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Democracy, Decentralization and Higher Education: The Philippine Case

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Philippine democratization and its decentralization initiatives are studied to understand how it has empowered the local government, and if decentralization played a role in the demise of Philippine higher education, one of the most admired Southeast Asian higher education systems in the 1960s and 1970s. A documentary review of key decentralization policy documents, namely, the 1973 and 1987 Philippine Constitution and the 1991 Local Government Code, together with a review of key Philippine higher education reforms, is conducted. The study explains that there is a transfer of fiscal, administrative, and political power to local governments. Philippine decentralization initiatives, however, have design flaws that facilitate recentralization, uneven power distribution, and together with non-compliance of policies, political dynamics resulted in the demise of the state's higher education sector. This influence is seen directly in increased diploma mills brought about by the proliferation of private for-profit higher education institutions and the establishment of local universities and colleges by the local government units. Indirectly, its influence is seen in the tri-focalization of education, privatization, rationalization, and the granting of deregulation and autonomy to accredited higher education institutions.

Keywords: *decentralization, Philippines, higher education, higher education reforms*

Since the fall of the Soviet Union, the world has witnessed an increased tendency to implement democratic government systems. Along with the democratization trend, decentralization has been gaining ground not only in governance structures but also in certain sectors—for example, health care, and in higher education. Often accompanying the shift along the political/economic continuum (socialist to capitalist or centrally planned to market economy), decentralization occurs in varying degrees in different sub-sectors of the state.

Understanding why and how states adapt various forms, levels and combination of democracy, and decentralization is a worthwhile academic endeavor. The systemic relationship between democracy, economic development, and decentralization may hold the key towards understanding decentralization's contribution to the success or failure of a particular sub-sector, higher education in this particular case.

The Philippines, being the first East Asian democratic country to undertake a major decentralization program, presents an interesting case study to understand decentralization's impact on the deterioration of its higher education sector. The state's strong democratization history and decentralization initiatives have preceded the drafting of its 1987 Constitution and Republic Act (RA) 7160, also known as the 1991 Local Government Code (LGC), considered as the Philippines' major decentralization initiative.

Document analysis (e.g., the 1973 and 1987 Constitutions and the 1991 LGC), a slight historical overlay, and a review of Philippine higher education reforms are used to study the fiscal, administrative, and political dimensions of Philippine decentralization and its impact on its higher education sector in an attempt to answer the following questions: how does decentralization empower the local governments and how does this affect the higher education sector? Did decentralization play a role in the demise of the Philippine higher education?

The paper is organized into four sections. Understanding democracy and decentralization presents the paper's theoretical framework, while democratization and decentralization in the Philippines introduce the case study, the legal basis of the state's decentralization, and the analysis of key documents. The section on Philippine higher education and decentralization analyzes the state's higher education reforms particularly the tri-focalization of education; privatization, local universities, and colleges (LUCs); and the sectors' rationalization, deregulation, and autonomy. The study's conclusions and recommendations for further research and improving decentralization initiatives follows and concludes the paper.

UNDERSTANDING DEMOCRACY AND DECENTRALIZATION

Democracy is often associated with governments and political structures whose authority, legitimacy, and power are derived from the people, directly or indirectly exercising these powers through periodic systemic representation exercise in the form of free elections (Becker, 1958; Barro, 1999). The degree of equality, freedom, and representation, however, differ depending on the type of government, classified in terms of form (e.g., authoritarian, totalitarian and liberal democratic), structure (e.g., presidential or parliamentary), or the relationship between local and central governments (e.g., confederal, unitary or federal) (Lam, 2009). For this paper's context, democracy is defined as a political regime, regardless of form, structure, and local/central government relationship, where authority, legitimacy, and power are derived from the people through the process of periodic free elections.

Decentralization evolved from its original focus of reducing the public sector during the stagnant economies and inefficient bureaucracies in the 1980s, privatization in the mid-1990s, and in local governance in the late 1990s. Democratic political shifts, domestic political dynamics, and neo-liberal economic policies–often supported by multi-lateral agencies–reinforce the decentralization process, thus making it a global trend (Rondinelli, 1990; Schneider, 2003; Romeo, 2003). Decentralization's support comes from the notion that shifting decision making to stakeholders increases efficiency, accountability, and transparency in policy making and public service delivery (Hiskey & Seligson, 2003; Sharma, 2005; Balisacan, 2006; Tayao, n.d.).

