

## PUBLIC ENTREPRENEURSHIP AS A LOCAL GOVERNANCE STRATEGY IN DECENTRALIZING POLITY

- EXEMPLARY INITIATIVES FROM THE PHILIPPINES -

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### ABSTRACT

The current wave of enthusiasm given to the new prospects of public management rooted with business principles like public entrepreneurship has led to the transformation and the re-thinking of ways in the processes of the public sector administrative systems. The ambiguity of the concept of public entrepreneurship has given rise to demands for scholarly work in this relatively new field. The paper aims to unravel the conditions of public entrepreneurship becoming a local governance strategy in decentralizing polity in the local government of the Philippines.

The assessment of public entrepreneurship is premised on James Rosenau's (1992 : 14) three-dimensional theorizing on the analysis of governance - ideational, behavioral and political level. The ideational dynamics refers to the perception of public entrepreneurship; behavioral, the actions that support public entrepreneurship; and, political, the means to enact public entrepreneurship. The study focused on its assessment on three specific units of analysis in the Philippines, as three cases-in-a-case, the Province of Bulacan, the City of Marikina and the Municipality of Irosin.

The local government's perceived public entrepreneurship programs as geared towards community poverty alleviation, administrative reforms and business and industry assistance. The institutional programs assessed and identified in support of public entrepreneurship were organizational development in the province of Bulacan, the practice of managerialism in the city of Marikina and the local government-civil society synergy in the municipality of Irosin. The means to enact public entrepreneurship has been largely through policies and programs initiated by local chief executives, which consequently became a collective effort of the local government and the community.

While public entrepreneurship is found to be an important element of public management necessary for strategic local governance decentralization, public entrepreneurship is not viewed as a deliberate effort to decentralize polity but as vehicles for change in general. The study also highlights that the conditions for the emergence of public entrepreneurship is heavily influenced by local chief executive leadership and vision, continuity of programs and civil society participation. Further, the Philippines Local Government Code of 1991 and

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recent developments in governance and management like managerialism, client first orientation and improvements of administrative systems and procedures were also identified as contributory to the emergence of public entrepreneurship as a local governance strategy in the Philippines.

### 1. Introduction

We are in the midst of a silent revolution - a triumph of the creative and entrepreneurial spirit of human kind throughout the world. I believe its impact on the 21<sup>st</sup> century will equal or exceed that of the industrial revolution of the 19<sup>th</sup> and the 20<sup>th</sup>.

Jeffrey Timmons

As we begin the 21<sup>st</sup> Century, important changes in the way the public sector is managed and administered are taking place globally. The traditional belief that governance is the domain of government is being examined and re-evaluated. These paradigmatic changes were adopted in the 1999 World Conference on Governance where governance was defined as not just the state but going beyond it by including civil society and the private sector<sup>1</sup>. Alongside this new state - society relations, new possibilities and coping mechanisms for governance are being discovered. Further, the rise of New Public Management ( NPM ) as a result of the increased utility of private sector strategies into the public sector among others also gave rise to emergence of new models of public management reforms.

One of them is the transformation of governance as postulated by Osborne and Gaebler( 1992 : 1 ; Osborne and Plastrik, 1997 : 13-14 )through their re-inventing government thesis. They prescribed that government should not be banished but instead should be re-invented. Taking off from this perspective is a call for an entrepreneurial government. Public entrepreneurship provides promising possibilities for a radical reform of the bureaucracy<sup>2</sup>, which matches with the people's demand for an efficient, economic and effective government.

Usually it is contended that it is an imperative for public entrepreneurship to be defined, to provide a common language and mental frame in its understanding. The paper followed the paraphrased definition of public entrepreneurship of Roberts and King ( 1991 : 147 ) as the " process of introducing innovations- the generation, translation and implementation of new ideas- into the public sector." It is guided by the process of vision building, risk taking, pro-activity, sustainability, participation and innovation on the part of the organization, in this particular case, the local government units of the Philippines.

### 2. The Need for a Theory of Public Entrepreneurship

Contemporary discourses locate entrepreneurship in organizations and institutions; it also includes

entrepreneurship at the level of the individual. From these perspectives, the discussion of theories of entrepreneurship is made at the,( 1 )classical boundaries;(2 )at the current trend of entrepreneurship at the managerial and administrative boundaries;(3 )at the personal attributes boundaries focusing on the individual as an entrepreneur and(4 )public entrepreneurship as an NPM model.

The root word of entrepreneurship can be traced as far back as eight hundred years, to the French verb 'entreprendre' which means to do something and also means a 'between-taker' or 'go-between.' Richard Cantillon in the 1700s argued the need for direction, supervision, control, and a person that should bear risk. In 1800, the French economist Jean Baptiste Say defined the entrepreneur as someone who shifts economic resources out of an area of lower and into an area of higher productivity and greater yield. John Stuart Mill in the 1800s and David McClelland in the 1960s argued along similar lines. In the 1990s, the focus of research has been on the applications of entrepreneurship, which is predominantly managerial in nature. Further, the entrepreneur or the traits of the individual has also been increasing recently in literature.

From a classical perspective, entrepreneurship is viewed from the level of markets. Following the tradition of entrepreneurship stimulating economic growth, entrepreneurship is defined as the perception of new business opportunity in the market, Israel Kirzner ( 1979 : 8 ) a leading student of entrepreneurship once argued. According to him, there are two different aspects of economic activity. One is economic efficiency and the other, the discovery of opportunities. Entrepreneurs are able to identify the opportunities and the gaps in the market and establish the niche by which they can enter the market. In this sense, entrepreneurship derives its being and understanding from the business realm, as an enterprise.

Further, neo-classical economists viewed entrepreneurship as the creative response to inefficiencies inherent in the markets and firms. From this perspective, the entrepreneur thrive on ' others lack of effort ' and uses superior insights to fill gaps that existing firms fail to identify because of their passivity ( Llewellyn, et. al. 2000 : 5 ) This is the opportunity which entrepreneurs seeks and creates to further maximize economic profits for the enterprise. Following this argument, the entrepreneur can be viewed, as someone, who owns and manages the business, is an innovative and visionary individual who exploits a market niche.

In the managerial realm, the 1980s and the 1990s saw the embrace of private sector strategies into the public sector. Certain countries put a premium on customer satisfaction like the National Partnership for Re-inventing Government ( NPR ) of the United States or a priority on the distinction of policy making and execution as is the experience of the Next Steps Program of the United Kingdom. Entrepreneurship viewed from a market perspective have assimilated to the public sector following Reagan and Thatcher 's innovative management move of bringing in business people to improve the bureaucracy. The Grace Commission in the United States, which was comprised, of

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business people supported by the industry, assisted federal government in identifying bureaucratic waste in the 1980 s. In the United Kingdom, Margaret Thatcher upheld efficiency scrutiny of the public sector, taking off from the business experiences of her core advisers. These major events have led and contributed to the development of the study of entrepreneurship in the public sector from the vantagepoint of managerialism.

