table 3-2: Workshop II: Results—elements of the action plan

Sector	Obstacles	Competitive advantage	Recommendation	Implementer	Support needs
Agri-business					
Meat and pork processing— dried tapa (OTOP) chorizo, tocino, corned beef	Diseases High costs of ingredients BFAD standards must still be met	Quality Cost	Increase hog production Suppliers to provide quality pork and meat for meat processing	Veterinarians Hog raisers	Services of DOH (advertise quality) Support from vendors (wholesalers and retailers), LGUs (processing facilities, financial assistance, organizing by cluster to market by volume)
Coffee (branded)	Lack of supply and better packaging Pests	Quality okay already	Increase coffee production (better methods against pests) and improve packaging Developing enterprises	LGU–Agri Committee, Coffee Growers Association, Barangays, DTI	Financing, seeds; organizing, planning workshops
Herbal medicine					
Quarrying and services					
Hardware and construction from a possible housing boom (400 units – land available already; presence of real estate developers)	Unprecedented increase of price Depletion of raw materials Low quality of workers Low quality of output	Availability of quarrying sites Positive outlook of LGU, NGO, NGA to enterprise development	Skills upgrading and entrepreneurial competency development activities (business management) Introduction of appropriate or advance technologies Productivity improvement seminars/activities	LGU, TESDA, DOLE, DTI, NGOs, POS	Technical, financial, and product development Marketing
Hollow blocks					
Building and electrical					
Housing/ Infrastructure and construction					

Sector	Obstacles	Competitive advantage	Recommendation	Implementer	Support needs
Sand and gravel					
Lending business (helping micro-finance institutions to expand)	Without regulation and anybody can enter business Loan sharks	Can attract many clients Processing time shorter than others Instalment payment and affordable to borrowers	It should be properly registered in authorized offices	Business organizers and authorized municipal employees	Business organizers Authorized municipal employees Funding Borrowers NGOs Private sectors
Construction, services, and transportation					
Food services (catering and restaurants)	Competition Unavailability of resources Lack of technical know-how Unskilled personnel Financial (no capital to expand) and managerial problem Over regulation and high costs of permits Poor quality of product; inflation	Resources (human and material)	Develop financial capacity Attending seminars and workshops to increase know-how Research in the internet Networking	Owner, manager	Government and private sector – financial Special trainings
Transportation services					
Repair services					

Workshop III: Issues and challenges

The final session looked at the challenges facing stakeholders in implementing the action plan they had created. Again, discussion was focused around three key questions that needed to be answered:

4. What prevents the youth from linking to employment opportunities identified in Workshops I and II?
5. What initiatives can be taken to help the youth link with the opportunities?
6. What are the recommended action points? Who are directly/indirectly responsible?

The findings of the workshop are summarized in Table 3-3.

Table 3-3: Key factors in enhancing employability and employment

Youth segment	Attitude, knowledge, skills	Non-learning factors	Inhibiting factors	Facilitating factors	Recommendations	Lead implementer and support needs
Employed/ Self-employed	Employed/ Self-employed are looking for better jobs Unemployed (choosy ones): most are college graduate, wrong attitude, have OFW parents or well-off		Lack of academic qualification, background, skills Family obligation Values of parents	Strong determination Positive mental attitude Willingness to sacrifice	Employability: Scholarship programmes, values, reorientation, Entrepreneurship: upgrading of skills	ILO, LGU, TESDA, DOLE, DTI, NGOs, and POs Technical and financial assistance Management and marketing skills
Not in the work-force	Attitude — work with parents and relatives Knowledge— low and lack of competence Skills: low	Lack of funds for job search	Nobody will take care of their children	Highly skilled	Employability: borrow capital from friends and relatives to start micro business mechanisms for child care Entrepreneurship: undergo trainings and seminars on marketing and food processing	LGUs, NGOs
Students	Inferiority complex, lack self, confidence, discrimination Lack of knowledge Lack of access to good schools Limited skills and training	Parents dictating what courses to take white collar	Drop outs Lack of technical know-how Lack of parental guidance Love to go to school all the time does not want to graduate Influence of <i>barkada</i> (social group) Want to go abroad Limited employment opportunities	Skill and eagerness to learn Open-mindedness Perseverance and industry Support of parents	Skills training Support of parents, teachers, and barangay town officials	Parents, priests, teachers, LGU Financial assistance and guidance
Unemployed job-seekers	Unfamiliar, limited skills		Limited employment opportunities	Willing to work, even with minimal pay	Enhancement of self-confidence Employment opportunities Financial support and motivation	LGUs, NGAs, NGOs Schools Funding support Networking Human resources

