



Buttressing Good Governance with Creating Public Value for Program Administration: Institutionalizing Reforms for the Implementation of the Comprehensive Agrarian Reform Program

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In terms of purpose, this paper would aims to:

1. Determine how the Good Governance framework as developed by the Asian Development Bank (ADB) in 2003, could be “buttressed” and reinforced by Public Value Theory developed by Moore, to create a common framework for analyzing institutional reforms being implemented through developmental program;
2. Attempt to explain why the implementation of CARP in the Philippines is taking quite long. Although we want to know what the concerns are, the strong points of implementation should likewise be highlighted; and
3. Determine how the “***Creating Value for Good Governance Framework***” herein proposed, be able to:
 - a. evaluate the degree of political development of the administration; and
 - b. recommend solutions to the concerns identified in the implementation of the CARP.

A. Governance and Good Governance

- ✓ “**Governance**” is the process of decision-making or the system by which decisions of a public manager is implemented. Governance is usually used interchangeably with **government**, but the two are distinct from each other. The former is the function or **process**, while the latter is the **structure** (Ocampo 2008)
- ✓ The ADB broadly defined “governance” as the “sound exercise of **political, economic, and administrative authority** to manage a country’s resources for **development.**” It involves the **institutionalization of a system** through which citizens, institutions, organizations, and groups in the society articulate their interests, exercise their rights, and mediate their differences in pursuit of the collective good (Mangahas, 2005)
- ✓ The concept of governance is therefore shared between government and other non-governmental and non-state structures.

A. Governance and Good Governance (cont.)

- ✓ The UNDP described governance to not only involve matters of government, but “also of the **pro-active role** of the private sector and the civil society in **national development.**” Governance is therefore not the sole province of government. Instead, its functions are delegated to, or assumed by other institutions and organizations in the **business sector** and **civil society**.
- ✓ From the perspectives of the civil society-government relations:
 - The first standpoint is the State -- the “improvement of the capacities of government, or the formal institutional structure and its decision-making powers”
 - The second perspective -- the relations of authority and defines governance in terms of the actual interactions between government and the broader public a.k.a. CSOs.
 - governance as a “**reform strategy**” – to strengthen CSOs to making government more accountable, responsive and democratic.

So what is then good governance vis-à-vis governance?

- Governance for public administration -- government is no longer the sole and most important player in governance and development.
- Governance serves “to re-orient public administration to the realm of state-society relations.”
- A normative version called good governance which have novel norms (i.e., transparency and trust) along with older ones (i.e., accountability, rule of law)

Basic Elements of Good Governance	Key Dimensions	Specific Areas of Action
<p>1. Accountability -- public officials answerable for government behavior and responsive to the entity from which they derive authority.</p>	<ul style="list-style-type: none"> Establishing criteria to measure performance of public officials Institutionalizing mechanisms to ensure that standards are met 	<ul style="list-style-type: none"> Public sector management Public enterprise management Public financial management Civil service reform
<p>2. Participation -- enhancing peoples' access to the influence on public policy processes.</p>	<ul style="list-style-type: none"> Undertaking development for and by the people 	<ul style="list-style-type: none"> Participation of the beneficiaries and affected groups Government-private sector interface Decentralization of public and service delivery functions (empowerment of LGUs) Cooperation with NGOs
<p>3. Predictability -- existence of laws, regulations, and policies to regulate society and their fair application.</p>	<ul style="list-style-type: none"> Establishing appropriate legal and institutional arrangements Upholding the rule of law Maintaining consistency of public policies 	<ul style="list-style-type: none"> Laws and development Legal frameworks for private sector development
<p>4. Transparency -- availability of information and clarity about government rules, regulations and decisions.</p>	<ul style="list-style-type: none"> Ensuring access to accurate and timely information about economy and government policies 	<ul style="list-style-type: none"> Disclosure of information

B. Land and Agrarian Reform

- Land reform speaks of the full range of measures to provide cure on the defects in the relations between the landowners and the farmers/farmworkers with regards to the latter's rights in land.
- Land reform involves the “transformation of the agrarian structure.”
- Agrarian reform is considered broader than land reform.
- While land reform is simply a statutory division of agricultural land and its redistribution to landless farmers and farmworkers, agrarian reform goes beyond land reform to include improvement of tenure production and provision of support services.
- Agrarian reform requires governments to adopt policies with remunerative prices and to guarantee the democratisation of the means of production and control of trade.

Some imperatives of agrarian reform in developing countries:

1. Agrarian reform will increase production.
2. Agrarian reform will provide for the capital to industrialize.
3. Historically, it has been proven that agrarian reform is the answer to the communist challenge.