The meaning of the word entrepreneurship has evolved according to the development environment from classical to managerial applications. For example, J.B. Say s definition of an entrepreneur, as someone who ' uses resources in new ways to maximize productivity and efficiency ' is also coined as public entrepreneurs when we mean people in the public sector who do precisely this. When we talk about an entrepreneurial model, we mean a public sector that habitually acts this way - that constantly uses its ' resources in new ways to heighten both efficiency and effectiveness ( Osborne and Gaebler, 1992 : 19 ) Further, Van Mierlo ( 1996 : 3-5 ) implied that public entrepreneurship is an innovative management strategy which is a necessity in the public sector. In this sense, the public entrepreneurship is seeking organizational efficiency and effectiveness through applications of innovative management strategies.

Public entrepreneurship from a managerial perspective, therefore, fundamentally aim for changes in the( a )organizational structure;( b )administrative process that characterize its operations and the general directions it will embrace;( c )the development of a vision of governance; ( d ) empowering of the workforce, communities or the citizens; and( e )institute mechanisms that will focus on the needs and demands of the people whom they serve. Public entrepreneurship as seen from this perspective is accomplished by essentially removing organizational inefficiencies through entrepreneurial approach. In other words, public entrepreneurship provides the public sector and its leaders a very big managerial avenue and autonomy in implementing reforms.

Much of the effort to understand public entrepreneurship has led also to the study and focus on the individual characteristics of the entrepreneur. One aspect of entrepreneurship research is to describe individual attributes to be a factor to the achievement of the paradigm shift. The early work of McClelland( 1961 )which focused on the need for achievement as a personality characteristics of entrepreneurs, the field has examined a number of different traits like propensity to take risks, innovativeness, tolerance for ambiguity and their relative affinity towards vision building among others.

Public entrepreneurs are innovative. They break new ground, develop new models and pioneer new approaches. It does not require inventing something wholly new; it can simply involve applying an existing idea in a new way or to a new situation ( Doig and Hargrove, 1987 : 8 ). Public entrepreneurs also build vision for their organization. They create and inspire a clear picture of what the organization want to achieve and an image of the organization that all members can share in and

take pride in. They plan more in depth and focus strategically for the long-term. They see vision as preceding success and serves as the overall concept and compelling force of the organization (Senge in Weller and Hartley; 1994) rather than mere compliance to the plans set. Further, public entrepreneurs are proactive. They take action to influence their environment (Bateman and Crant 1993 : 103-105) It also may suggest going out of the job description to fill in perceived gaps in the work environment. Hartzell (2000) suggests that the key in pro-activity is taking the initiative to change the working environment. Proactive people don't wait for someone else to improve the environment for them.

Some evidence can also be found in the use of NPM that literature stressed in study of entrepreneurship from an integrative assessment perspective. The term NPM expresses the idea that a cumulative flow of policy decisions over the past twenty years has amounted to a substantial shift in the governance and management of the state sector. In giving NPM a shape, Michael Barzelay (2001 : 3-8) proposed two main branches- research and policy and doctrinal argumentation. The second branch deals with a focus on political and bureaucratic roles on one hand and guidance control and evaluation on the other. The operational concept of what administrators should do fall under the second branch of NPM. Rhodes (1998 : 19-31) further identified six key dimensions of NPM that existing literature suggests: privatization, marketization, corporate management, regulation, decentralization and political control. In effect, NPM is given support by public entrepreneurship as it identifies with these key dimensions of reforms espoused by Rhodes and on its operational concept of what administrators should do in the context of Barzelay's NPM branches. Public entrepreneurship, which is largely prescriptive, can utilize NPM in operationalizing innovative administrative and management programs.

In addition, Nagel (1997 : 350) argues that there are similarities in goals of NPM initiatives. Common to the reform movements is the use of economic markets as a model for political and administrative relationships. Similarly, across reform efforts and movements it is possible to observe the use of administrative technologies such as customer service, performance-based contracting and deregulation among others. Knit together as coherent whole, these technologies reinforce one another (Barzelay and Kaboolian, 1990, in Kaboolian 1998 : 190) Public entrepreneurship as a public management reform model is therefore reinforced by the NPM theoretical constructs suggested by Nagel, Rhodes, Barzelay and Kaboolian. Following this discourse, NPM provides the citizens a menu of available reform choices. Viewed from this context, public entrepreneurship can be regarded as one of the relevant reform choices espoused by NPM.

With the increasing global demand and clamor for public sector reforms and changes, entrepreneurship has evolved into a new form in the social, political and management realm that gives added challenge and unique attention to the political and governmental institutions for its use in

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public management. Public entrepreneurship is fundamentally transforming public systems and organizations to create dramatic increases in the effectiveness, efficiency, adaptability and capacity to innovate in the community where they operate. This is what Drucker often admonishes will be the most enduring challenge of the 21<sup>st</sup> century.<sup>3)</sup>

Table 1. Evolution of Entrepreneur and Entrepreneurship Theory

Time Frame	Theorist	Theory/Definition
Middle Ages		Actor (warlike action) and person in charge of large scale production projects
17th Century		Person bearing risks of profit or loss in a fixed price contract
1725	Richard Cantillon	Person bearing risks is different from one supplying capital
1797	Beaudeau	Person bearing risks, planning, supervising, organizing, and owning
1803	Jean Baptiste Say	Separated profits of entrepreneur from profits of capital, intended as a declaration of dissent were the entrepreneur upsets and disorganizes
	John Stuart Mill	The function of the entrepreneur is direction, supervision, control and risk taking
1876	Francis Walker	Distinguished between those who supplied funds and received interest and those who received profit from managerial capabilities
1934	Joseph Schumpeter	Entrepreneur is an innovator and develops untried technology. His task is creative destruction.
1961	David McClelland	Entrepreneur is an energetic, moderate risk taker
1964	Peter Drucker	Entrepreneur maximizes opportunities
1975	Albert Shapiro	Entrepreneur takes initiatives, organizes some social-economic mechanisms and accepts risks of failure
1980	Karl Vesper	Entrepreneur seen differently by economist, psychologists, business persons and politicians
1983	Gifford Pinchot	Intrapreneur is an entrepreneur within an already established organization
	W. Long	Three traits should be included in the definition of entrepreneurship; uncertainty and risk, complementary managerial competence and creative opportunism.
1985	Robert Hisrich	Entrepreneurship is the process of creating something different with value by devoting the necessary time and effort, assuming the accompanying financial, psychological and social risks and receiving the resulting rewards of monetary and personal satisfaction
1990	Allan Gibb	Entrepreneurship is variously used to describe an overall set of attributes of a person, describe a career or refer to a "practice" in large or small organizations
1992	David Osborne and Ted Gaebler	An entrepreneur uses resources in new ways to maximize productivity and efficiency. Public entrepreneurs are people who do precisely this. An entrepreneurial model means a public sector that habitually acts this way - which constantly uses its resources in new ways to heighten both efficiency and effectiveness.
1996	J.G.A. van Mierlo	Public entrepreneurship is an important element of the necessary innovation of strategic management of government bureaucracies.
1997	Isao Nakauchi	An entrepreneur brings innovation to society
2001	Dimitris Christopoulos	An individual that exhibit innovative drive, extreme inquisitiveness, intellectual curiosity and the determination to take the necessary risks. They could hold public office or be senior civil servants.

