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**An Inquiry Into the Competitiveness
of Emerging Philippine Cities**

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PHILIPPINE APEC STUDY CENTER NETWORK



PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES
Surian sa mga Pag-aaral Pangkaunlaran ng Pilipinas

This paper is a joint project between the Philippine APEC Study Center Network (PASCN) and the W. Sycip Policy Center of the Asian Institute of Management (AIM). The project was formulated in 1999 and focused on issues dealing with competitiveness of emerging Philippine urban centers outside of Metro Manila and Metro Cebu. The project came up with a competitiveness ranking of ten cities: Angeles, Baguio, Cagayan de Oro, Davao, General Santos, Iligan, San Fernando (La Union), Tacloban and Zamboanga.

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Abstract

An Inquiry Into the Competitiveness of Emerging Philippine Cities attempts to approximate the competitiveness of the country's ten leading emerging urban centers: Angeles, Baguio, Cagayan de Oro, Davao City, General Santos, Iligan, Iloilo, San Fernando La Union, Tacloban, and Zamboanga. The study uses both ranking and scoring methods to rate the cities in eight major drivers: cost competitiveness, human resources endowment, infrastructure, linkages with major urban centers and growth areas, quality of life, responsiveness of local government units, and dynamism of local economy. It best serves as a policy and urban management tool for concerned local officials and leaders of various private sector groups in identifying the cities' strengths and areas of improvement.

Insights on overall scores and rankings point to the importance of local leadership, emphasis on improving quality of lives in urban centers, and the role of surrounding local and/or international growth formations in enhancing urban competitiveness. Any combination of these factors actually explains the high rankings garnered by General Santos City, Angeles City and Baguio.

PART 1

RESULTS OF THE PROJECT

Throughout the 1990s, the principles of decentralization and empowerment have been key in Philippine legislation and governance. The passage of the Local Government Code led to greater awareness of the role of medium-sized cities in balanced national development. Coupled with globalization, decentralization has provided local governments the initiative to flex their muscles.

More than providing basic public goods, the role of local governments is to create conditions that nurture competitive businesses and vibrant communities. It is a widely bemoaned fact that government lacks the competitive environment that pushes the private sector to efficiency and innovation. However, the rapidly changing global environment necessitates that cities adopt competitiveness as a goal to survival and prosperity.

This study attempts to assess the competitiveness of leading medium-sized cities in the country. By looking at relevant indicators, the study answers the main question: *How competitive are the country's emerging cities?* It looks at the relevant indicators of factors that determine the competitiveness of localities. This project formulates a process and technology that can regularly monitor and evaluate strides in the development of emerging medium-sized urban centers. Moreover, it constructs a benchmarking process that will aid individual cities in measuring their level of competitiveness in comparison to those of neighboring cities, and cities in other parts of the globe.

This project allows the pilot testing of the benchmarking model, which will then show how the benchmarking process may be improved, and the initial competitiveness rating report, which by itself will be a useful tool in policymaking. Local governments and policymakers will find the project beneficial.

Intended Users

The study serves as a policy and urban management tool for city leaders (i.e., mayors, vice mayors, councilors, heads of private sector groups) in identifying “competitiveness gaps and potentials” in their respective localities. It will aid these local policyshapers know their urban areas’ strengths and weaknesses as business and living environments.

Also, the study will aid national-level policymakers in identifying common problems and weaknesses that may be addressed and remedied by national, sectoral, and/ or industrial policies.

By monitoring the indicators that businesses and residents consider vital, the project brings to the surface the strengths and weaknesses of a city and highlights the areas where local governments must exert greater effort for improvement. As the project is intended to be a continuous exercise, these indicators across time will trace the development of cities and will contribute to realistic planning for longer periods. By looking at different Philippine cities, the project attempts to identify what structural issues are weakening the competitiveness of Philippine urban areas and must be addressed by the national government.

City Competitiveness: Its Nature and Drivers

The study takes off from the precept that city competitiveness is the ability and the extent to which a city is able to provide an environment where the progress and dynamism of its local enterprises and industries are nurtured. City competitiveness is futile if it is not accompanied by a decent standard of living for residents. Sustainable development dictates that the city make efficient use of its natural resources by minimizing the adverse effects of an undirected urban growth.

Local governments should therefore ensure that the prerequisites for an environment where businesses and residents become better off, are laid down. In the next 15 to 20 years, the main drivers of the competitiveness of emerging Philippine cities will be:

- *Cost Competitiveness.* How expensive is it to operate in a particular city compared to other cities? This driver is concerned with the direct costs of doing business, such as those for land, labor, telecommunications and power.
- *Human Resource Endowment.* How well-equipped is the population to build and take advantage of opportunities in the locality? The education of the populace is taken to be the most significant component of human resource endowment. The driver primarily involves adult literacy and the labor force's completion of secondary and tertiary education.

