

Ilocos Region provinces are still IRA dependent

Data from the Department of Budget and Management (DBM) revealed the dependency of the Local Government Units (LGUs) to the Internal Revenue Allotment (IRA). For the years 2002 and 2003, more than 70 percent of the LGUs' total financial resources were sourced out from the IRA. This indicates that without the IRA, LGU operations would be greatly affected as around P6 B will not be available for the LGUs to spend.

Table 1. Total Financial Resources and Internal Revenue Allotment (IRA)
Region I, by Province, 2002-2003

Province	Population 1/		Total Financial Resources (in '000)		IRA (in '000)		IRA % to Total Financial Resources		IRA Per Capita (in PHP)	
	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
Region I	4,284,494	4,353,393	8,677,220	8,685,690	6,176,650	6,207,220	71.18	71.46	1,441.63	1,425.83
Ilocos Norte	531,509	538,691	1,234,400	1,280,440	950,760	942,550	77.02	73.61	1,788.79	1,749.70
Ilocos Sur	596,339	603,584	1,417,840	1,315,130	1,058,080	1,024,120	74.63	77.87	1,774.29	1,696.73
La Union	677,907	689,427	1,244,060	1,271,030	952,160	932,290	76.54	73.35	1,404.56	1,352.27
Pangasinan	2,478,746	2,521,694	4,780,920	4,819,090	3,215,650	3,308,260	67.26	68.65	1,297.29	1,311.92

Notes: 1/ Projected population based on 1995 Census-Based Municipal Population Projections

2. Total financial resources and IRA includes cities and municipalities

3. Details may not add up to total due to rounding

Source of Basic Data: Department of Budget and Management, Regional Office I

Ilocos Sur, the only province with a decreased financial resources in 2003, was the most dependent to IRA with around 77.9 percent of its total financial resources sourced out from the IRA. This indicates that the province of Ilocos Sur, without the IRA, could only sustain around 20 percent of its services. Pangasinan, although it was the only province with an increased IRA share, accounting for more than one half of the total Region I IRA in 2003, was the least dependent on the IRA with around 68.5 percent share to its total financial resources.

Meanwhile, IRA per capita was highest in the province of Ilocos Norte at P1,749.70, although only around 95.0 percent were spent by the province in 2003. Pangasinan, which had the least IRA per capita at P1,311.92, spent only around 79 percent of its financial resources in 2003. This means that the people in Pangasinan received even a lower share in the IRA. Ilocos Sur, on the other hand, overspent by 3.7 percent.

All of the LGUs, except Ilocos Norte, spent most of their resources for general public services. General public services accounted 50.4 percent of total expenditures in 2003, from 44.0 percent in 2002.

Social services received the least budget in all of the provinces. The lowest share was noted in Pangasinan with only 5.8 percent budgeted for social services. La Union spent the largest amount for social services with around 19.4 percent of its total expenditures going to social services in 2003. With an almost 75 percent dependency on its IRA, this could be altogether dropped if other expenditures such as for infrastructures and salaries and wages would be given priority.

Based from this spending pattern, without the IRA, the LGU budget would not even be enough for general public services. This dependency to the IRA only shows that there is a need for LGUs to raise funds for themselves in order to sustain the needs of their communities. This is in keeping with the goal of the Local Government Code of 1991 in giving the LGUs total independence in their own affairs.

Table 2. Expenditures of Local Government Units in Region I
by Province, by Type, 2002 and 2003

Province	Region I	Ilocos Norte	Ilocos Sur	La Union	Pangasinan
2002					
Total Expenditures	7,445,280	1,043,390	1,249,250	1,134,890	4,017,740
General Public Services	3,274,775	329,620	688,740	527,380	2,463,290
Economic Services	1,325,880	188,560	182,760	200,050	754,510
Social Services	695,240	108,530	115,890	272,920	197,900
Others	1,415,120	416,680	261,860	134,540	602,040
2003					
Total Expenditures	7,648,215	1,215,786	1,363,253	1,260,140	3,809,036
General Public Services	3,851,086	335,977	777,342	554,220	2,183,547
Economic Services	1,473,152	266,954	210,967	266,330	728,901
Social Services	693,072	103,738	123,762	244,490	221,082
Others	1,630,904	509,116	251,182	195,100	675,506

Source of Basic Data: Department of Budget and Management, Regional Office I