Source: An adaptation from Hisrich( 1986 ) in Tsao and Low, 1990, Table 4-4, p. 96

### 3. Philippine Local Government and Public Entrepreneurship

There are two major reasons for the emergence of public entrepreneurship in the local governments of the Philippines : the righteous indignation of the people and the landmark 1991 Local Government Code. These two reasons for the emergence of public entrepreneurship can be posited as political and the other managerial.

#### 3.1 Political Stream

In keeping with the mandate of the 1987 Constitution, Republic Act 7160 otherwise known as the Local Government Code of 1991 ( LGC of 1991 ) was passed overwhelmingly on 10 October 1991. It has become the basis of government for an ambitious decentralization and it laid the foundation upon which local autonomy can be built and harnessed.<sup>4)</sup> It is envisaged in the constitution that local governments, as political and territorial subdivisions, “ 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<sup>5)</sup>. ”

A shift in the roles of local governments has been noted with the adoption of the LGC of 1991 through the granting of powers and authorities never before exercised. Under the law, local governments are corporate entities with defined powers that are not much different from those of private enterprise and corporations. They are endowed with corporate powers to enter into contracts, acquire or convey real or personal property, to have continuous succession in their corporate name, to sue and be sued, among others.

The code has four outstanding features. First it devolves to the local government the responsibility for the delivery of basic services. Second, it grants local governments significant regulatory powers. Third, the code significantly increases the financial resources of the local government units through increased internal revenue allotments ( IRA ) And finally the code recognizes and encourages the active participation of civil society in the process of governance.<sup>6)</sup> These principles, which complements public entrepreneurship, are found in the provisions in the Operational Principles of Decentralization under the LGC of 1991.

Although the code provides these outstanding features, there are noticeable challenges that need to be further addressed. Foremost is the absence of complementary personnel that matches devolution of authority at the local level. Second, is the tempting drive to tinker with management reforms as a substitute for political incompetence, which defeats the purpose of entrepreneurship. Third is the apparent inequitable distribution of revenue allotments by levels of government, and fourth, as corporate entities, financial resources geared towards increasing non-traditional sources of revenues for its stand-alone corporate operationalization is lacking. The bulk of LGU revenues come from grants

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( 63% ) and locally sourced ( 37% ) Provinces are most reliant on grants averaging 75%, followed by municipalities at 65% and cities at 40%. This is because the cities are given wider taxing powers and can impose both the province and municipal taxes. These challenges of what seem like partial decentralization should reflect a new direction and bold decisions toward an alternative strategy to solve these challenges.

### 3.2 Management Stream

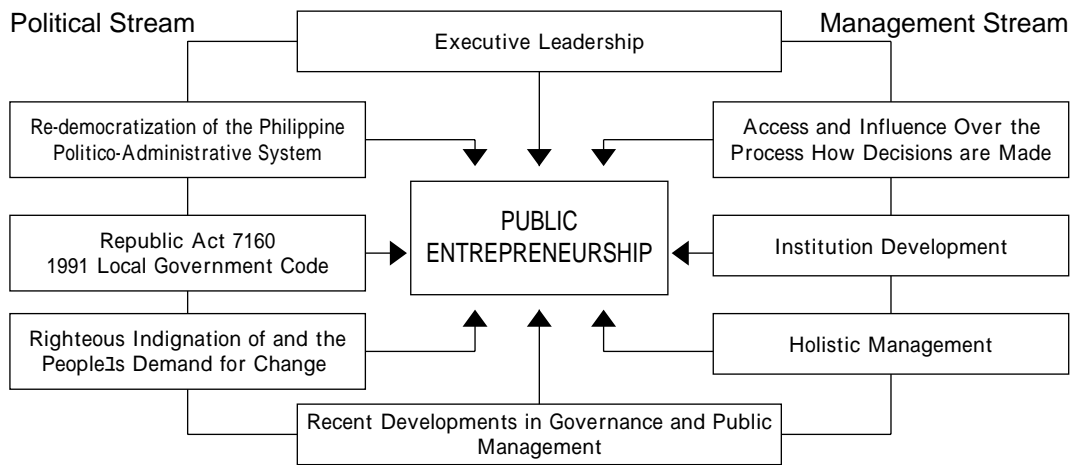
The global movement for entrepreneurial governments, which the United Kingdom and the United States Government has initiated in the 1980 s and 1990 s respectively, has led to the use of a whole battery of new and differing alternative solutions to problems besetting government underperformance. In the Philippines, the manifestations of the management stream as a pre-condition for public entrepreneurship structure are mandated under the Philippine Local Government Code. This emanates from Section 18 : “ 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, programs, objectives and priorities; to levy taxes, fees and charges which shall accrue exclusively for their use and disposition and shall be retained by them ... to apply their resources and assets for productive, developmental or welfare purpose, in the exercise or furtherance of their government or propriety powers and functions and thereby ensure their development into self reliant communities and active participants in the attainment of national goals. ”

The general welfare clause of Section 16 is also seen as a condition in the emergence of public entrepreneurship under decentralization: “ Every local government unit shall exercise the powers expressly granted, those necessary implied therefrom, as well as powers necessary, appropriate, or incidental for its efficient and effective governance and those which are essential for the promotion of the general welfare. ”

These increased managerial powers given by the code have also been vehicles for creativity and innovations in local government units and acceleration of local development. Through the code, creative local officials have made many reforms in recent years<sup>7)</sup> and a new breed of local executives and officials has even been spawned, which a decade ago was unthinkable. In this new system, McCourt and Minogue ( 2001 : 5 ) identified that there is no clear separation of politics and management especially on the roles of administrators and politicians, which are often fused together.



Figure 1. Some Conditions for the Emergence of Public Entrepreneurship



#### 4. Public Entrepreneurship as Strategy for Decentralizing Polity

The choice or selection of the three case sites as the setting for the study is justified. All three local government units ( LGUs ) have achieved Hall of Fame status in the Innovations and Excellence in Local Governance ( Gawad Galing Pook Awards ) sponsored by the Ford Foundation, meaning they have been awarded for exemplary local governance for five consecutive years.<sup>8)</sup> Only seven LGUs have achieved Hall of Fame status since the establishment of Galing Pook Awards in 1993, with a total of 136 LGUs awarded. The Hall of Famers are two provincial governments ( Bulacan and Davao ) four city governments ( Marikina City, Puerto Princesa City, Naga City and San Carlos City ) and one municipality ( Irosin ) The three LGUs are also ideal for public entrepreneurship research because, as nationally recognized exemplary local governance performers, they have instituted a variety of programs that support public entrepreneurship. They also have a common agenda incorporating and sustaining developmental and political gains for wider avenues of administrative reforms, creativity and innovations in governance and increased peoples participation.