- *Infrastructure.* Are the necessary physical, telecommunications, technological infrastructure and knowledge support services in place in the city? Transacting business requires not only the quintessential production factors, but accompanying infrastructure and services, too. These include, among others, access to support services, road infrastructure, telecommunications and transport.
- *Quality of Life.* How well off are residents in terms of quality of environment and life? The quality of life factor has been increasingly considered as one of the yardsticks in determining which cities have successfully developed, and which have succumbed to the ills of urbanization. Indeed, the long-term competitiveness of the city would significantly be influenced by the degree to which its leaders have taken care of the environment and the local community. Among the relevant aspects of quality of life are the social welfare of people, peace and order, quality of living environment and locational amenities.
- *Linkages to Other Growth Nodes, Urban Centers, and Surrounding Growth Regions.* Accessibility is a significant determinant of the competitiveness of a city. Moreover, certain geographical characteristics can be advantages upon which a city can be built on. The driver's aspects are accessibility, access to domestic markets, and access to international markets.

The role of these drivers in urban competitiveness is apparent. They help make a city a more attractive place to live and do business in. There are other drivers that may not be as quantifiable or tangible but can still enhance the competitiveness of cities. For instance, the competitiveness of a city is greatly influenced by good governance and the involvement of the private sector. These help improve urban conditions and sustain the development of a city.

- *Dynamism of the Local Economy.* A vibrant local economy is fundamental in attracting inward investments.
- *Responsiveness of the Local Government.* The role of the local government in urban development cannot be undermined. Much of urban competitiveness is determined by the ability of the government to respond to systemic and short-lived issues with a well-grounded and focused vision.

- *Dynamism and Involvement of Local Business Community.* Likewise, government initiatives must be reciprocated by an equally active and involved private sector.

Methodology

The study uses two methods to score and rank the competitiveness of cities. The first is the ranking method,¹ and the second is the scoring method formulated and applied by the W. Sycip Policy in its previous City Competitiveness studies.

Ranking Method

For this method, the objective is to rank different cities according to competitiveness as exhibited by certain indicators. Raw data can be used to rank individual indicators. The difficulty lies in comparing these indicators in finding over-all driver rankings.

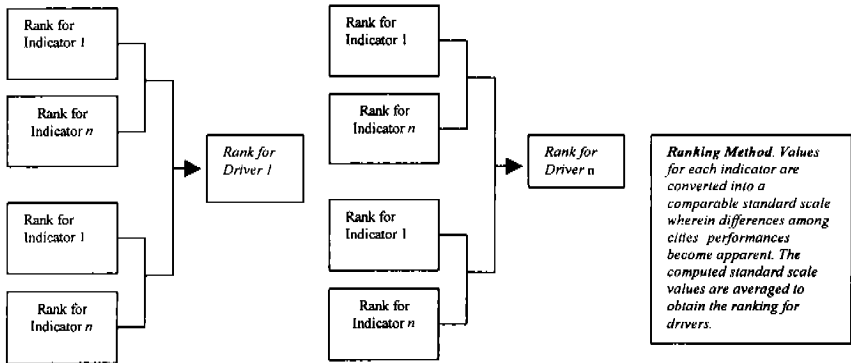
The method converts raw data into a comparable standard scale that accurately reflects differences in the performance of cities. It measures the relative difference between cities' performance, and is more precise in obtaining the relative positions of each city in ranking. After computing for the mean of all values for a criterion, the standard deviation is calculated using the formula: $S = \{[\sum(x-\chi)^2]/N\}^{1/2}$, where x =original value; χ =arithmetic mean; and N =number of cities. Values for each criterion can then be converted into the standard scale by utilizing the formula: $z = (x-\chi)/S$; where x =original value; χ =arithmetic mean; and S =standard deviation.

With the raw data presented in the new scale, each criterion value can be consolidated to produce rankings for each driver, yielding the relative strengths and weaknesses of cities. For some indicators, a greater value would decrease city competitiveness (e.g., vehicle density, consumer price inflation). In aggregating z scores, signs were reversed for these indicators. To adjust for lacking data items, the sum of z scores for a particular value was divided by the number of data items actually collected for a city.

¹ The Institute of Management Development in Laussane, Switzerland also uses this method in its world competitiveness studies.

Note: Rating and ranking were done by AIM researchers.

The ranking method can be illustrated schematically in the following diagram.



Scoring Method

The scoring method aims to rate the performance of cities as measured by selected socioeconomic indicators. The rationale for the methodology is that globalization necessitates standards across cities of the same tier to be equalized. The dispersion of political and economic activity from traditional centers of power compels medium-sized cities to compete with primate and capital cities outside and within the country. Thus, standards of performance are set in relation to the average performance of Philippine urban areas, as well as global benchmarks.

Scores for each indicator are obtained by translating raw data using 10-point conversion tables constructed on the basis of national averages and global benchmarks. In ranking some factors, it is realistic to assess the performance of a medium-sized city in relation to the rest of the country. However, quality of life indicators are scored using global benchmarks because some dimensions of urban living must not be compromised by a country's level of economic development. Thus, for some indicators, na-

tional averages will take on the score of five, while for others, global averages will assume the mid-point of the scale.