Youth segment	Attitude, knowledge, skills	Non-learning factors	Inhibiting factors	Facilitating factors	Recommendations	Lead implementer and support needs
Disadvantaged youth		Physical and financial disabilities	Negative attitude Lack of motivation (<i>walang diskarte</i>) ²⁴ Lack of financial capacity Under-graduates and no degrees	Good work attitude	Employability-special skills training; career guidance Entrepreneurship Training	

3.4.3 The workshop findings

The workshop closed with the interlocutor summarizing the day's findings:

- The best way to address issues and challenges to address youth development and employment is to include parents, relatives, and friends in the process.
- The most practical way is to course initiatives through the barangays.
- Improving the youth's attitude towards work is very important.
- The workshop was just a starting point and the results will have to be considered by the LGU and hopefully the outcomes will be integrated into the LED plan of La Castellana. It was recognized that following the elections of May 2007, the LGU would be under new leadership and that the new leaders would contribute to the national policy agenda through a national technical workshop to be held sometime after the local elections.²⁵
- It was recommended that the LGU hopefully designate a suitable person within the local administration to monitor the implementation of the action points.
- It was also recommended that the dialogue process among the LGU stakeholders and the provincial and national governments on youth employability issues would continue into the future.
- Finally, it was also noted they participants would be invited to a national summit organized by the DOLE at which the national agenda would be presented.²⁶

²⁴ Lack of ability.

²⁵ This happened in July 2007 where a technical workshop where policy oriented papers inviting national and local youth employment service providers and youth representatives were invited.

²⁶ August-September 2007.

3.5 The ILO-CIDA demonstration project

3.5.1 The economic and employment effects of disputes among CARP beneficiaries

In the context of a town met facing a problem in the implementation of its agrarian reform programme, many of the privately operated sugar farmlands had become unproductive. Prior to CARP, these lands were the main source of jobs, incomes, and taxes for the town. After conversion, the same lands became a liability contributing to the high incidence of local joblessness and associated loss of household incomes and a narrowing of the town's tax base.

Given limited off-farm employment opportunities in La Castellana for ARC-displaced workers because of the lack of private sector employers in the town, the LGU had to implement programmes, support services, and schemes (mentioned in the previous section) to deploy the local unemployed labour supply either to the nearby provinces such as the industrial site in Cebu or to other countries where the local community's skill sets are in demand.

Nonetheless, the LGU has never lost sight of the need to build up employment opportunities within the locality and has taken deliberate measures both to enhance the productive capacities of its citizenry and to encourage the creation of locally operated and sustainable enterprises that would produce jobs and incomes for the town and its constituents.

3.5.2 Understanding the technical capacities of the LGU to effect LEED strategies

Despite the difficult political environment ILO persevered with its local economic and employment development (LEED) strategy for La Castellana. The series of intervention activities implemented made possible through the ILO CIDA-funded Youth Employment Project enabled the LGU and the institutional stakeholders of La Castellana to identify and prioritize actions points for the town to create more and better locally sourced jobs and incomes. These intervention activities included:

- a local youth employment survey;
- a local youth employment planning forum; and
- participation of LGU in local planning and employment focal person in ILO sponsored LGU staff capacity building programmes.

The three key capacitation activities provided the town with more youth-focused local employment interventions on top of what had been already initiated by the local government even before the youth employment project was implemented.

3.5.3 GYB/SYB training for potential youth entrepreneurs

It was only towards the end of the project that La Castellana was able to make use of the GYB/SYB training in which it had participated in order to afford young people and their parents in agrarian reform communities (CARP beneficiaries of the recently settled land disputes case) with entrepreneurship orientation, training and post-training support services.

Although the incumbent mayor knew the PYEP project was drawing to a close, he presented to the PYEP coordinator during a closing site visit to La Castellana in October 2007, a proposal requesting a "last minute" direct action technical assistance from ILO that would address the specific local need of stimulating economic and employment creating activities in the CARP covered barangays of La Castellana.

The PYEP project coordinator accommodated the request suggesting that the town's trained local GYB/SYB trainer to organize training on entrepreneurship (ToE) for potential entrepreneurs in the CARP area that would provide them with entrepreneurship orientation, training, and post-training support services. Its locally trained GYB/SYB trainer (Remuel Lajo, a municipal councilor) expressed the view that he was not confident to handle the training by himself. He requested assistance from other trainers of his batch.