##### 4.1 Energizing the Bureaucracy in the Provincial Government of Bulacan

Bulacan was the site of the drafting and ratification of the famous 1935 Philippines constitution<sup>9)</sup>. More than its historical pride, the province of Bulacan became famous in local government circles when it ventured into entrepreneurship programs even before the 1991 Local Government Code, under the stewardship of a private sector executive, Roberto Pagdanganan. Pagdanganan was challenged by the prevailing situation in the province where a few elite controlled the state of governance and there were poor investments, inadequate infrastructure and generally negative attitude towards the

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bureaucracy. Pagdanganan was given the electorates confidence based on his Five Point Development Agenda - ( 1 )sustainable economic development, cooperatives as the centerpiece program,(2 )peace and order,(3 )youth, cultural and historical development,(4 )effective delivery of health and social services ; and(5 )instituting reforms in the bureaucracy.

The Five Point Agenda's major component was reforms in the bureaucracy. Josefina dela Cruz was Pagdanganan's vice-governor and member of the group responsible for the initial attempts at reforming the bureaucracy. The reigns of power were handed-over by the people of Bulacan to dela Cruz as governor from 1998 to present.

The Five Point Agenda continued by dela Cruz pursued the concept of reinventing the bureaucracy of the provincial government. From an outsiders perspective, the idea of a decentralized polity based on energizing the bureaucracy is not strategically new, but such activity is crucial to Bulacan because she believes in putting her ' home ' in order first. Before she can accomplish more, she must be backed-up by an efficient and effective bureaucracy<sup>10</sup>.

The Energizing the Bureaucracy program is a re-organization program that aims to increase the level of workforce productivity in the long-term and match the needs and priorities of the provincial government in the short-term. It is the third attempt at reorganization in the province and the only one among the three initiatives that was completed. Governor dela Cruz created a Management Evaluation Group tasked of assessing the employee's performance, duplication of functions and the general organization structure of the province. The output was used by the newly created Reorganization Committee ( with a mandate from Executive Order No.7 ) for a planned two-pronged reorganization program - streamlining and capacity building. It combines the downsizing of personnel and streamlining of administrative processes and at the same time providing the training of personnel for improving job responsibilities.

The streamlining of positions resulted to a relatively lean workforce number of 1,737 as of June 30, 2001 compared to 2,052 as of December 31, 1995. The streamlining has resulted in the abolition of 315 positions since 1995. Consultation with various offices were made by the re-organization team and those whose performance evaluation were below the standards set by their office supervisors were either retired, transferred to another office, or contracts were not renewed or terminated from the service. Those personnel affected were personally met by the governor and consequently downgraded the heated emotions. As a result of this simple managerial initiative of the governor, possible legal cases were avoided. The re-organization also opened up opportunities for competent personnel to rise in the hierarchy through transfer, promotion and direct competition for available positions. Previously, promotion can happen only when there is either death or resignation of employees or through the creation of new positions out of patronage. As Governor dela Cruz puts it, lets bring in good people to the bureaucracy because of their qualifications and merit instead of patronage. Likewise an employee

handbook was conceptualized to inform employees and remind them of their responsibilities. Whereas previously, employees look at their jobs from how they have been structured through their own experiences in the bureaucracy, now, a standard governs their actions on top of the minimum output required of their positions.

Also, as part of the accompanying strategies for the reorganization, management cell groups were organized with five members in each department to discuss cases, values and guidelines. The group discussions center on problem resolution or discussion of management values vital to the organization. This project is part of the long-term vision of changing the culture of government personnel and in making Bulacan a center for the development of a culture of excellence ( Bulacan, Pandayan ng Kultura ng Kahusayan )

Also part of the reorganization program is the drive for administrative efficiency, which was done partly through the abandonment of some obsolete systems and procedures through their computerization programs. Full computerization of strategic operations was envisioned as part of energizing the bureaucracy. Government systems/operations such as personnel records, real property tax records, records management and payroll management systems are major processes that are being computerized for ease of storage and of course, efficiency. Personnel information record or Civil Service 201 files are slowly being computerized enabling the Human Resource Office to determine offhand the administrative ( e.g. personnel benefits, leave credits, etc. ) and technical information needs ( e.g. training ) of employees. The province of Bulacan was one of the pioneers among the LGUs in the Philippines to computerize its administrative operations.

In terms of revenue generation, delinquent taxpayers are easily identified in the real property tax database. As a result of the information accessibility, new programs to enhance collection of real property taxes were made. An education campaign aimed at increased awareness on the value of taxation is also currently being made in schools, business and the municipalities. These efforts have resulted in the increase in revenue collection in terms of real property tax. In 1998, it has even exceeded targets by 18%.

Governor dela Cruz believes that as part of the decentralization of powers to the local government, part of her authority should also be delegated to the people to empower them. Governor dela Cruz ' idea was to separate her functions as a strategic decision-maker from daily operational management. In this manner, the strategy utilized by the governor is to band together the department heads to form her management core group aside from the outside networks from the academe that provide for the validation of ideas. Since they are now considered leaders with specific functions as management executives, they are also on their toes as they ' hobnob ' with reputable persons from the academe as part of Governor dela Cruz management circle. They do not function as de-facto leaders without accountability, which usually characterize local level politics in the Philippines. The new initiative is a

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far cry from the traditional top-down decision-making, centralized hierarchy that characterized the management of the province then.

Further, the creation of a special project office under the Office of the Governor signaled the provincial government's intention to pursue vigorously innovative projects outside the stringent rules of the bureaucracy. As Governor dela Cruz said, " I am not happy with the status quo." The special projects office function as an academy and provides the necessary inputs to the governor and the departments. The inputs are based on citizens polling and feedback mechanisms through surveys that they implement under the tutelage of the Asian Institute of Management ( AIM ) consultants.

The LGU perspective of public entrepreneurship viewed from the context of energizing the bureaucracy follows the trend of the new management bandwagon in local governance. Concurrently, however, the community perceives public entrepreneurship as assistance to business and industry, poverty alleviation and administrative reforms executed by the LGU. The difference in the perspective of the LGUs and the community lies in the fact that the role of the LGU in the community may not be sufficient enough to completely saturate the community with information or that the LGU has not been able to fulfill all the demands of the public. The strategy of prioritizing reforms in the bureaucracy has dwindled the notion of public entrepreneurship as a concept known only among and within the local government actors.

As a means to enact public entrepreneurship programs, the development agenda played major roles primarily hinging on energizing the bureaucracy program. The creation of the special project office under the office of the governor is a step toward veering away from the restrictive boundaries of bureaucracy. The support of the legislative council through the resolutions and ordinances were main pillars used as legal instrument to back public entrepreneurship programs.

While the province has ventured into reforms, some challenges were also identified. The measures to quantify the results of the reorganization in terms of personnel productivity and an evaluation of the energizing the bureaucracy program are still management challenges. Also, to quell the ' political color that might have been painted ' as a result of the reorganization, a simple evaluation mechanism and program reporting is a logical necessity. In addition, it has been noted that locally-sourced income has decreased from 30.13% share in 1999 to 15.40% in 2000 despite the initiatives of enhancing real property taxation through the computerization efforts. These are political and management challenges that need to be hurdled by the province.