C. Formulating A Framework For Evaluating Institutional Reforms

According to Brillantes, “mainstreaming good governance does not only require capacitating individuals and institutions, but also providing the appropriate policy environment to institutionalize reforms”

Components of Capacity Development for Good Governance

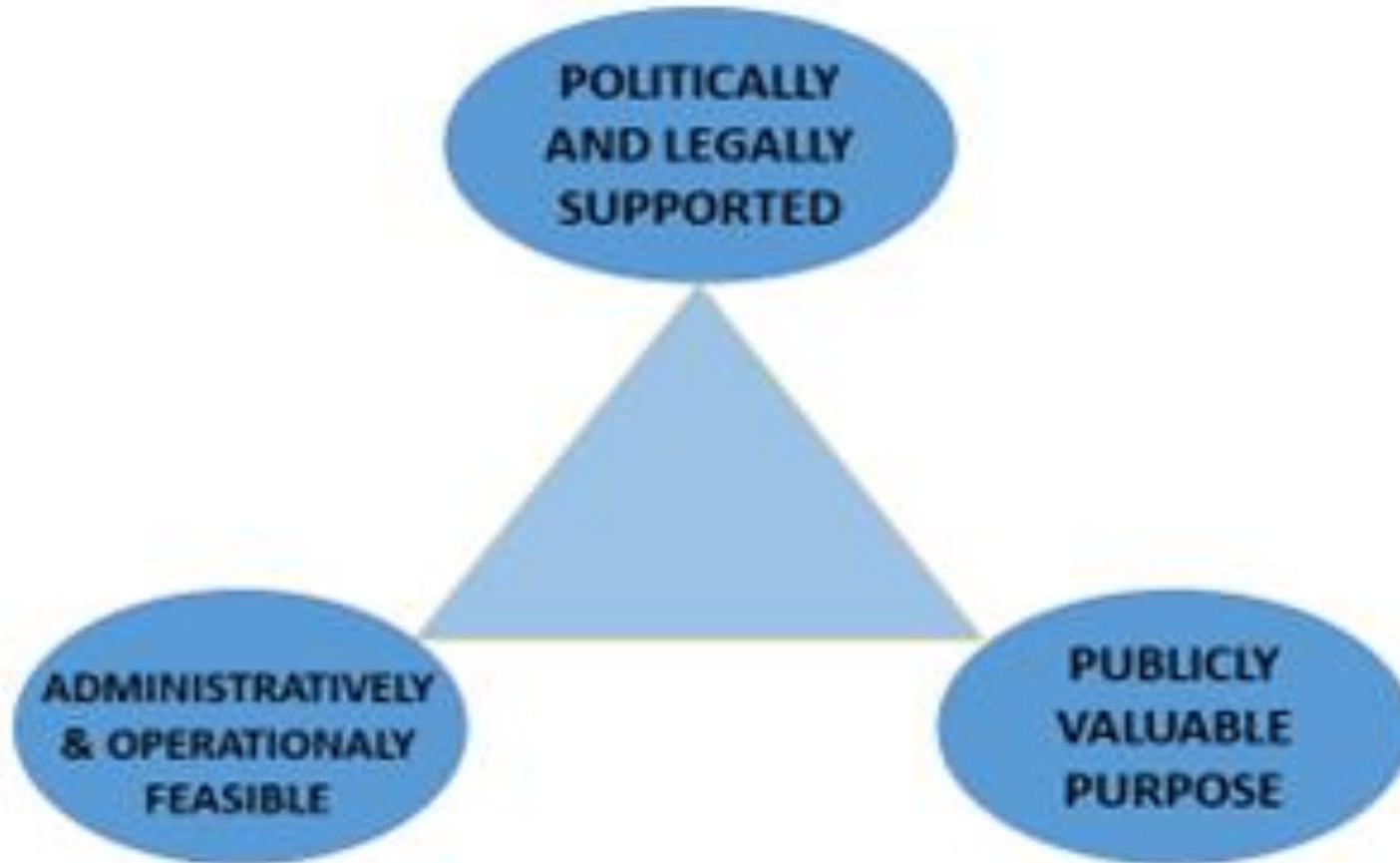


Source: Adapted from ADB 2003

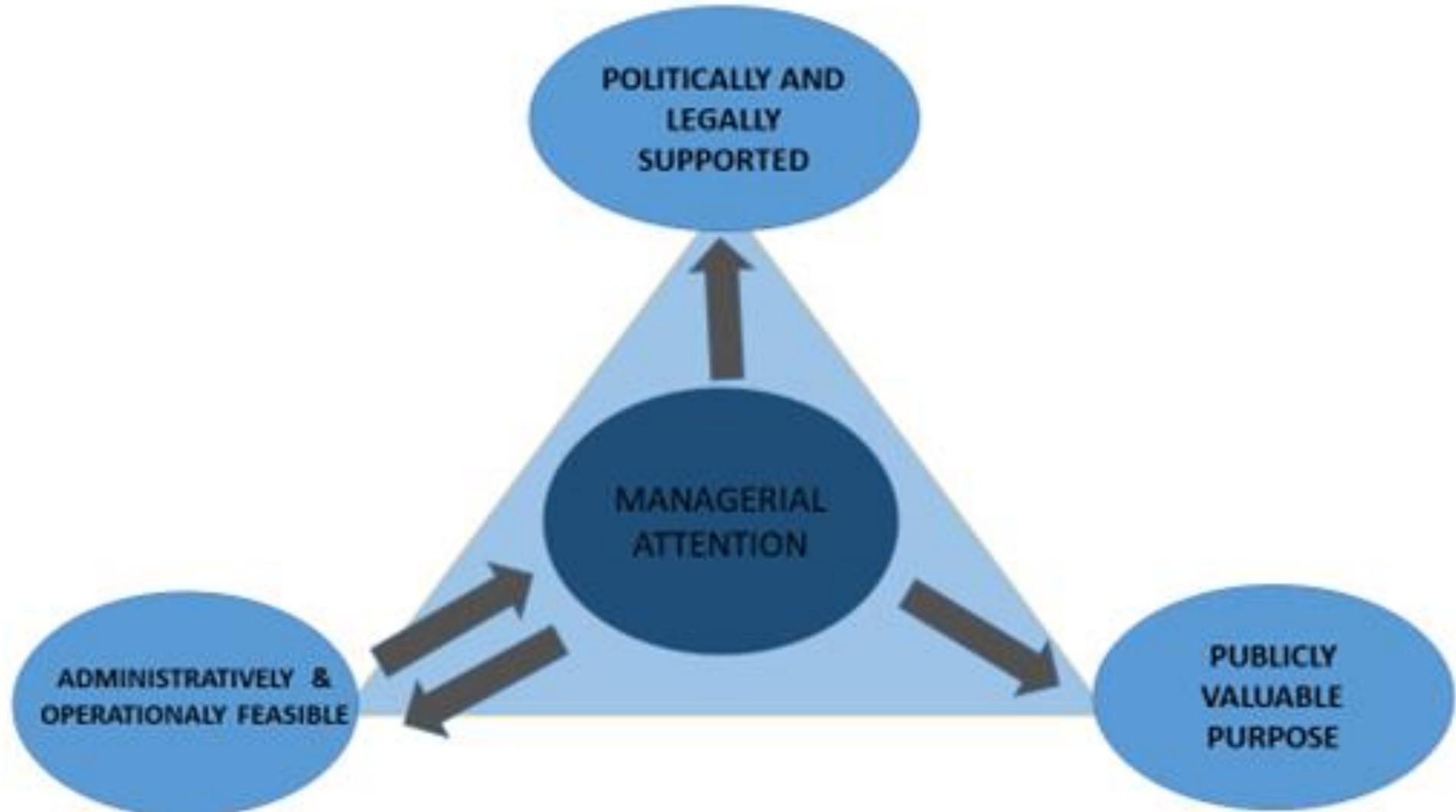
D. Creating Public Value

- ***Creating public value*** focuses on the “world of public management and leadership,” while
- ***Public value theory*** provides for “theoretical and practical issues that needs to be addressed if the concepts of public value are to be useful in guiding the efforts of government officials and other public leaders of the future.”
- The mission and goal of public sector can be summarized into what is called the “***strategic triangle***” wherein each corner of the triangle the public manager asks the questions:
 - Is the purpose of the program being implemented publicly valuable?
 - Is the program politically and legally supported? and
 - Is the program administratively and operationally feasible?