Decentralization, on the other hand, is defined as the transfer of powers from central to local government. Democracy and economic development, its driving forces, require the redistribution of resources from central to lower governance levels (Schneider, 2003; Sharma, 2005). However, its political/corporate nature comes into play within central/local and intra-local government relationships.

The complexities of decentralization need to be seen within its three dimensions: fiscal, administrative, and political decentralization, which refers to fiscal capacity, administrative, and local/private governance in relation to central government's control (Schneider, 2003; Sharma, 2005). Fiscal capacity is the local government's capacity to generate its own revenues and deliver basic public services; administrative autonomy is seen in terms of general policymaking authority and personnel control; and political governance is the degree of representation of local civil society and their requirements (Rondinelli, 1984, as cited in Schneider, 2003; Sharma, 2005).

The degree of decentralization can be seen in a continuum of increasing degrees: deconcentration, delegation, devolution, and divestment (Rondinelli, 1990; Sharma, 2005), which correspondingly has decreasing degrees of central/local government relationship from a hierarchical/bureaucratic, contractual, and an arm's length relationship, respectively. Deconcentration involves transferred responsibility for policy dispersal from central to field offices, while local government holds policy responsibility and remains accountable to central government in delegation. Local governments are allowed to exercise power and control over devolved responsibilities and accountable only in terms of having that responsibility removed and corresponding resources withheld by central government in devolution. Divestment often involves transferring entire responsibilities in the form of privatization (Schneider, 2003).

With the simplification afforded by the three dimensions and degrees of decentralization, analyzing decentralization's contribution to a nation's sub-sector would also require understanding the interactions between its different dimensions. The next section presents a brief historical overview and the key documents of Philippine decentralization, which serves as the background for the analysis of various higher education reforms presented in a later section.

DEMOCRATIZATION AND DECENTRALIZATION IN THE PHILIPPINES

The Philippines' long history of democratization, defined as the search for equality, freedom, and representation, starts from its colonial times with its fight for independence and is still ongoing in its current modern political state with the various people power movements since 1986. Major democratization events in post-independence Philippines, included the martial law period in 1972, the first people power uprising in 1986, and the impeachment of the former President Joseph Estrada in 2001, have substantially slowed, disrupted, or even reversed previous government programs and initiatives. For example, higher education including tuition and fees were heavily regulated from 1969 until the later part of the Marcos regime, transitioned toward deregulation during the Aquino administration (1986-1992), and full deregulation at the start of the Ramos administration (1992-1998), encouraging the establishment of new institutions (Gonzales, 1997). However, higher education was later re-regulated and required consultation prior to any tuition fee increase (CHED Memo No. [CMO] 13) in February 1998. A national inflation rate indexed tuition fee cap (CMO No. 14) in 2005 and a reversion to the 1998 ruling was seen in February 2007. This shows impermanence in Philippine policies and its tendency towards policy reversals.

The Philippines' highly decentralized village governance system became a highly centralized governance system during its Spanish and subsequently American colonial period ensuring their colonial rule. Democratization, economic development, and the country's geographic situation provided strong catalysts for decentralization initiatives in the post-independence period, including Republic Acts No. 2264 and 5285 (Local Autonomy Act of 1959 and the Decentralization Act of 1967), which granted fiscal and regulatory powers and increased the financial resources and powers of the local governments, respectively (De Guzman, 2007).

The Philippines, a presidential republic, is a unitary government with a bicameral legislature consisting of the Senate and the House of Representatives and a separate judicial branch with its constitution serving as its legal basis of governance. Furthermore, the Philippine Constitution also defines the legal personalities, rights and limits of self-administration of both national and local government units, particularly to ensure meeting the needs of its constituents (Zaharia & Bilouseac, 2009). The next sub-sections present the legal basis of Philippine decentralization and its three dimensions to provide the background and analytical framework of this paper.

The legal basis of Philippine decentralization

The political/corporate structure, authority to create own source revenue (OSR), and levy taxes (subject to limits of the law) are defined by the Philippine 1973 (and 1987) Constitutions, with local government units (LGUs) divided into provinces, cities, municipalities and barangays (1973 art. 11 sec. 1, 4 & 5). The autonomy of the LGUs is guaranteed and supposedly promoted by the state, which is tasked with the provision of adequate social services, including education, to the people (art. 2 sec. 7 & 10).