The principles of public entrepreneurship in Bulacan however, have not gone unnoticed. Bulacan has garnered the distinction of excellence in local governance through the many awards they have received, both international and national. They have become a Hall of Famer in the Gawad Galing Pook awards for exemplary governance for winning three consecutive awards. They were also a recipient of the 1999 Konrad Adenauer Local Governance Award, the Gawad Pamana ng Lahi Award

for outstanding local governance for 1996 and 1997 and recently were recognized by the Human Development Network for having the highest HDIs in the Philippines.

#### 4.2 Public Management and Marikina City

The city of Marikina<sup>11)</sup> is one of 17 cities and municipalities comprising Metropolitan Manila and is approximately 16 kilometers away from Manila. Several rivers and streams are found in the Marikina watershed, foremost of which is the Marikina River, which is approximately 10 kilometers long. Aside from the Marikina River, the city is known as the shoe capital of the Philippines. The local footwear industry accounts for 70% of the country's supply of shoes<sup>12)</sup>.

Residents remember that Marikina in the past was a far cry from what it had become in the past. The river of years past was murky, stinking and full of debris that clogged its flow. The riverbanks teemed with shanties. Uncollected garbage littered Marikina's streets. Vendors, hawkers, parked vehicles, garbage cans and other obstructions dominated the sidewalks and forced pedestrians to walk on the streets. The public market was chaotic and offensive smelling garbage littered it. The residents seemed resigned to a tediously slow and often incompetent bureaucracy whom they perceived as inefficient and inadequate in public service delivery. Public infrastructure was in a sorry state<sup>13)</sup>. Marikina then, as a third class municipality, could be classified as a laggard compared with other cities and municipalities within the Metropolitan Manila area. If not for its century-old shoe industry, Marikina would have just been one of those unknown urban centers in the Philippines.

A businessman in the construction industry and son of a former mayor launched his political career anchored on his vision for Marikina: An Industry Friendly, Happy, Working Class Community as his program of government. His program comprehensively covered the LGU concerns from governance, livelihood, trade and industry, public works, urban planning and design, finance, sports, entertainment and leisure. In the 1988 local elections, Bayani Fernando placed fourth among seven mayoralty candidates. Believing fervently in his program of government, he again ran under the same campaign platform in 1992. On his second attempt, he won over the incumbent mayor by more than 50,000 votes.

Upon assumption of office, Mayor Bayani Fernando did not terminate or remove anyone from office. He went through the process of understanding the past governance dynamics and busied himself in developing a critical base of support for his program of government. A massive information dissemination campaign at all levels in the LGU and the community was done with effervescence, with the goal of making sure every man had his orders, every government employee, down to every resident of Marikina had to know where she was going and what each person had to do. Simultaneous with the information campaign on selling the vision, Fernando spelled out his objective of running the town as a private corporation to meet the vision of Marikina as the most livable city in

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the Philippines by 1999 and beyond.

His vision, anchored heavily in the new managerialist bandwagon stressing the service function of the LGU, both as a knowledge and operative policy enclave, caught the attention of both residents and LGU employees of Marikina. What happened as an individual desire became a collective vision for an improved Marikina.

Risk-taking, pro-activity and innovations were hardly known public entrepreneurship concepts to the LGU prior to Fernando's ascent to the town hall. The institutionalization of the systems for accountability was prioritized to ensure efficiency and enable the LGU personnel to deliver public services effectively. 'He cajoled the LGU personnel with his idea of governance as being the creation of innovative ideas'. Each employee is motivated to think creatively and be consciously aware of organizational performance. Local officials were motivated to contribute ideas, however novel. In addition, the rank and file, especially the casual personnel were deployed to a flexible implementation of projects by 'administration' from their offices intended to implement or manage a particular program. These new behavioral dynamics and organizational culture contributed to an efficient completion of LGU projects and a responsive LGU, sensitive to the needs of its constituency.

In 1996, in recognition of the transformation of Marikina, then President Fidel V. Ramos signed the bill into law creating Marikina a city "in recognition of the indefatigable efforts of the people of Marikina towards development led by Mayor Bayani F. Fernando."<sup>43</sup> As of 1999, Marikina has garnered a total of 54 national and international awards because of its exemplary performance in local governance.

The perception of public entrepreneurship in Marikina City is parallel to the evolution of bureaucracy from the traditional model that was rigid, narrowly focused and pre-occupied with process and structure to a flexible, innovative and decentralized organization. The old bureaucracy typifies the old Marikina, and the Marikina of the 1990s simply underwent the transformation and change, seemingly jumping on the bandwagon in order to catch-up. Public entrepreneurship is seen from this perspective where revitalizing the bureaucracy and use of new public management models are highlighted. The community in the context in which public entrepreneurship is used by the LGU has echoed similar lines. Evaluated from this perspective, public entrepreneurship has seeped into the consciousness of the constituents.

Marikina stands proudest of its accomplishment of rehabilitating the 220 - hectare Marikina River as a result of the resettlement of squatters occupying the riverbanks. A new concept of integrating business, residential, shopping and leisure facilities by the river is the intelligent idea behind the project. The riverbanks have been zoned into a bicycle and jogging lane, a recreational park and for commercial and business establishments. The World Bank recently provided a grant and piloted the bicycle-lane program of the city, the first in the Philippines.

The twin program of relocating the squatters and rehabilitating the river has resulted to the effective development of 106 hectares of privately owned lands made available for the relocation of 10,000 squatter families previously occupying the riverbanks. It has also given security of land tenure to about 13,000 squatter families. The re-settlements of squatter families is a partnership of three organizations initiated by the city government. The squatter families have been organized into peoples organization/community associations that monitor and supervise the program. The Community Home Mortgage Program (CHMP) of the National Housing Authority provides the financing window for the purchase of real estate and construction of houses. The city government through the Marikina Settlements Office (MSO) assists and guides the POs in the organization and management of the program. However, external conditions like the soaring of real estate prices due to the conversion of Marikina into a city vis-a-vis the fixed loanable amount for land purchase from the CHMP has resulted in the slowdown of the resettlement of more squatter families. Also, the re-selling of real estate lots by the beneficiaries were the two major problems identified. While this is only limited to about 5% of the land beneficiaries, due to City Ordinance number 117 which provides a rights forfeiture clause in favor of the LGU in the event of re-selling, it is still a continuing administrative concern for all parties.

The people of Marikina remember most the development of a 'peoples' mall'; an upgraded type of public market wherein roofing of all peripheral roads leading to the main public market was constructed, effectively increasing the existing 8,500 square meter floor size to 94,000 square meter. The increase in the number of business establishments has also been dramatic from 1,000 to 10,000 as the expansion literally passes through each household along the periphery of the public market<sup>15</sup>. These projects were met by a great public dissent initially, but people were swayed by the increase in employment opportunities and sources of income.

Marikina City also ventured into various excellent projects which were adjudged exemplary practice of local governance, such as the Five Minute Quick Response Time wherein imposition of a standard five-minute response time for all police, fire and ambulance services in the city is the norm. The 'Disiplina sa Bangketa (Discipline in the Sidewalk)' project effectively liberated 85% of the total sidewalk area through a legislative program prohibiting its use for other purposes in order to instill the rule of law in the sidestreets.