Public Value's Strategic Triangle



Managerial Attention On Public Value's Strategic Triangle



CONTEXT	TRADITIONAL PUBLIC ADMINISTRATION (1880s-1940s)	DEVELOPMENT ADMINISTRATION (1950s-1960s)	NEW PUBLIC ADMINISTRATION (1980s-1990s)	CREATING PUBLIC VALUE (1995-Present)	GOVERNANCE (20 th Century)
Institutional Level	Policy mandates define the purpose of the organization, provide resources (e.g., money and public authority), and authorizes to deploy resources	Formulation and implementation of developmental laws and policies	Not only to carry out the mandate of efficiency and economy, but to influence and execute policies that will "improve quality of life for all"	Interaction with the political system – wherein politics is made the center to solve conflicts" and to ensure that what government does have "public value"	It is "not something the state does to the society," but it is the way society and its members "regulate all the different aspects of their collective life"
Organizational level	"Drag on socio-economic progress due to routine, rule-bound bureaucracy and commitment to status quo"	"Oriented towards change, economic development, modernization in poor countries," to lift them from poverty, inequality and autocracy.	Emphasizes social-equity, client-orientedness, non-bureaucratic organization – in a turbulent, uncertain environment."	Maintains that "PA is to remain relevant to the future."	Basic element of governance is accountability, participation, predictability and transparency
Individual/ Managerial Level	"Gun-for-hire bureaucrat" who is traditional, impersonal and neutral	"New administrator" takes on a variety of new tasks often unorthodox	"Pro-active administrator" committed to good management and	"New public manager" who defines organization's overall purpose and	Public manager to "steer" (or setting policies) rather than "row" (or deliver)

E. Institutional Development and Creating Public Value

- Institutions are often creations and instruments of the powerful elite, and usually discriminated against the poor (DID 2003 as cited in Mangahas 2005).
- **Institutional Causes of Poverty in the Sectors of Economic, Legal, Political and Social**

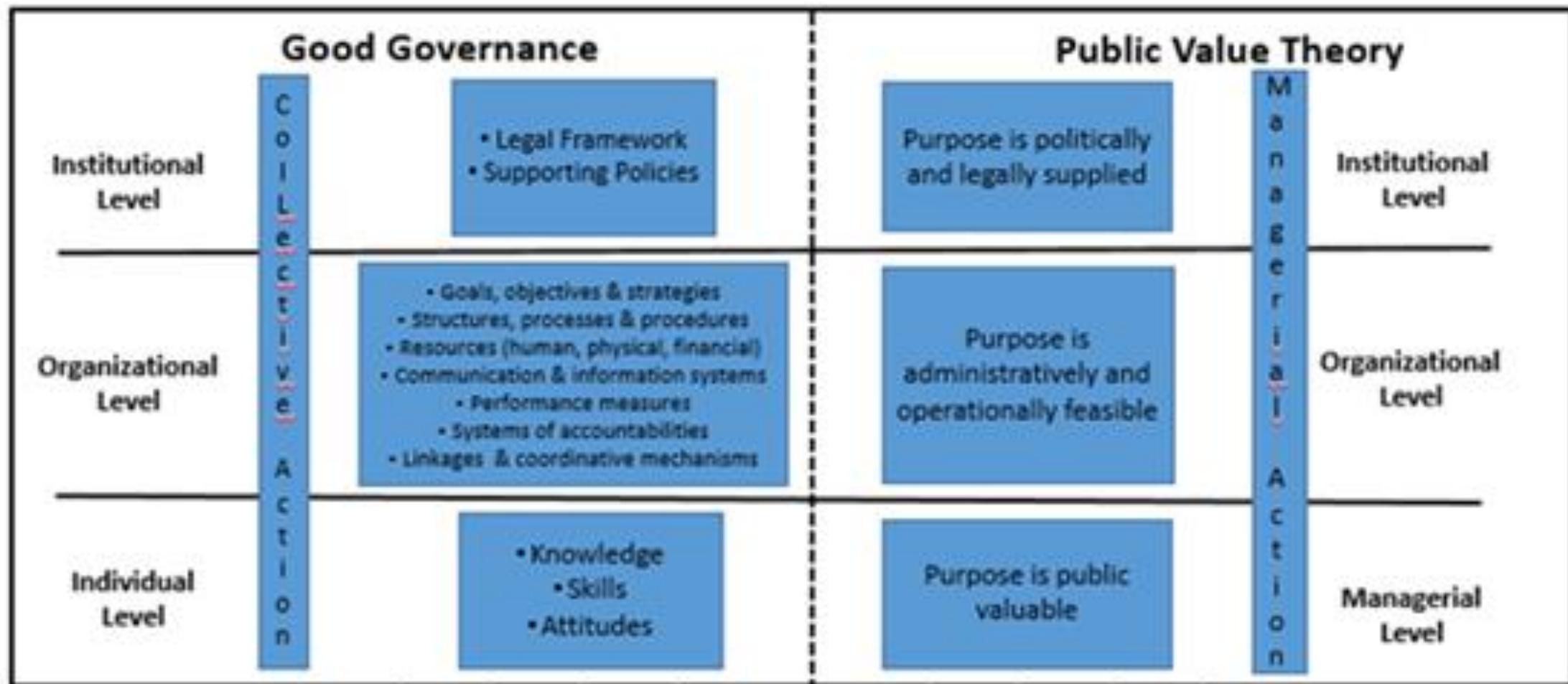
Sector	Institutional Causes
Economic	inadequate funding for basic services, inefficient allocation and use of resources, debt burden, weak planning and budgeting link, lack of competitiveness, weak revenue generation capability, and poor access to credit
Legal	poor regulatory framework, corrupt administration of justice and law enforcement, policy conflicts/gaps, and closed system of policymaking
Political	political instability, strong patronage system, highly politicized civil service, corrupt leaders
Social	low labor productivity, employment, poor work ethic, high incidence of crime, insurgency