The 1983 Local Government Code, mandated by the 1973 Constitution, initially provided the initial institutional framework for the LGUs' structure, powers, responsibilities, resources, and corresponding accountabilities, including a system of election and recall. The Marcos authoritarian rule (1965–1986), however, had the central government dictating fiscal decision and administrative procedures often delegated to the LGUs, resulting to a weakened local government (Rondinelli & Montgomery, 1990; Bahl & Miller, 1983 and Bahl & Schroeder, as cited in Balisacan, 2006).

The Philippines' authoritarian experience and its recovery from economic crisis in the mid-1980s brought overwhelming support to the Aquino government's (1986-1992) decentralization platform, which is seen to prevent future authoritarian rule (Guevara, 2004). After the regime change, local governance provisions were strengthened by the 1987 Constitution that included the automatic release of internal revenue allocations, term limits for local and national public offices, and sectoral representation in local legislative bodies (1987 Constitution art. x sec. 6, 8 & 9). The 1991 local government code (LGC) also strengthened LGUs fiscal, administrative, and political powers that were granted by the 1983 LGC to facilitate greater representation, participation, and increased efficiency in the provision of public services.

The three dimensions of Philippine decentralization

Fiscal decentralization in the Philippines includes the devolution of various public service provisions (e.g., tertiary healthcare, agriculture and industrial research, local infrastructure, social welfare services) to local governments and the allocation of various revenue source including internal revenue allocation, the allocation of tax powers (e.g., real estate, special education fund, amusement and franchise tax), and own source of revenue capacity.

The central government retains authority for income tax, customs and excise tax, and value added taxes. It is required to automatically allocate 40% (from 20% based on 1983 LGC) of all internal revenue collections, calculated with a three-year lag, to the local governments based on a formula: land area, population, and income. In addition, the central government has the authority to adjust the internal revenue allotment (IRA) downwards by 10% subject to certain national macroeconomic conditions and set tax bases and tax rate ceilings for the LGUs, which can only be adjusted to a maximum of 10% every five years (Balisacan, 2006; 1991 LGC).

The 1991 LGC set fiscal powers facilitate unequal distribution of revenue generation powers in favor of the cities, resulting to a number of municipalities converting into cities. Municipalities can only receive 40% of real estate taxes it collects based on the provinces authority, while the business taxes it collects are based on business types and gross receipts with the producers having a heavier tax burden. Cities, however, can impose both provincial and municipal taxes, with the option to increase tax rates by 50%, while barangays are only granted nominal tax powers (e.g., outdoor advertisements and recreation fees and taxing retailers) (Guevara, 2004).

A complex tax structure, costly and complicated administrative system, non-revision of real estate assessment values, and the inequitable distribution of IRAs being a disincentive for the mobilization of local government revenues creation are just some of the weaknesses within fiscal decentralization in the Philippines (Manasan & Villanueva, 2006). Central-local government relationship results to access to the already underinvested national infrastructure network, the allocation of additional resources and development capacity (e.g., special economic zones). Additional resources from the national government to favored cities are often a result of its inherent advantages of an educated human resource pool, excellent infrastructure, a strong economic base, local governance capacity, and an excellent socio-political relationship with local, national, and even the international community.

Administrative decentralization comes with the LGUs and their legislative bodies' authority to manage its human resources and create administrative, fiscal, and regulatory ordinances. Approval from the Department of Finance or the Department of Budget and Management are no longer needed as local revenue codes, budgets, and property valuations are done by the LGUs. The local chief executive even has the authority to temporarily hire casual employees without Civil Service Commission's approval subject to certain conditions and budgetary constraints. Political decentralization is also facilitated by the 1991 LGC with the local officials' duties, responsibilities, and powers and a system of election and recall defined and instituted, with a mandatory limit of three consecutive terms of three years set. Local representation is also promoted with the mandated 25% civil society participation in local development council and provisions for referendum and recall incorporated in the 1991 LGC.