Recently, a Center for Excellence Department (CentEx) was created to handle both in-house and external capacity building of staff, officials and clients. CentEx is in charge of designing and implementing interventions, utilizing non-traditional educational and training processes that would mold both the internal and external clients of the city government. The results and impact of the new initiatives of the newly elected mayor, Marides C. Fernando, wife of the former mayor, still has to be determined.

#### 4.3 LGU-Civil Society Synergy in the Municipality of Irosin

Irosin is a thriving fourth-class municipality 643 kilometers south of Manila and is strategically located in the heart of the province of Sorsogon, at the southern tip of the Luzon islands. Seventy eight percent ( 78% ) of 15,880 hectares land area is devoted to agriculture. The local economy depends largely on the agriculture sector of which more than 70% of the families rely mainly on crop production and farm labor for livelihood and subsistence.

The Lingap Para sa Kalusugan ng Sambayanan, LIKAS, ( Care for the Health of the People ) was a community services center of the Ateneo de Manila University in Quezon City and established its presence in Irosin as early as 1976. Both the Christian Children s Fund ( CCF ) and LIKAS became responsible for the formation and growth of the biggest peasant organization in the province of Sorsogon, Sandigan ng Magsasaka, SANDIGAN, ( Bulwark of Farmers ) in the 1970s and 1980s. This alliance became responsible for the formation of multi-sectoral coalitions and working relations for important mobilizations, national and local, such as the 1986 snap elections, agrarian and rural development, the Generic Act of 1998, and the 1998 elections.<sup>16)</sup> The alliance plunged itself into mainstream politics by openly supporting a political slate in the congressional and local elections. The ' progressive-leaning ' slate was not welcomed by the electorate and lost the elections by a very slim margin.

In 1991, the alliance opposed the geothermal energy exploration project of the Philippine National Oil Company ( PNOC ) on the grounds of environmental degradation. The adversarial stance of the alliance made the PNOC to abandon the project altogether. Emboldened by the victory and fueled by the dissatisfaction with local leadership even after the EDSA revolution, the alliance went further by directly fielding local candidates in the 1992 elections. They formed a local party with the founder of LIKAS, Eddie Dorotan, a medical doctor, leading the slate as mayor. They campaigned under the Laban para sa Progresibong Irosin, LPI, ( Fight for a Progressive Irosin ) which also stand for its platform of government, livelihood, people empowerment and improvement of basic services<sup>17)</sup>.

The people of Irosin emphasized the year 1992 as the start of the development of the LGU as a dynamic politico-administrative institution. At this time occurred the most crucial change in its history: change in the keyholders of power and authority in the LGU as a result of the synchronized national and local elections. The broadbased coalition of local organizations was victorious and swept the elective positions in the municipality.

Upon assumption of office, Mayor Dorotan and the Sangguniang Bayan ( Legislative Council ) went through the overhaul of the local bureaucracy, simultaneously, putting substance to social transformation, which the civil society expected. He led the coalition into drawing up the blueprint of development of Irosin and into bringing the agenda of the people into the bureaucracy. He embarked



on a collective effort of leading his constituency toward a shared development framework by setting a common vision, mission and strategic goals not only for the local bureaucracy but also for Irosin as whole.

Risk-taking, innovations and pro-activity were hardly known concepts to the LGU prior to the civil society actors claiming the town hall. The putting in place of administrative systems for the efficiency of the bureaucracy was given priority. The previous way of doing things was superseded by consensus decision-making and thus created ripples of awareness concerning the roles of local officials in governance.

The social transformation experience of the local leadership in civil society stressed the need for administrators and educators in overcoming barriers in institution building. Erring local officials were warned and consequently replaced with competent people from civil society. These behavioral dynamics developed strong entrepreneurial inclinations within the LGU.

The core concept of access to economic participation revolves around the communities perception of what public entrepreneurship is including the desire to effect change in governance, and building capacities for a productive people. These conceptual definitions are also the guiding principles of public management espoused by the LGU. The conceptual framework of Irosin identifies the principles and actors with the community at the center of all the development initiatives. This is congruent with the rhetoric of new public management putting the clients first on the list.

Irosin endeavored into other numerous risk-present and innovative projects. Foremost of the means taken were in environmental management. The Irosin Integrated Environmental Development Program ( IIEDP ) adopted creative strategies to generate sustained local participation and multi-sectoral cooperation for environmental education, formation, mobilization and management. It is a partnership with barangays and local organizations for the sustainable use and generation of area resources around the foot of Sierra Madre and Mt. Bulusan. Around 576 hectares of deforested areas within the Bulusan Volcano National Park were planted under the reforestation program with the national government ( Ubalde, 2000 : 37 ) Mayor Dorotan adopted a two-pronged approach in the preservation of the environment. He used the Filipino cultural values and traits like ' bayanihan ' ( Filipino tradition of community interaction ) and ' fiesta ' ( a Spanish tradition of feast in honor of a patron saint ) The village ( barangay ) councils, the public school teachers, the youth councils and various religious groups were mobilized as the town 's marshals to protect the environment. Beautification, creative indigenous fencing, roadside tree planting, and proper waste disposal characterized the programs during the initial stages. The program was launched during the town fiesta to drum up community participation and to legitimize the peoples organization involvement in the program. Consequently, the LGU and its partners ventured into reforestation of Mt. Bulusan with the national government. The NGOs and POs participation has been institutionalized through the

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Tripartite Partnership for Upland Development ( TRIPUD ) The LGU initiated TRIPUD is a partnership program between the LGUs, the NGOs and POs and national government agencies to protect the uplands and also as part of the integrated area development approach of the LGU. What the municipality has done was to involve the people in local governance specially, in areas where the LGU has limited capability. The people's participation in reforestation around the watershed consequently gained a broad-based support from the community and the LGU and further contributed to the preservation of Mt. Bulusan.

The Agrarian Reform Community Program is an expanded program of the NGOs, specifically LIKAS and SANDIGAN and adopted by the LGU in 1992. The goal of the program is to provide tenure to farmers and link them with support service providers and consequently become viable landowners. As of December 1999, a total of 2,100 hectares of land transfers were made with 82.6 % agrarian reform coverage with over 1, 693 farmer beneficiaries<sup>18)</sup>. On top of the major programs, Irosin ventures also into agricultural diversification, traditional medicine, cooperative organizing and a gender program.

In the realm of policy formulation, the synergy of the community and the LGU reached the legislative bodies through the representation of people's organization and representatives of NGOs in the local special bodies. Mayor Dorotan involved stakeholders to form the extended municipal council. The extended municipal council is composed of government organizations, education sector, social, civic and religious organizations, barangay officials, businesspersons and landowners. The legislative council under the leadership of then vice-mayor Nathaniel Balmes enacted legislation measures that will provide representation of people in the municipal councils. The people's representation was part of the agreed plans developed by the multi-sectoral coalition that drafted the long-term development plan of the municipality. On top of the LGC 1991 mandated local special bodies ( LSB ) Irosin has created LSBs unique to them. They have established an expanded municipal development council, a municipal agrarian reform council, the management of the environment sits as well in the LSB, through the municipal tripartite partnership for upland development, and they have a traditional medicine council. The other special bodies created were the Office of the Senior Citizens, Local Finance Committee, Municipal Coordinating Team, Local Price Control Team, and the Personnel Selection and Promotion Board. Irosin used the LSBs in creating bodies and committees which otherwise can function as an office. This is due to the scarcity of resources in the LGU and maximizing the credibility established with the participation of the community in local affairs.