Key Principles Underlying Institutional Development

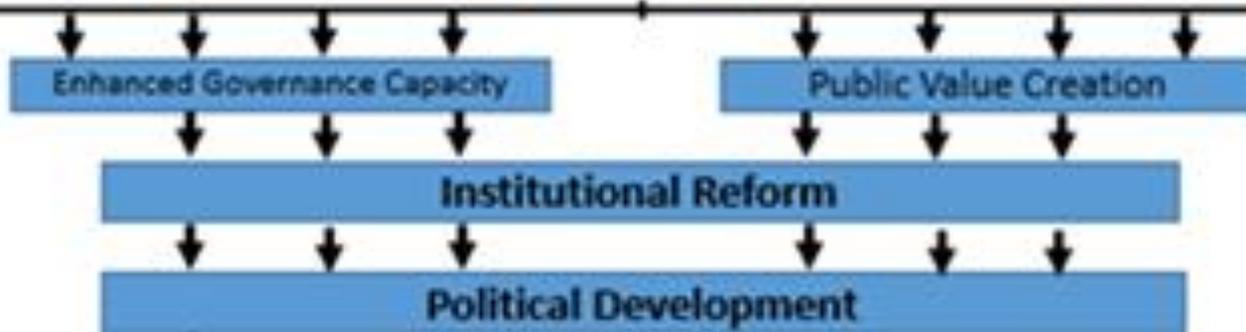
Area of Concern	Key Questions	Key Principles
Outcome focus	What are we trying to do and why?	<ul style="list-style-type: none"> • Change intervention must be driven by focus on desired outcomes
Timeframe	How long should it take?	<ul style="list-style-type: none"> • Change process takes time • Unrealistic change process and schedules will fail • Getting real stakeholder participation is vital and especially time-consuming
Context	Where do we start?	<ul style="list-style-type: none"> • Institutional development must start from and be constantly informed by current social, political, and cultural realities • The precise entry point will need to take into account the overlapping nature of institutions at different levels (local, national and international)
Participation	Whom do we work with?	<ul style="list-style-type: none"> • Identifying and managing stakeholders are critical
Accountability	When will we know we have accomplished the task?	<ul style="list-style-type: none"> • Need to ensure that the reform process is meeting its objectives • Is the institutional change facilitating the achievement of desired outcomes? • Accountability is heavily dependent on regular flow of information

Creating Public Value for Good Governance Framework

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F. Assessing the Institutional Reforms in the Implementation of CARP through the Framework of Good Governance and Public Value Theory

1. The Comprehensive Agrarian Reform Program

❑ The Agrarian Reform Communities Strategy and Support Services Provisions

- One innovative approach in the implementation of the CARP was the adoption of the so-called Agrarian Reform Community (ARC) strategy
- Conceived in 1993, the ARC strategy arose from a need to optimize the use of the limited financial and material resources of the government.
- The ARC strategy shows that land redistribution alone is not enough to liberate the small farmer from poverty.

2. CARP and the Legislative Branch of Government

- ❑ The legislation process took more than a year before the Senate and the House of Representatives passed CARP in 1988.
- ❑ Both Houses fought for their own versions of the proposal on land reform law, and the apathy they have for rural poverty are sharply manifested
- ❑ Apparently, during the deliberation of the CARL, the members of the House of Representatives and of the Senate can be grouped into two.
- ❑ There is the landlord- dominated House of Representatives, and the urban-based businessmen making up the Senate

3. Current Political Situation and CARP

- ❑ The current political situation of the CARP shows that it is difficult to implement a compulsory agrarian reform program under a liberal democratic regime, especially when the political life is dominated by parties of the “elite”
- ❑ The ARBs remain marginalized, particularly at the policy-making phase of the program
- ❑ Politically, one thing is sure though, that while the opponents of the agrarian reform (i.e., elites and landowners) had effectively weakened the CARP – they cannot kill the program outright!