Although there is a general agreement of improved fiscal capacity, administrative autonomy, and political governance because of decentralization (Diokno, 2003; Capuno, 2005; Guevara, 2004), the unequal distribution of these positive results has also been stressed. The Philippines' decentralization initiatives have a number of flaws and weaknesses related to LGC design flaw, non-compliance, and local and national political dynamics.

The LGC design flaws include encouraging fiscal dependence on government grants (e.g., IRA), inequitable distribution of tax powers, lack of a strong performance evaluation system for LGUs, and the central government's ability to intervene in LGUs administrative affairs (e.g., Executive Order 611 on March 2007 mandating a 10% salary increase for the public sector including LGUs) (Diokno, 2003; Capuno, 2005; Manasan & Villanueva, 2006; Manasan & Castel, 2010). Non-compliance of LGC specification can also be seen in the required sectoral representation in the local development councils, devolution of the administrative departments (e.g., health, agriculture and social welfare) to local governments, and the re-nationalization of devolved functions and responsibilities (Diokno, 2003; Capuno, 2005).

Local and national political dynamics, including their frequent change of administration and policies, play a major role in creating a flawed system of political and administrative checks, increasing political and resource inequalities in local governance, and the lack of local political will (Blair, 2000; Capuno, 2005). Aside from the instability of the Philippine government and its policy directions as discussed earlier in this section, the country's local and national elections are notorious for their informal guns, goons, and gold policy, political dynasties retaining control, and circumventing term limits through its practice of rotating family members over various electoral and even appointed public positions.

This section painted a historical and documentary background on Philippine decentralization aimed to aid in the understanding and analysis of Philippine Higher Education and its decentralization. It also presented the political and corporate nature of the country's decentralization initiative, which should be relevant in understanding its influence on Philippine higher education.

PHILIPPINE HIGHER EDUCATION AND DECENTRALIZATION

Although higher education is not a devolved function under the Philippine decentralization program, it is nonetheless comprised of a multi-tier system, both in terms of governance and higher education institutions (HEIs), decentralizing various aspects of higher education. This section will briefly introduce the Philippine higher education system and discuss its decentralization in four sub-sections: tri-focalization of education (deconcentration); privatization (divestment); local universities and colleges (devolution); and rationalization, deregulation, and autonomy (delegation).

Philippine higher education is composed of public and private HEIs. Public HEIs include the chartered state universities and colleges (SUCs), CHED supervised non-chartered public HEIs and LUCs, which are established and financially supported by the local government. Private HEIs are either sectarian (usually non-stock and non-profit) or non-sectarian, primarily owned and operated by religious organizations and private entities respectively (Viray & Perryer, 2008). The deteriorating state of the Philippine higher education system is a far cry from the 1960s, when it was considered the educational capital of the Southeast Asian region with the best HEIs for social sciences and agriculture (Isagani 1997, as cited in Gulosino, 2003). The quality of higher education in the country, however, ranges from the public and private diploma mills to the private sectarian HEIs in Metro Manila, and the University of the Philippines, the country's national university.

Decentralization in Philippine higher education, especially with its multiple tiers of HEIs, came as a result of a number of factors: colonial heritage, democratization, economic development, and the enactment of the 1991 LGC. Private sectarian HEIs in the Philippines started during the Spanish period with the establishment of the University of Santo Tomas in 1611. Public higher education and private non-sectarian HEIs, resulting from the Filipinos' demand of state and Church influence free higher education, only came during the American period and the early 1900s, respectively. The proliferation of private for profit HEIs came in the post-independence period to meet the needs of the ravaged nation, while the LUCs were established post-1991 LGC to fill higher education gaps in the local communities (James, 1991; Joshi, 2007).

Global higher education challenges (e.g., access, equity, quality and relevance) have also strained the country's tight fiscal position forcing it to look for more efficient and effective means of delivering higher education. In fact, the Congressional Commission on Education (EDCOM) in 1992, the Philippine Commission on Education Reform (PCER) in 2000, and the Philippine Task Force for Education (PTFE) in 2007 recommended higher education reforms to focus on governance, financing, access, equity and relevance, and quality assurance, in line with global higher education trends. These higher education reforms can be seen from a decentralization perspective and presented in subsequent sub-sections: the tri-focalization of higher education; privatization; local universities and colleges; and rationalization, deregulation, and autonomy.