The institutionalization of civil society participation is not a deliberate effort toward political perpetuation but toward the building of self-directed communities. The Legislative Council, the Local Special Bodies and the LGU departments and offices have made it a point that civil society are associates in development and should be treated as a matter of administrative duty. The unintended

effect of this partnership with civil society has been the increased credibility for the LGUs in the development circles, national and international, and consequentially strengthened capacities at the local level. The LGU officials have become aware of their accountability as an intended effect.

It was not until these efforts by the LGU officials, supplanted by coordinated energies of like-minded civil society actors throughout Irosin, that attention to local governance and development was addressed. Throughout the 1970s and up until the late 1980s, efforts by local officials aimed at improving governance were disjointed. However, the coalescing efforts of LGUs and civil society started to payoff as a result of the institutional drive and desire to effect changes in the community.

National and international award giving bodies have recognized Irosin's exemplary performance. To date Irosin is a Hall of Famer in the Gawad Galing Pook Awards. On the international scene, Irosin is a Konrad Adenauer Awardee on exemplary local governance. An irony however is that while civil society played a major role in local development in the municipality, and Irosin is recognized as an exemplary LGU performer, the successor-mayor who is part of the coalition lost in his second attempt at the mayoralty in the May 2001 local elections. This casts a shadow of doubt on the ability of civil society to sustain developmental gains into political gains, given the results of the elections. This also downplays whatever significant reforms have been implemented. On the one hand, the downside of the immediate past local executive leadership of Mayor Nathaniel Balmes could have played a role in the apparent backlash of the peoples confidence vis-a-vis the success at reforms being administered, noting that leadership plays key roles.

Table 2. Public Entrepreneurship (PE) Findings: Exemplary Cases from the Philippines

Levels of Analysis	Public Entrepreneurship Findings		
	Provincial	City	Municipality
1. Perception of PE (Ideational Dynamics)	<ol style="list-style-type: none"> <li>1. PE is viewed from the context of energizing the bureaucracy from the LGU perspective</li> <li>2. PE is viewed as assistance to business and industry, poverty alleviation and administrative reforms from the community perspective</li> <li>3. Follows the trend of the new management bandwagon in local governance</li> </ol>	<ol style="list-style-type: none"> <li>1. Practice of new public management from the LGU perspective</li> <li>2. Anchors PE around LGU reforms, poverty alleviation and business and industry assistance from the community perspective</li> <li>3. Based development initiative from physical reconstruction and social reorientation to sustained and sound institutional management</li> </ol>	<ol style="list-style-type: none"> <li>1. Anchors PE in improving local governance, poverty alleviation and administrative reforms</li> <li>2. Bases development initiative on responsive, equity centered and people-driven programs</li> <li>3. Develops a conceptual framework hinged on livelihood promotion. Improvement of basic services, people's empowerment and environmental protection and development.</li> </ol>
2. Actions that Support PE (Behavioral Dynamics)	<ol style="list-style-type: none"> <li>1. Lakas ng Kabataan (Power of the Youth)</li> <li>2. Kaunlaran sa Pagkakaisa (Development through Unity)</li> <li>3. Alay Paglingap (Care and Welfare)</li> <li>4. Cultural Development</li> <li>5. Energizing the Bureaucracy</li> </ol>	<ol style="list-style-type: none"> <li>1. Environmental Promotion, Protection and Management                             <ul style="list-style-type: none"> <li>✓ Squatter Free Marikina</li> <li>✓ Save the Marikina River</li> </ul> </li> <li>2. Revitalizing the bureaucracy</li> <li>3. Infrastructure Development</li> <li>4. Disiplina sa Banketa (Discipline in the Sidewalk)</li> <li>5. Five Minute Quick Response</li> <li>6. Barangay Talyer (Community Shop)</li> </ol>	<ol style="list-style-type: none"> <li>1. Integrated Area Development Program</li> <li>2. Irosin Inter-Barangay Environmental Development Program</li> <li>3. Irosin Integrated Rural Development Program</li> <li>4. Sustained Health Development Program</li> </ol>
3. Means to Enacting PE (Political Dynamics)	<ol style="list-style-type: none"> <li>1. Professionalizing the bureaucracy</li> <li>2. Use of incentives</li> <li>3. Personal assurance and direct intervention from leadership</li> <li>4. Creation of a special projects office</li> </ol>	<ol style="list-style-type: none"> <li>1. Developed a vision and critical mass support</li> <li>2. Revitalized the bureaucracy</li> <li>3. Analyzed past governance dynamics</li> <li>4. Developed a roadmap of development</li> <li>5. Local leadership</li> </ol>	<ol style="list-style-type: none"> <li>1. Prior to plunging into electoral politics, a broad coalition committed itself to alliance building and mobilization</li> <li>2. Institutionalized participatory planning, with local organizations</li> <li>3. The LGU has not reneged on a multi-sectoral coalition for issue advocacy</li> <li>4. Bring peoples agenda to the bureaucracy</li> <li>5. Nourish culture change from within</li> </ol>

## 5. SUMMARY and CONCLUSIONS

The ambiguity of the term public entrepreneurship may not really be the problem about perceptions but the misconceptions and tendencies that local community equates LGU programs with entrepreneurship in general. The perception of the local communities in the cases indicated the desire for improvement of their socio-economic conditions. Partly this stems from the notion that the objective of government reforms is poverty alleviation, thus when innovative programs in the local governments are emerging, this were equated with public entrepreneurship by the local community. However, in some cases such as in the city of Marikina, the perception of the community matched with that of the LGU indicating the degree of awareness of the community in LGU affairs. The perception of the local community also depends on the benefits they can derive from the outcome of programs. The evaluation of the local community on public entrepreneurship programs on whether the programs have provided them the ' desired goods ' did not only impact perceptions of programs but its sustainability as well.

The cases also show that at the municipal level, more people are aware of government programs. As you go up the ladder of the hierarchy of the LGUs, city to province, fewer people know about the programs of government. In this case, although the respondents are educated, the characteristics of urban-rural differences come into picture. The homogeneity of the population allows them to know one another and relate to one another. This makes it easier for information to be transferred through informal interaction ( i.e. during leisure hours or even during work, usually in the farm ) in the rural setting, as in the case of Irosin. In contrast, the urban people come from different places and are usually migrants of the place. They usually do not know each other and their means of livelihood are usually in offices, factories and industries that take away most of their time and usually, the programs of the LGUs are of least priority to them. In addition, the kind of entrepreneurship programs implemented like organizational and management reforms, which have limited community participation, contributes also to the differing perceptions. Further, the geographical size can also explain the diffusion of innovative programs to the community; the province of Bulacan having twenty-four ( 24 ) municipalities is an example.