4. The CARP's Effects and Impact

- ❑ Immediately after the implementation of a reform, the marketable surplus of agricultural products declines, mainly because the former landowning class ceases to provide the production support
- ❑ The program did not prioritize the acquisition and distribution of private agricultural lands through compulsory acquisition
- ❑ While the ARC strategy has been effective in addressing the challenge of productivity, this strategy has a negative bearing because it resulted into the “under targeting” of the poorest of ARBs who are not situated in the ARCs

4. The CARP's Effects and Impact (cont.)

- ❑ In the regression analyses in a poverty study, it was established that the ARC strategy, when properly implemented, would improve the economic conditions, social capita, civic entrepreneurship, and even democratic participation of the communities
- ❑ CARP's impact was not favorable in those areas where land reform has advanced least and where the delivery of services has been limited. The failure to fully link land reform and support services has been a key factor in limiting the poverty reduction effect of CARP
- ❑ Critical studies must be undertaken before redistributing lands in the sugarcane and plantation sectors. Abrupt land redistribution in the sugarcane sector, for instance, will hardly lead to an increase in productivity given the "economies of size" in production and of coordination cost at the mill-level.

4. The CARP's Effects and Impact (cont.)

- ❑ Impact and evaluation studies conducted by DAR and independent research groups have shown modest improvements in the productivity, incomes and assets of the ARBs
- ❑ Although it is true that in ARCs areas, the yields of the ARBs in ARCs remain only slightly higher than the national average, such yields are still below their true potential particularly when compared to productivity levels of other farmers in Southeast Asian countries

5. Lessons Learned From The CARP

- ❑ Agrarian reform is not simply land distribution
- ❑ Agrarian reform must involve the cooperation and participation of all sectors
- ❑ Access to land opens growth opportunities for farmer-beneficiaries, but does not necessarily translate into actual productivity
- ❑ Access to land must translate into tangible improvements within the shortest period of time, or else there will be a great risk of so-called "beneficiary defection," in which farmer-beneficiaries abandon their stake in the land and mortgage or sell it

6. Problems, Issues and Challenges on the CARP

a. Concerns with the Landowners

- Non-participation in and impairing the agrarian reform process
- Landlords have subverted the policy, evaded coverage by subdividing their farms or retaining the best parts of the land
- The effect of CARP on the landowner may often be harmful to rural growth. He stops investing in the land, and puts in only so much as he may reasonably expect to recoup within a short time.
- The landowners (i.e., individual proprietors and corporate farms) who were not complying to LAD, invested less in their farms in comparison with LAD-compliant landowners.

- ❑ Some corporate farms were observed to have been non-compliant with the provisions and agreements of the SDO

b. Concerns with the ARBs.

- ❑ Although the ARC strategy of DAR has proved to be an effective approach, studies show that there is an apparent neglect of ARBs located in non-ARCs.
- ❑ Varying amount of external supports from government and from different sources are received but the maximum utilization and maintenance of these supports were not sustained.
- ❑ Inability to gain access to enough capital and credit in order to achieve improvements in productivity.

Lack of access to credit and need for “input and output markets” had left the beneficiaries to the mercy of trader-lenders.

c. Concerns with ARB Organizations (ARBOs)

For ARB credit cooperatives/organizations that have credit line from the LBP and other similar government institutions, members’ loan repayment problems were encountered.

On non-land transfer schemes/options of CARP (i.e., Stock Distribution Option or SDO and leaseback arrangements), ARBs suffer from “unhealthy” relations with their partner corporate farms.