As a result, ILO eventually engaged the services of Ruben Corpuz and Amalia Gabion who were trained and certified ILO GYB/SYB trainers to team-up with Mr Lajo in organizing and executing the programme. All three trainers were participants of the first batch of the ILO GYB/SYB "training the trainers" programme.

The two trainers from Guimaras Province were engaged as project service providers based on the following considerations:

- the ease of access to La Castellana from Guimaras;
- their competence in the regional language facility (Hiligaynon);
- an established track record in delivering the GYB/SYB training to youth and non-youth beneficiaries supported by the Provincial Government of Guimaras and those supported by the Sugar Industry Foundation, Inc. (particularly beneficiaries in La Carlota, Negros Occidental and Passi City, Iloilo);
- they had shown themselves to be self-driven and able to conduct post-training monitoring as well as reinforcement visits to their trainees (whether in or outside Guimaras) and which they continue to do to the present; and
- they were known to have a genuine interest in the development of disadvantaged people.

Training preparation

As the PYEP project was drawing to a close, the trainers had only a small time window at their disposal. Nonetheless, they were able to manage to conduct pre-training visit in La Castellana on a week-end and tackled with Mr Lajo the selection of the would-be trainees.

A total of 16 youth participants, within the 15–30 years age bracket, five female and 11 male, were selected to undergo training and completed the four-day version of the GYB/SYB Training for Entrepreneurs.

The training was the first ever held GYB/SYB training in La Castellana and conducted with the full support of the newly elected mayor and vice mayor of the town.

According to the trainers, senior local officials attended the opening and closing programme and assigned one of their technical staff to assist the trainers in the coordination activities during the preparation and the actual conduct of the programme.

The training was originally scheduled to be conducted in November 2007, but actually materialized on December 6–9, 2007 at Villa Indo, Barangay Robles, La Castellana.

Training proper

The programme was introduced as part of ILO–PYEP technical assistance programme to assist with LED: (i) for the town in general; (ii) for the youth in particular; and (iii) specifically for the CARP beneficiaries (youth and/or parents) to help them augment their income.

Modifications were made during the actual conduct of the training for a number of reasons. These included time considerations, participants' educational attainment, level of understanding regarding actual business operations, and age bracket. The training schedule is summarized in Table 3-4.

Table 3-4: GYB and SYB training schedule – topics and outputs

Day	Topic	Outputs
1	On GYB- What constitutes a business idea? Are you the right kind of person to start a business? Generate your business ideas (which included local business area visits and an observation-investigation tour during peak business hour in the late afternoon) Analyze your business ideas and select the best ones	Participants' self assessment result Inventory lists of types of existing businesses in the locality
2	On SYB- Assess your market and develop a marketing plan Organize your business	Individual business ideas Marketing plan and organization plan
3	Costing and pricing your products or services Estimate your start-up capital needs Develop a financial plan	Production plan Sales and costs plan Cash in–cash out or cash flow plan
4	Complete your business plan Formulate an action plan	Individual simple business plan Group or individual action plan

The targeted outputs of the training which were essentially business ideas generation and formulation of a simple business plan were satisfactorily met by all participants

All of the participants were supplied with the Philippine version of the GYB Training Manual and SYB Business Plan Booklet.

Two outstanding examples of financial plans of simple micro business ideas as cited in the reports of the trainers were: (i) a chicken barbecue stand; and (ii) a fresh fruit shake kiosk.

Training evaluation

The end-of -training-evaluation sheet reflecting the overall rating for the two modules was 91.67 per cent and 90.89 per cent on GYB and SYB respectively. This indicated that the training was very successful in spite of the very short pre-training preparation and coordination on the part of the training organizer and trainer. Selection and attendance of participants were based more on availability than any other consideration given the scheduled dates.

Some of observations, recommendations, and actions made by the external trainers on the training were the following:

- There was a wide variety of participants

Some participants were already undertaking entrepreneurship activities while others said they had no idea as to the type of training they were attending. Others had difficulty in using

calculators and others lacked the confidence to speak or articulate their ideas and questions. This affected the pace of the sessions.