Tri-focalization of Philippine education

Tri-focalization of education is a deconcentration of education and higher education from the central government to the various agencies and LGUs. Democratization, decentralization, and efficiency were the central themes leading to the 1987 Constitution and the 1991 LGC and the EDCOM 1992 report, whose major contribution was the tri-focalization of Philippine education. Control of the education sector was transferred from the former Ministry of Education, Culture and

Sports to three separate agencies: Department of Education, Culture and Sports (DECS), Technical Skills Development Authority (TESDA), and the Commission on Higher Education (CHED), responsible for elementary and secondary, post-secondary and vocational, and higher education, respectively.

CHED, established by RA No. 7722 (Higher Education Act of 1994), has significant fiscal and regulatory powers given its responsibility for the development, supervision, and regulation of the higher education system. Its functions include recommending public HEIs' budgets to the Department of Budget and Management; administering the higher education development fund (sec. 10 RA 7722); developing criteria for additional resource allocation; and reviewing HEIs (including SUCs) charters, chairmanship, and membership of their governing bodies (CHED). CHED's regional offices located in key cities function as extension offices effectively deconcentrating administrative and regulatory functions that include dissemination, implementation, and regulation of head office-developed guidelines, standards, and policies.

The physical location of CHED regional offices in key cities facilitated the often-justified preferential treatment SUCs and private HEIs get in the allocation of resources, conversion to universities, and granting of deregulated or autonomous status. The student population density, economic capacity of its population, and infrastructure significantly justifies increasing SUCs and private HEIs within these key localities at the expense of access and quality of higher education to less prosperous localities.

Although the tri-focalization of education increased focus on each sub-sector, little comprehensive effort on planning and developing the entire sector in national, regional, and global macroeconomic requirements has been initiated. This lack of collaboration brings a cyclical quality problem of insufficiently trained secondary school graduates, improperly trained teachers, and irrelevant programs. Furthermore, CHED is focused on its regulatory function rather than its development function, taking precious human and financial resources from directing the country's higher education development path (World Bank, 2003). Noticeably, it was the Congressional or Presidential commissions (e.g., EDCOM, PCER and PTFE) initiating major higher education reform programs over the past decades, and usually with the collaboration/advice of multi-lateral development agencies.

Recognizing this problem and upon PCER's recommendation, the National Coordinating Council for Education (NCCE) was established in August 2000 to institutionalize the initial coordination efforts of the agencies concerned into the system of national coordination, planning, and monitoring the entire education system. The NCCE was later abolished and its functions transferred to the Office of the Presidential Assistant for Education upon recommendation of the PTFE, a multi-stakeholder task force established in 2007 (Presidential Task Force for Education [PTFE], 2008).

Privatization

Privatization of higher education is part of the central government's public sector fiscal reduction plan by divesting to the private sector the responsibility of providing provisions for higher education. In the 1900s, private non-sectarian HEIs were established as part of a democratization movement in search of state and religious influence-free HEIs. In recent decades, however, private non-sectarian HEIs—driven by global economic pressures, higher education trends, multi-lateral, and national policy advocacies—have become economic enterprises while filling the higher education gap left by the public sector. Globalization, shifting patterns of production, and the advent of the human capital/knowledge-based driven economy discourses pressured higher education systems worldwide to increase access, equity, and its economic relevance, without necessarily increasing public expenditures.

Higher education was viewed by the global development community as inferior to primary and secondary education in terms of its rate of return to the nation (Collins & Rhoads, 2010) and until the early 2000s, multilateral agencies have been calling for reduced public investment in higher education. UNESCO's Education for All, advocating basic education for all worldwide, have also contributed to the decreasing interest and funding in higher education, while ironically increasing higher education demand. Multilateral agencies policy recommendations such as cost recovery (e.g. tuition fees), deregulation, privatization, and shifting costs to its consumers (e.g. students and industry) provided leverage for national policy makers to augment its tightening fiscal budget creating a vacuum willingly (but selectively) filled up by the private higher education sector.

Private higher education in the Philippines are composed of both sectarian and non-sectarian HEIs with the latter usually being for profit institutions. Private HEIs often rely on tuition fees to cover operating costs, offer programs in demand, and those that require minimal investment. This leaves a gap in the higher education sector to be filled by the public higher education sector. Furthermore, quality higher education in the Philippines, with the exception of key SUCs like the University of the Philippines, is often equated with high tuition fees especially in major cities.