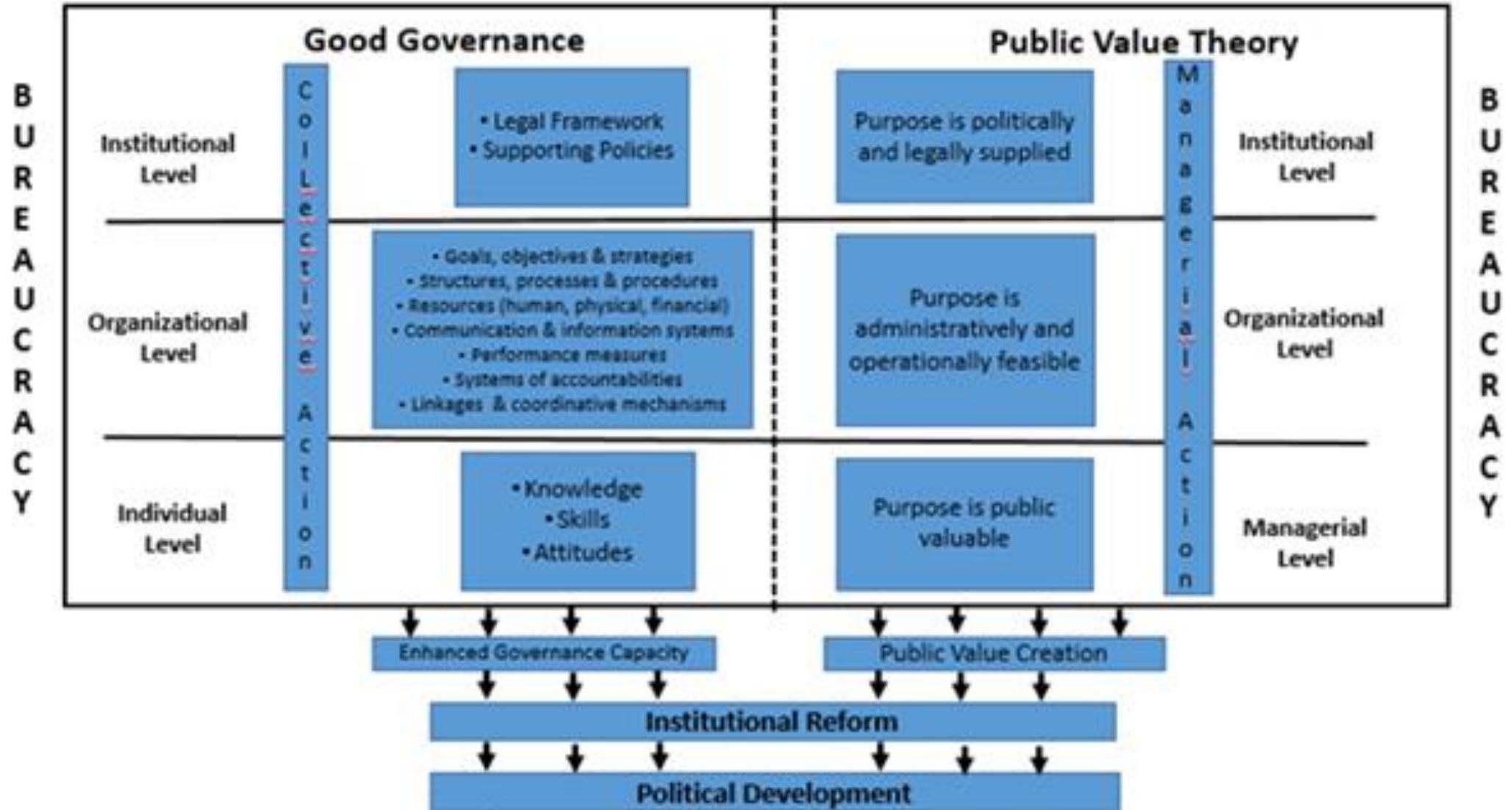
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- ❑ In ARCs where there are huge resources left and turned over to the ARBs by foreign funded projects (i.e., UNDP, JICA, etc.) that has been completed, the problem of selection of good leaders to manage the cooperatives or farmers' organization has been noted as early as the year 2000.
 - ❑ The majority of smallholder groups (such as irrigators' associations) are weak and nonfunctional, and largely limited to negotiation of production and marketing arrangements with suppliers and traders.

d. Other concerns

- ❑ The declining role of women were likewise noted as an issue in the CARP. In the 1990s the role of women was noted to be significant, especially in the area of making joint decisions with their husbands. This participation however went down in the 2000s
- ❑ Consciousness to environment concerns, as seen on the adoption of environment friendly technologies and conservation practices by the respondents, was observed to be minimal

7. Recommendations

Creating Public Value for Good Governance Framework



7. Recommendations

a. Institutional Level

- As to share tenancy problems, the DAR should help come up with legislative measures to legalize (and at the same time provide guidelines and rules to regulate) share tenancy
- Despite being established that the de-collateralization of agricultural lands has little effect on access to credit and to investment by both the landowners and ARB, it is recommended that the DAR should come up with policies and programs that will promote productivity-enhancing public investments
- A special order (i.e., executive or administrative order) should be issued to create a special bureau/office (not necessarily within the DAR) that shall handle on a full-time basis, the subdivision of the collective CLOA into individual CLOAs

b. Organizational Level

- Confront the poverty where it is highest in the rural, i.e., area where there is most concentration of rural poor like in coconut lands where farmers' agricultural income is very low
- Resources of the Departments (i.e., DAR, DENR, LRA, and ROD) in CARP implementation should be readjusted/realigned to prioritize the “more difficult” remaining private agricultural lands
- The estimated balance of about P31.56 billion to finance CARP is a huge amount. The procedures in the collection of ARB amortization should be thoroughly reviewed by DAR and the LBP to raise the collection rate of ARB payments.
- The redistribution of agricultural lands is not an assurance that poverty in the rural areas will be eradicated. An accompanying delivery of comprehensive support services is needed.