As a result the trainers suggested that in any future such training of this nature: (i) there be a better screening of participants by the local GYB/SYB trainer using the revised Philippine version SYB entry form; (ii) the entry form should be translated into the local dialect; and (iii) more time should be allocated to administrative tasks in order to improve the quality of output.

- There were apparently disinterested participants

Some participants were observed to be taking the training light-heartedly, particularly during day one. The trainer told them frankly, to leave if they found the training activities irrelevant on their line of interest. The challenge was taken positively. Nobody quit the training and the atmosphere improved.

Those who had initially been considered to be ‘drifters’, later showed noticeable interest and dedication in all activities undertaken. One of them even delivered an outstanding business idea. All participants were able to formulate and prepare a simple business plan at the end of the training.

It was deemed necessary to have follow-up coaching extended to the participants to enhance their business ideas and skills and to reinforce positive mindsets and results from this batch of trainees.

- Supportive mayor and vice mayor

The newly elected mayor and vice mayor of the town showed full support for this activity and expressed their appreciation of ILO’s assistance on behalf of the townsfolk. They also expressed their intention to integrate the GYB/SYB Training Programme into their *Sangguniang Kabataan* Development Projects which have a mandatory budget allocation.

The enthusiasm of the two top local officials for the GYB/SYB training package for entrepreneurs needs to be sustained to ensure follow-up and possible adaptation and institutionalization within their own local youth development programme.

- Designation of a focal person who holds a non-elective post

One technical staff member, Emily Tan, from the Municipal Social Welfare and Development Office of La Castellana was identified as a potential and responsive focal person for ILO for any future collaborative activities in this locality. Having a focal person other than an elective official and who would be able to sustain support across administrations was considered to be a key factor.

However, the official designation of this person to act as focal person in any future ILO collaborative activities including follow-up monitoring of this first GYB/SYB training needs to be formalized with the mayor of this municipality.

Box 2: A mini case study

Sixteen youth attended the CIDA funded ILO GYB/SYB training programme held between December 4–9 2007. Of these, 12 were OSYs. All were trained to enhance their innate entrepreneurial competencies in practical management skills in generating ideas and business planning.

Among those who joined the training was Tata Palacios of Sitio Odrong, Barangay Camandag, La Castellana. An active member of the Pag-asa Youth Association of the Philippines (PYAP). She conscientiously attended all sessions of the training programme where she explained that she had developed three different business lines.

One of these was her gasoline mini-refilling station in their barangay. Using her meagre savings which she set aside while as a ‘young *sacada*’ combined with her mother’s contribution, Tata was able to put together business-start-up capital of Php500 to purchase buy a Php10-liter gasoline canister which she sold per litre using empty bottles of soft drinks.

With an improvised table made of discarded wood and cut bamboo, Tata placed her wares at the parking table of tricycle drivers in the poblacion every Sunday, the local market day. She also befriended the tricycle drivers in Sitio Odrong and soon they were all buying gasoline from her. To fan patronage, Tata would accommodate the gasoline requirement of tricycle drivers who were short of cash. But she would then diligently seek payment from them every Sunday.

Tata was earning Php3 per litre profit margin on the gasoline she sold. She valued every cent she earns and used her profits to help put food on the table at home and to finance her schooling. With her diligence and perseverance, she managed to finish high school. At present, she works as treasurer of Sitio Odrong Agrarian Reform Beneficiaries Youth Organization.

Tata continues to take active role in community affairs, helping the local government’s social welfare and development office encourage fellow youth to start their own simple business. In Tata, the LGU and other youth found a model of a persevering and dedicated young woman who made use of the little knowledge and skills that she acquired to develop her own profitable business. Tata proved with determination and hard work, one could succeed. And behind every success is the firm decision to take the first step.

Source: Emily H. Tan. (This story was validated through interview with Tata Palacios at the Municipal Welfare and Development Office on 23 November 2009)

- A follow-up by the trainers from Guimaras

The trainers from Guimaras conducted post-training monitoring and coaching visits at the end of December 2007, in February 2008, and planned a further follow-up in April 2008.

They found that all trainees had their own enterprises that they had started either using their own savings or with borrowed funds from relatives.

The LGU of La Castellana was making the necessary arrangements to establish a facility to replicate the training and provide necessary funds to help the youth start their own business. This is presently being addressed with the mayor assigning one of the able freelance youth organizers as the LGU coordinator for special projects on youth.

Those monitoring progress found that after six months, the businesses were still up. But when the crises loomed during 2008, the businesses were not sustained although there are young people who are working as employees and would still want to resume with their business until they are able to earn a buffer fund.