Education, especially higher education, has always been seen by the Filipinos as the key to poverty alleviation and social mobility. As such, the Filipinos make substantial efforts to send their children to the best HEIs possible. SUCs and quality private HEIs admission criteria, however, are skewed to the financially privileged and the academically adept leaving out majority of the secondary school graduates from the inferior public education system. Furthermore, the revocation of tuition fee hike caps on February 2007 only increased the financial barriers of those planning to attend private HEIs.

Higher education enrollments have been increasing from 2,279,324 (1998/1999) and 2,402,315 (2004/2005) to 2,770,965 (2009/2010) with a predominant private higher education having a decreasing share of 71%, 65.89% and 61% in 1999, 2005, and 2010 respectively. On the other hand, SUCs and LUCs share has been increasing from 23.9% and 2.27% in 1999 to 31% and 2.86% in 2005, respectively. The number of Philippine HEIs increased from 1,890 (2005) to 2,180 (2010) with the number of SUCs, satellite branches, and LUCs increasing from 111,271 and 50 to 110,388 and 93 respectively, while the private sectarian and non-sectarian HEIs increased from 340 and 1,103 to 324 and 1,249, respectively (CHED, n.d.). A 4.89% or even 10% increased share in 2010 higher education enrolments from 2005 and 1999 cannot justify a 35.8% increase in public HEIs, especially within an inefficient public higher education sector characterized with higher unit cost per student, higher government subsidies, and lower tuition fees compared to the private sector (Balisacan, 2006).

Privatization as a vehicle to reduce public sector burden on higher education is limited to its economic feasibility especially for the private for profit HEIs that has been proliferating since the post-independence period. Gaps filled by private HEIs are selective based on economic considerations, leaving the non-profitable gaps filled by SUCs and LUCs as supported by the above empirical data. Increasing an inefficient public higher education sector is not only irrational, but leads to the reversal of earlier gains from privatization. Furthermore, it reflects how national and local political dynamics exploits loopholes within the system, and used to strengthen local/national level support for their own personal political ambitions.

Local Universities and Colleges

A number of LGUs established LUCs using fiscal, administrative, and political powers devolved to them by the 1991 LGC. LUCs are supposed to fill the higher education gap in response to their local constituents' demand for low cost quality higher education, especially for those lacking financial and/or academic capacity to enter private or public HEIs. The 1991 LGC (sec. 447, 458 & 468) allows the LGUs' sector-represented local legislative bodies to establish and operate post-secondary institutions, including LUCs, provided they comply with regulatory/supervisory agencies – CHED in the case of higher education (Dayrit, 2005). This is seen in the 121% increase of LUCs from 42 to 93 in 2001 and 2010 respectively (CHED, n.d.).

Minimal tuition fees of the LUCs and the LGUs' fiscal and capacity constraints, however, limit the LUCs capacity to comply with CHED's (CMO 32) minimum standards, which are infrastructure, laboratory, library, and a faculty of masters/doctorate degree holders. CHED, whose authority to supervise and control the LUCs, was recently confirmed by the justice department, questions the quality of the LUCs and is planning to convert them into community colleges or polytechnic schools (Chua, 2011; Ronda, 2010, 2011).

This conflict between CHED and LGUs reflects partly a design flaw in the 1991 LGC to explicitly state if LGUs are actually allowed to operate universities and colleges, which is a duplication of SUCs functions, and what *specific* conditions allows them to do so. Secondly, it shows non-compliance not only in the fiscal capacity condition of the 1991 LGC in opening post secondary institutions, but in CHED's LUC requirements to the extent of actually challenging CHED's authority to regulate and supervise them.

Rationalization, deregulation and autonomy

This sub-section presents a comprehensive overview of Philippine higher education rationalization efforts and its accreditation system, which, aside from assuring quality, is used to grant deregulated and autonomous status to select HEIs. The rationalization of higher education and the focus on quality and governance serve as a neural network for the various HEIs and the previous reforms discussed in previous sub-sections.

