

**AN ANALYSIS OF FISCAL DECENTRALIZATION:  
THE CASE OF CADIZ CITY,  
NEGROS OCCIDENTAL**

In Partial Fulfillment of the Requirements  
in Social Science 199.2  
(Social Science Research)

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March, 2002

## **ABSTRACT**

Decentralization has been an issue in the late twentieth century. Developing countries have shifted toward more decentralized forms of government that promises to change their political life in profound ways. The Philippines has decentralized its government through the enactment of the Local Government Code of 1991. This has brought changes to the Philippine governance. The code legislated the creation of local government units such as regions, provinces, cities, and municipalities with which the central government devolved its major power and authority. In this study, an attempt is made to discuss the issues and problems of fiscal decentralization in developing countries, specifically the Philippine experience. A review of the Cadiz City experience substantiates the discussion on decentralization.

Taking the case of Cadiz City as a microcosm of the Philippine experience with decentralization as a whole and that of the developing world's in much broader scale, this study presents an analysis of the realities of fiscal decentralization, which is the core of the devolution program in the Philippines. The data gathered show that although Cadiz City government had been granted the autonomy to manage its own affairs, it remains dependent on grants and allotments from the central government instead of maximizing the fiscal powers being devolved to it, specifically, its revenue-raising power. Moreover, the data on the local government's allocation of its financial resources during the years 1997-2000 show that it has been efficient in terms of providing basic public goods and services to its constituents but not in terms of empowering the community people to participate in advocacy, decision-making, and other activities of local governance. The data also show that politics played a great role in the implementation of various development programs, projects, and activities.