By end of 2009, only one business had survived and this has been documented by Emily Tan, the social welfare official assigned to organize and monitor the training (Box 2).

4 Building a legacy agenda

Prior to completing his final term as Mayor in 2007, Dr Elumba had the municipal planning team draw up a number of key projects for the continuous development of the locality that he was able to recommend to his successor. These included the further development of agriculture, building on La Castellana's natural scenic advantages through tourism and other measures briefly discussed here. In this section we discuss these new initiatives that are carrying the municipality forward and at the same time building opportunities for local employment.

4.1 New initiatives building on what has gone before

4.1.1 Establishing muscovado mills in strategic areas of the municipality

Sugar is an important agricultural commodity grown in the municipality of La Castellana. As of the time of preparing this report, the LGU was exploring the possibility of setting up muscovado mills in strategic areas. At present, the lack of facilities for sugar processing reduces the opportunity for value-added processing locally and forces local farmers to be dependent on selling their products to outside traders who have the machinery and equipment to manufacture the final product.

The average time for the growing of sugar cane is around 11 months from planting to harvest. The long growing process is one of the reasons why many people in the municipality do not have a stable year-round income; their earnings are skewed towards the months where harvesting takes place.

With local milling facilities, sugar processing can be done throughout the year and with planting and harvesting times coordinated and appropriately scheduled across haciendas or between land owners. As an additional income enhancement opportunity, the waste product of the manufacturing process can also be used for livestock fattening (e.g. molasses) and for bagas fuel the leftover plant material after pressing out the juice from the sugarcane.

4.1.2 Eco-tourism promotion

La Castellana is situated in a picturesque mountain area of Negros Island. Negros Occidental is the fourth most populous province in the Philippines with more than 2.3 million residents. There are a further 1.2 million persons in nearby Negros Oriental. This provides a sound basis for the development of ecotourism in La Castellana and this has been recognized by the local government.

The area offers a number of attractions that can be developed including spa resort facilities at Mandayao Falls, the Caduhada Spring Resort, the Tikoy-Tikoy Agri-tourism, and the Spring Resort. These are all being developed to handle the demands of tourist entry. In close coordination with the municipal tourism office, various points of interest and the unique festivals are being evaluated for eventual marketing.

Box 3: The Youth Council and the Youth Federation in the Philippines

The *Sangguniang Kabataan* (SK) [Youth Council] is the governing body in every chapter of the *Katipunan ng Kabataan* (Youth Federation). Each barangay in the Philippines is mandated by law to have its own chapter of the Katipunan ng Kabataan in which the members elect their officers called as the SK. The SK is an off-shoot of the *Kabataang Barangay* (KB) [Village Youth] which was abolished when the Local Government Code of 1991 was enacted.

The SK is the youth legislature in every local village or community. It also initiates policies, programmes, and projects for the development of youth in their respective political territories. The chair of the SK acts as the Chief Executive of the Sangguniang (Council) while the Kagawad (Councilor) acts as the legislative council. The Kagawads approve resolutions of the Sanggunian and appropriates the money allotted to the council, a share in the revenue of the barangay.

The Chair automatically sits in the Sangguniang Barangay (Village Council) as ex-officio member. He/she automatically becomes the chair of the Committee on Youth and Sports, one of the standing committees in the village council. Every SK is then federated into municipal and city federations, then city and municipal federations are federated into a provincial federation.

The barangay SK Chairman represents the barangay in the municipal or city federation. The presidents of the city and municipal federation becomes member of the provincial federation and the provincial federation president. The presidents of highly urbanized and independent component cities composed the membership in the national federation and elect the national federation president who automatically sits in the National Youth Commission as ex-officio member of the commission.

Except national federation, each level of the federation from municipal, city to provincial is governed by the Local Executive Committee composed mostly of the seven regularly elected officers of the federation.

Since 1992, there have been three simultaneous nationwide SK elections held in the Philippines which each term lasting from three to five years due to amendment of the regular three-year term of the council. After every election, association officers are chosen. The elected presidents of the municipal associations sit as ex-officio members of the municipal councils, while the provincial president sits on the provincial board. All of these ex-officio members automatically chair the respective councils' committees on youth and sports development.