Public and private higher education cost and tuition disparity in the Philippines, spiraling private tuition, and the increasing number of public HEIs have increased public higher education budgetary and quality constraints (Santiago et al., 2002). To address these problems in April 2000, PCER's "Philippine Agenda for Education Reform" recommended key higher education reforms including the rationalization of SUCs and financing of higher education, student assistance and grants, faculty development, rationalization of curriculum with industry requirements, the establishment of the National Educational Evaluation and Testing System (NEETS), and a common accreditation standard with industry inputs.

The rationale was to ensure higher education provision only in priority programs and geographic areas not provided by other sectors, and fix the distortion between private (low cost/high tuition) and public (high cost/low tuition) higher education sectors (Philippine Commission on Education Reform [PCER], 2000). It was also seen to solve key problems in Philippine higher education such as poor national licensure exams performance, market driven programs/courses, quality of higher education lecturers/professors, and improve incentives to encourage further participation of the private sector (PCER, 2000; Santiago et al., 2002).

PCER's recommendations, however, were either not implemented or not being complied. Although a moratorium on establishing new SUCs and converting colleges into universities was issued in October 2000, the number of SUCs and their satellite campuses has been increasing. A normative formula for funding SUCs was only used in 2008, and the number of SUCs with income generated from their own resources is still negligible (National Economic Development Authority [NEDA], 2003; Lenn, 2004; PTFE, 2008). Furthermore, the minimum qualifications required (masters) to teach in HEIs are not strictly followed. PTFE's (2008) recommendations for higher education reforms including reengineering academic curricula to make it IT-enabled, market responsive and globally competitive, and ladderizing (bridging vocational and academic degrees) HEIs degrees (EO 358 & 694) are echoes of PCER recommendations for relevance and a more comprehensive education sector.

Ten years after the 2000 PCER report, rationalization efforts can even be seen in congress with House Bill (HB) 21 (Higher Education Act of 2010) increasing CHED's power to *control* private and public HEIs (e.g., impose sanctions, withdraw recognition, and authority; close programs; or institutions), and review SUCs charters and recommend revisions to congress. Furthermore, HB 363, institutionalizing the typology of Philippine higher education into research university, specialized research university, teaching university, specialized teaching university, college, and associate college.

The rationalization process, its non-implementation, non-compliance, and even the revival of its process including the drastic empowerment of CHED via congress, show the political/corporate nature of the higher education sector. CHED's increased power and authority over the entire higher education sector granted by congress, the central government's ability to influence higher education, and the increased congressional oversight to revise SUCs charters, via CHED recommendations suggests an alliance of power and a move towards centralization.

Deregulation and autonomy are forms of delegation where CHED delegates to deregulated and autonomous HEIs the power to determine and prescribe their curricula, offer the course/program, and establish branches without CHED approval although the former still need CHED's approval to offer a new course/program. Each Philippine HEIs governing board is responsible for formulating and approving policies, rules, and standards, with administration implementing policies and managing the institution. The SUCs governing board's power, due to RA 8292 (Higher Education Modernization Act of 1997), is limited and CHED's chairman is designated as Chair of all SUCs governing boards. In terms of governance, however, there are three different levels of autonomy—the SUCs, being autonomous based on their individual charter, the deregulated private HEIs, and the autonomous private HEIs, the last two are granted as part of the country's four level accreditation process.

The SUCs charter, however, limits its income generating activities, the use of its resources, and grants the Philippine President the authority to appoint the SUCs president and sectoral representatives. Central government and its agencies desire to hold on to power is evident in at least two cases. The lengthy process led to the University of the Philippines Charter of 2008 that ensured its academic freedom and institutional autonomy and revoked the Philippine President's appointive powers (University of the Philippines [UP], 2008; n.d.). Furthermore, CHED (CMO 40 (2010)) challenged SUCs autonomy by requiring CHED approval for all their courses and programs (Ronda, 2010), showcasing what institutional autonomy means in the Philippine's public higher education sector.

The CHED-recognized Philippine accreditation and quality assurance system started as a private initiative in 1957. Currently, it has four accrediting agencies under the Federation of Accrediting Agencies of the Philippines (FAAP), and each is responsible for various sub-groups of HEIs: the Catholic schools, non-Catholic schools, non-sectarian schools, and the public HEIs. Their four level accreditation system grants level three and four accredited HEIs deregulated and autonomous status respectively. The former has full administrative and curriculum deregulation, while the latter is autonomous from government control and supervision (PCER, 2000; Arcelo, 2003; Gonzales, 2006).