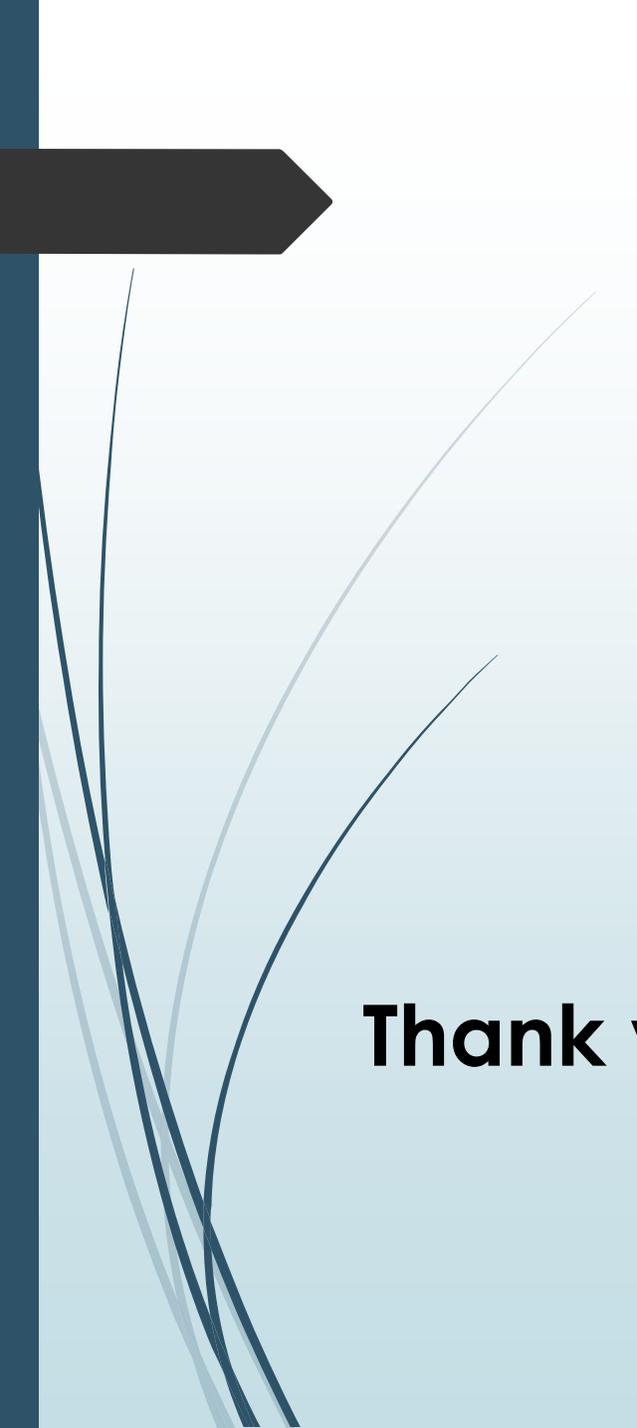
c. Managerial/Individual Level

- ❑ The “managers” of the departments (i.e., DAR, DENR and LRS) involved in the LAD component of the CARP, should work out ways “to bridge the gap in the LAD procedures” to minimize the delays in the processing of titles for land distribution.
- ❑ Guarantee provision of comprehensive support services for “smallholders agricultural development programs” with focus on technology, skills development and other related assistance
- ❑ Safety nets should be assured for ARBs, as suggested by Dr. Reyes of UP-NCPAG;
- ❑ The DAR through its DARPOs (provincial offices) should develop a program to encourage the former landowner to still “invest” on the agricultural land
- ❑ Lastly, CARP managers must involve the cooperation and participation of all sectors.

Conclusion

- ❑ In the absence an acceptable theory on public administration to guide implementation of important development program in terms of resource redistribution, “**Good Governance**” provides for a satisfactory standard to measuring the implementation of development programs.
- ❑ This theory looks into the functions of the three components of governance (i.e., **institutional, organizational** and **individual**) in relation to the capacities of the organization/government to implement asset redistribution programs.
- ❑ When this governance theory is buttressed or strengthened by “***creating public value theory,***” which focuses on the major role of the public manager and on his enhanced capacities to create public value, **a whole new theory** emerges that raises the chance for success of program implementation for development.

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- ❑ Theoretically, when the three levels of governance had worked in synergy within a bureaucracy, “*enhanced governance capacity*” results.
 - ❑ When a public manager operating in a bureaucracy recognizes how he could produce public value utilizing -- and to some extent exploiting-- what is available to him in the organizational and institutional levels, he achieves “*public value creation.*”
 - ❑ When enhanced governance capacity and public value creation mix together in a normal bureaucracy, it is expected that the individuals (i.e., managers and staff) implementing development programs could select the right institutional reforms that could work for the achievement of program goals



Thank you...