Source: Wikipedia 2009

4.1.3 Creating income opportunities for marginalized sectors

The LGU of La Castellana has not neglected marginalized sectors of the community and has embarked on a number of projects designed to improve the livelihood opportunities for various community sectors. The list includes the establishment of a five hectare fruit tree orchard for each of the following groups: (i) senior citizens; (ii) the youth, as represented through the SK;²⁷ (iii) the ABC; (iv) women; and (v) the disabled. The undertaking will allow the groups concerned to earn a steady flow of income for their needs or the funding of their own projects. Five-hectare orchards are also to be allocated for all 13 barangays to be placed under the care of assigned barangay officials.

4.1.4 Upgrading local education, training, and skills development systems

With a young population (median age—20 years) education is extremely important. The local educational system is also to be upgraded with the creation of teacher training programmes for better delivery of education services. Information technology will also be given emphasis integrated into school curricula to better prepare students for decent employment following their graduation.

4.1.5 Promoting a sustainable economy via natural environmental protection

To better maintain La Castellana's reputation as one of the "Cleanest and Greenest", the LGU is currently formulating an environment code to safeguard the area's natural resources. The administration has also started Project HOPE (Help Organize and Protect our Environment) a programme being undertaken in association with the DENR (Department of Environment and Natural

²⁷ See Box 3.

Resources) where budget allocations for the reforestation and maintenance of watershed areas have been already appropriated.

4.1.6 Establishing value-adding offices to strengthen the LGU

Finally, the capability of the LGU is also to be strengthened with the creation of two offices for handling Human Resource Management and for its PEE (see page 22).

While the former mayor focused on his “results oriented” strategy (rather than being “process oriented”) and not wanting to be subjected to political pressures that could derail his plans, he tended to work more closely with those within the civil service staff that he found less resistant to his ideas. This involved creation of “floating” positions whereby people could be moved to where the mayor considered them to be needed. By contrast, the present mayor, while continuing with economic development, is more inclined to work within the system and has reintegration “floating” officials into the mainstream.

4.1.7 Harnessing external linkages and forging partnerships for progress

“Local government units may enter into joint ventures and such other cooperative arrangements with people's and nongovernmental organizations to engage in the delivery of certain basic services, capability-building, and livelihood projects, and to develop local enterprises designed to improve productivity and income, diversify agriculture, spur rural industrialization, promote ecological balance, and enhance the economic and social well-being of the people.”

*Book I Title One Chapter 4 Section 35
Local Government Code of 1991*

As seen in some of the projects thus implemented by the La Castellana LGU, there is an open door policy when it comes to the entrance of NGOs and cooperatives in the developmental affairs of the local government. NGOs such as Alter Trade and the local chapter of the Rotary Club even have representation in the LGU’s Municipal Development Board.

These organizations are only required to register with the municipality where they are given accreditation by the *Sangguniang Bayan* (the elected barangay board of representatives) upon review of the project objectives of the NGO or resolutions for cooperatives.

4.1.8 Special projects for the youth

According to Jojo F. Arsua, the LGU Coordinator for Special Projects, interviewed in 2009 as part of the follow-up process, La Castellana, at the direction of Mayor Nicor, has adopted a focused approach to issues involving young people. Holding the post of “Coordinator for Special Projects” he has taken charge of all youth-related projects in the municipality. While maintaining the same thrusts as before, the various activities of the LGU in this direction are now supported and promoted across all haciendas in the municipality.

Prior to taking his present position, Mr Arsua was a freelance youth organizer involved with the Young Movement of Achievers for Progress and Reform (YMA-PRO) and founder of the La Castellana chapter. This organization continues to play a key role in organizing youth within the municipality.

YMA-PRO envisions itself as “*an organization of strong youth movement that can help the society... and to develop the youth’s talent, skills, knowledge, and ability for the betterment of the society*”. It

aims to empower local youth, especially the out-of-school-youth by encouraging them to become organized and participate in socialization, training, and competition activities, To achieve this it has adopted the following strategy:

- Attract youth to the organization and develop and showcasing their talents.
- Developing the employable skills of members.
- Developing entrepreneurial skills.
- Provide educational opportunities for the OSY and those who wish to pursue a tertiary education.

The work of the organization is by hacienda. At present there are 12 haciendas where the youth are being organized, each with a set of officers elected from the members. Monthly meetings have been held since 2007 to plan, follow-up, and re-plan their youth development activities.

The coordinator has worked for more than two years now on a job order basis, renewable every six months.