The private and public higher education governance discrepancy is seen with CHED's limited control of the private higher education sector in terms of finance, programs offered, and administrative matters in contrast to SUCs reliance on government financing and their individual charters directed missions. Central government and its agencies' reluctance to give up power are evident, but democratic initiatives toward deregulation and autonomy in higher education are probably the result of greater representation and participation advocated in the country's decentralization efforts.

SUMMARY AND CONCLUSION

Philippine democratization and economic development serve both as decentralization's driving forces and deter its implementation. The support to decentralization granted by democratization and economic development comes from the country's authoritarian experience, an inefficient bureaucracy, and the notion that decentralization will prevent future authoritarian rule, increase accountability, efficiency, and transparency in public sector management.

Decentralization initiatives design flaws, non-compliance, and political dynamics at the local and national levels, influenced by local economic and capacity disparities, often result to the inequitable distribution of decentralization's benefits. Philippine decentralization initiatives, however, empowered the LGUs in all three dimensions of decentralization in spite of its inequitable distribution of benefits. Increased fiscal autonomy and resources, decision-making autonomy, and accountability based on an empowered civil society resulted from fiscal, administrative, and political decentralization. The creation of the LGU funded and administered local universities and colleges is the direct benefit of LGU empowerment and the need to fill higher education gaps particularly for the financially and academically challenged constituents of their corresponding local communities.

Decentralization of higher education particularly the tri-focalization of education, privatization and rationalization, deregulation and autonomy resulted from other venues aside from local government empowerment. Arising from a strong support for decentralization, EDCOM recommended the tri-focalization of education to increase the focus on basic education and rode the decentralization frenzy of the 1991 LGC to legitimize and reduce opposition to the redistribution of the Ministry of Education, Culture and Sports' powers on education to the three agencies responsible, including CHED.

Privatization is a mixed influence of colonial heritage, democratization, and economic development challenges, with the latter as the major driving factor for recent higher education reforms. The central government's public sector reductionist policy and its privatization in higher education drive resulted to the country's dominant private higher education sector, where the return on investment is a major incentive in their program offerings. Furthermore, deregulation and autonomy granted to Philippine accredited HEIs was based CHED delegating its authority based on the privately initiated accreditation system established several decades before CHED's existence.

A decade after PCER, Philippine higher education is still rationalizing, reviewing non-implemented PCER recommendations, and congress have passed bills strengthening CHED's regulatory powers on the entire higher education system and establishing a typology to Philippine HEIs. However, the central government's re-centralization of higher education as seen with CHED's increased regulatory powers, the mandated appointment of the CHED chairman as SUCs governing council's chair, and setting the condition to effectively amend SUCs charters in the near future paints an ambiguous future for Philippine higher education.

Decentralization affects Philippine higher education not only directly in the form of the LGUs establishment of the LUCs, but also indirectly through the tri-focalization of education, privatization, rationalization, and the granting of deregulation and autonomy to accredited HEIs. Decentralization did play a role in the demise of Philippine higher education. The establishment of LUCs and the proliferation of low cost private for profit HEIs greatly increased the number of diploma mills in the country. Furthermore, the decentralization of higher education in the Philippines have been beset with systemic problems of political instability, lack of political will (e.g., non-compliance of reform agendas and desire to hold on to power), and the inequitable distribution of power and resources usually related to economic, political, and capacity disparities within local governments.

Recommendations

The systemic problems in Philippine politics such as political instability, lack of political will, and local and national political dynamics are key issues to be addressed prior to any successful and sustainable implementation of reform not only in the higher education sector. Political instability and the lack of political will usually result to incomplete or improper implementation of policy reform agendas as the momentum and support for such changes are often unsustainable. Furthermore, inequitable distribution of benefits from agenda reforms often results from local-national political dynamics leading to further increasing the economic, capacity, and political disparities currently in place between various local governments.

Instead of a recommendation, a challenge is forwarded toward ensuring sustainability and the equitable distribution of benefits within any policy reform agenda. Sincerity, open mindedness and political will are major challenges to face real systemic problems in the country's policy reform agenda and mechanism to ensure its sustainable, equitable, and effective results.

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