In the political systems, radical change is often associated with the emergence of good leaders, the development of new political movements and introduction of new policies.<sup>19)</sup> The cases analyzed support the arguments. As the case of Irosin demonstrates, development initiatives were started by people's organizations as far back as 1976 confirming the evolutionary fashion of the emergence of public entrepreneurship. Marikina City took local governance by storm with the resolve of a competent leader dominating the political scene. Bulacan is in the middleground as it is both evolutionary, in the situation of the continuity of development plans, and radical, in the instance of

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what re-organization risks.

Further, the need for innovative actions was realized after existing actors, organizational processes, structures and conditions proved incapable of responding<sup>20</sup>). The local chief executives created the strategic blueprint for the success of the LGU anchored in what they believe will propel their community to greater heights. There appears to be a vision-building consensus among the local leadership in the cases. They created and identified a state of governance in the past and the governance for the future. The vision was at first individually framed but consequentially became a collective and collaborative effort as spillover effect. In the case of Irosin, the vision was a collective endeavor harnessing the synergy of civil society and local governmental bodies. This demonstrates the collaborative process of development. In Marikina City, the vision was the city being the most livable in terms of sustained environment, dynamic business, peace and order, physical reconstruction and social reorientation. In Bulacan, although it was a continuity and consolidation of the previous government vision, it was carefully molded to fit the vision of the current administration for a reformed bureaucracy to become the center for the development of a culture of excellence.

The cases also demonstrated that local chief executive leadership heavily influences public entrepreneurship. The chief executives in the cases used a variety of formal-legal means of establishing its political authority and credibility to the community. Mayor Fernando was a strong leader who emphasized political firmness to implement his vision for the community. Mayor Dorotan and Balmes used participatory approaches to governance to implement a people-centered framework. In Bulacan, there is a collegial governor-form of government. Governor dela Cruz is a political manager harnessing the capacities of other actors. In other words the three leaders in the case studied demonstrated political will within the bounds of the formal structure of authority.

As a consequence, the people evaluated the LGU capacities in terms of the outcome of the display of the chief executives political will to implement projects and the benefits they can derive from it. In addition when we look at capacities from the viewpoint of political leadership as process we take into account the managerial procedures to implement programs. The chief executives in the cases all built the capacities of people as a priority. Also, they were not deterred by the political risks that went with the programs they ventured and overcome whatever opposition that stand against their way. They pursued reforms with enthusiasm even with limited resources as the case of Irosin demonstrated. They also built coalitions not as sign of weak leadership but as a participatory mechanism to assist in the operational tasks. For example, the local community associations in Marikina are directly negotiating with national government in the purchase of lands for resettlement.

The cases also showed the trends toward loosening up political and managerial strategic controls, unconsciously and deliberate, as a matter of responding to and adjusting to the desire for faster, flexible way of managing and delivering services. While both systems require adjustments, the

political strategy requires engaging the community for more participatory approaches and the managerial route points to the reduction of heavy bureaucratic regulation and top-down approaches to governance.

However, the operative orientation of public entrepreneurship initiatives, either in policy making or execution toward institutionalization is not wholly satisfactory yet. It has followed the current trend of institutional reforms being fashionable and with no resolute administrator ignoring the bandwagon. The demand placed on governments and the ability of the government to sustain this demand is of particular importance given that public entrepreneurship was initiated and crafted individually and consequently became a collective effort save for Irosin.

Foremost of the findings in this research is that public entrepreneurship is attributed not as a strategic vehicle for decentralizing polity but for institution of changes in general. With respect to the leaders and the enhanced institutional capacities they have developed, public entrepreneurship is a deep collaborative effort involving the synergy of all actors in the community. These strategic developments in the LGUs, ascribe importance to public entrepreneurship. While it is not a solution to all local government problems, it is considered a phenomenon that cannot be ignored by administrators.

## Endnotes

<sup>1</sup>UNDP. World Conference on Governance, Proceedings ( 1999 ) Manila Philippines.

<sup>2</sup>Osborne and Gaebler ( 1992 : 19 ) and Osborne and Plastrik ( 1997 : 13-14 ) postulates that government can govern by tapping the tremendous power of the entrepreneurial process. Similarly, van Mierlo ( 1996 : 3 ) argues along similar thoughts that public entrepreneurship is an innovative management strategy that provides promising responsibilities through democratic control and mechanisms of competition.

<sup>3</sup>Drucker, Peter F. 1996. *The Executive in Action: Managing for Results, Innovation and Entrepreneurship, The Effective Executive.* USA.

<sup>4</sup>Celestino, Alicia B., Malvar, Norberto G., and Romulo R. Zipagan, Jr. ( 1998 ) Center for Local and Regional Governance NCPAG, University of the Philippines and Public Administration Promotion Centre, German Foundation for International Development.p.7.

<sup>5</sup>Philippine Constitution. 1987. Section 2, Article X.

<sup>6</sup>Brillantes, Alex B, Jr. 1997. Decentralized Democratic Governance under the Local Government Code: A Governmental Perspective. *Philippine Journal of Public Administration*, XL( 1 and 2 ) January-April.

<sup>7</sup>Tapales, Proserpina D., Padilla, Perfecto L. and Ma. Ernita Joaquin. 1996. *Modern Management in Philippine Local Government. Local Government Center, UP-CPA and Public Administration Promotion Centre, German Foundation for International Development.* p.13

<sup>8</sup>The Gawad Galing Pook Awards is an annual innovations and excellence in local governance awards that

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seeks to recognize the outstanding and innovative programs of local government units that effectively addressed problems in their community and consequentially encourage effective governance. The Gawad Galang Pook is managed by the Asian Institute of Management and the Local Government Academy with funding support from the Philippines Department of Interior and Local Government and the Ford Foundation.

<sup>9)</sup> Calalang, Francisco. 1971. *The History of Bulacan*. Manila.

<sup>10)</sup> Personal interview with Governor J. dela Cruz, 11 December 2000.

<sup>11)</sup> Marikina became a city when Republic Act 8223 was signed by then President Fidel V. Ramos following an overwhelming vote for cityhood by the residents.

<sup>12)</sup> Source: Marikina City 1999 Annual Report

<sup>13)</sup> del Rosario Jr., Daniel B. 1998. *The Internal Assessment of Marikina City*. Unpublished Case material. Asian Institute of Management. Manila. p. 2.

<sup>14)</sup> President Ramos speech in Malacanang Palace declaring Marikina a city .

<sup>15)</sup> Source: 2000 Annual Report , Marikina City

<sup>16)</sup> Ubalde L. 2000. *Sustaining Development and Political Gains of a Municipality: Irosin----* Unpublished Management Research Report. Asian Institute of Management. Manila. p. 61.

<sup>17)</sup> *Ibid.*

<sup>18)</sup> Source: 1999 Municipal Annual Report of Irosin

<sup>19)</sup> Schneider, Mark and Paul Teske with Michael Mintrom. 1995. *Public Entrepreneurs: Agents for Change in American Government*. Princeton University Press: p.3.

<sup>20)</sup> The earlier research of Blaine, 1992, in the United States found similar institutional reasons like inability of structures and processes before innovative actions were adapted in the local government: p250.

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