The talent development and promotion activities are held regularly and as the confidence of the youth is boosted the organization is able to progress to a more substantial programme. It is now focusing on developing employable skills via agricultural and non-agriculture based trade skills and entrepreneurial activities. YMA-PRO is monitoring the livelihood activities undertaken by each organized youth group per hacienda. These livelihood activities are intended to address the problem of lack of work during the farming offseason.

The LGU has provided support for a number of projects, and in particular the project on swine dispersal for youth. Twelve piglets were dispersed; one for each component youth organization. This is done in the form of an in-kind loan so repayment to the LGU youth center will in the future be in-kind as well.

This programme works in the following manner: Normally each pair of swine when breeding will produce six or more piglets. If there are (say) five piglets, one is given back to LGU each time for a second generation of breeding; if there are more than five, then two are given back to the LGU. Of the stock that is left, two or three are sold to provide cash for feed (each piglet is priced at around PhP1,800). One pig is given to the person taking care of the stock.

It is stipulated that every youth member must each have a share of the piglets. If any of the stock becomes sick, a member familiar with animal husbandry (or their family) are called in to assist and to ensure the swine survives. Parents also assist in the programme so that those who are school will not have to sacrifice their time going to school.

This project has been successful in building alternative income generation paths for youth of the municipality while at the same time developing new skills in the field of animal husbandry. It addresses a critical need for them so that the youth can do more than working in the sugar plantations as sacadas. Being sacadas, with intermittent income, most local youth rely on projects of this nature to build their savings which they can infuse into alternative pathways such as businesses which can support their continuing education and training.

4.2 A face to the future

The decentralization process has clearly worked to the advantage of La Castellana. Combined with good leadership and good LGU staff, La Castellana has made definite progress by making the most out of what they have.

Quality of life within the locality has steadily increased over time. Progress can be seen in the new physical infrastructure installed in the locality, the cleanliness of the streets, the appearance of the town plaza, its municipal hall, and its other public facilities. Improvements have been made in the area of the town's educational and health profile. Overall, the productivity and competitiveness of the locality is on the rise. This development is clearly felt with the movement of La Castellana from its former fifth class stature to that of a second class municipality.

Insurgency is not a problem in the area. The local government in La Castellana has not been harassed by these or any other organizations, probably because it is perceived to be doing a good job for its residents. Since the introduction of the Local Government Code in 1991, the leadership within La Castellana has been committed to developing the municipality as a place for the future. With a young and growing population this has been no easy task.

While the former and the incumbent mayor are from different political parties, the municipality has benefited from continuity in the implementation of development policies. Given the opportunity to lead the locality, the present mayor has demonstrated what is to be a leader that builds upon the gains of his predecessor in a different light.

As a result, La Castellana has developed its own local economic development strategies that have been both sustainable and which have allowed it to attain the income status of a second class municipality from that of a fifth class municipality. This was achieved in a span of three years during the first term (1998–2001) of the former mayor and the municipality continues to progress.

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Local economic development and youth employment in the Philippines: the case of La Castellana

La Castellana is a small rural municipality that since on the border of the provinces of Negros Oriental and Negros Occidental in the Visayas. The local administration has been working with the ILO since 2002 and was selected as one of the eight pilot locations for the ILO-CIDA-PYEP project that ran between 2005–2007 as an example of a community that was primarily agriculture-based. Around 86 per cent of all households depend on agriculture for their livelihood.

The primary commodity grown is sugar cane and the industry is dominated by large haciendas or estates with most work being in the form of contract labour that is seasonal in nature. Service delivery is challenged both by endemic poverty coupled to a very young population; the median age is only 20 years.

Of the more than 16,000 ha of land available to agriculture, one-third has been allocated for redistribution under the Comprehensive Agrarian Reform Programme (CARP). Despite the good intentions of the programme, problems in its implementation have left many farmers worse off than before and much of the land for distribution remains in dispute. This has resulted in a significant loss of revenue for the LGU.

Despite these challenges, through good governance, La Castellana has progressed from the status of fifth class municipality at the time of introduction of the 1991 Local Government Code, to that of first class municipality it enjoys today. It has taken a number of initiatives to promote tourism into the area while undertaking innovative programmes locally within the agricultural sector and in terms of seeking to find work for its labour force in other industries in nearby areas.

This is the story of how La Castellana beat the odds and the role that the ILO has played in encouraging a focus on decent work for young people, especially those that have been caught in the problems of implementing the CARP.

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