Gradients of the 10-point scale will translate into qualitative categories that are consistent with the categories of the utilized conversion tables. The initial City Competitiveness Forum (CCF) benchmarking model used the following scale to assess urban competitiveness:

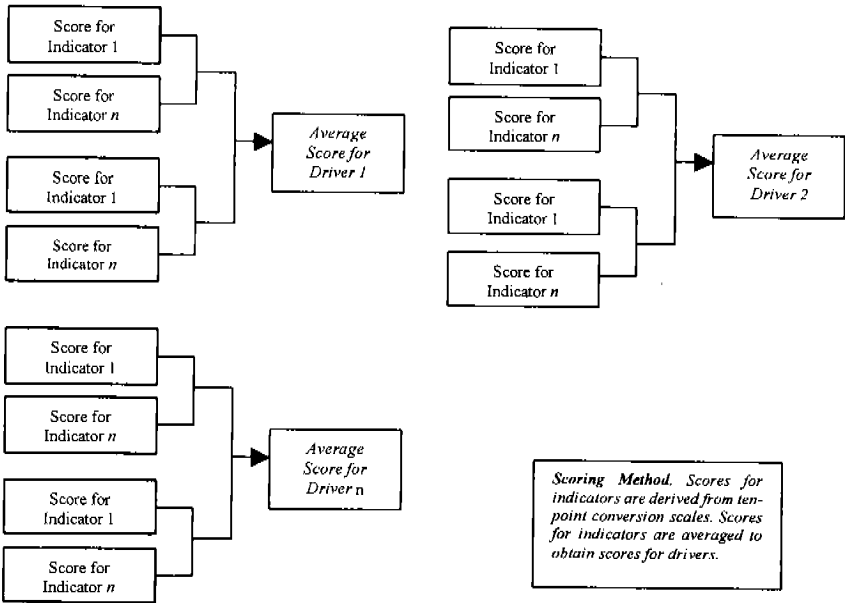
| Score | Qualitative Meaning |
|--------------|---|
| 0-2 | Very Low Competitiveness (Area of Improvement) |
| 3-4 | Below Average Competitiveness (Area of Improvement) |
| 5 | Average |
| 6-7 | Above Average Competitiveness (Enhance) |
| 8-10 | High Competitiveness (Sustain) |

With each indicator scaled uniformly from 1 to 10, it becomes possible to compute for the average score of a city for each driver.

The strength of the scoring method is that it rates the performance of a city in relation to known national and global standards, and identifies the areas where a city needs improvement. On the other hand, the standard deviation method is designed to yield the precise ranking of cities.

While the scoring method can also be used to rank cities, it is of little use when there is little variance among the scores of each city. Likewise, the ranking method can be used to rate aspects of urban living, but these ratings will be significant only in relation to the sample of cities being studied, and not in relation to external standards. Using both methods in complementarity will yield useful information for policymakers and businesses alike.

The scoring method is shown in this diagram:



Limitations of the Project

The study has several limitations. First, data gathering was extremely dependent on secondary sources (e.g., city, provincial and regional profiles published by local governments, as well as published and unpublished tables from regional National Statistics Offices). While it is assured that definitions of indicators and categories are standardized among regional offices of national agencies, this may not be so for local government publications. Moreover, the study is contingent upon the veracity of the data published in these secondary sources.

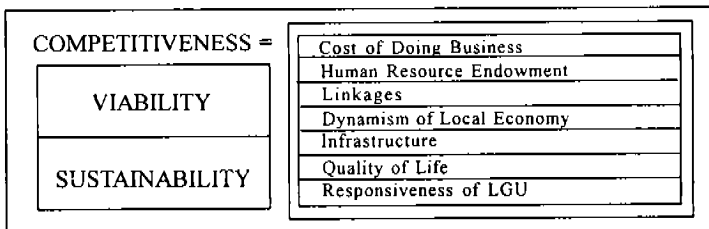
Second, the study is beset by the scarcity of reliable data. Thus, the final ranking and rating omit indicators wherein great variance in observations prohibited the establishment of acceptable benchmarks. Moreover, not all data items were collected. Indicators where no data was collected for majority of the cities were omitted. In some instances, city observations—which which were suspiciously or outrightly incorrect—had to be omitted as well.

The existence of information gaps could inadvertently raise or lower city ranks and scores. To illustrate, a high driver score or rank may be unreflective of a city's true state of competitiveness when the missing data items are those for which most Philippine cities have low values. Corollarily, information gaps in indicators for which a city is performing well will pull down that city's rank and score.

Overall Competitiveness Rankings as Business Environments

To put everything into perspective, the study computes for the overall ranking for the city-samples in terms of performance. While some experts may argue that comparing cities of varying types, sizes, and economic make-up may be very difficult, overall rankings that reflect general (and relative) performance will be very helpful in policymaking.

The seven drivers (only seven out of the original eight were used) can be divided into two main determinants of urban competitiveness: viability and sustainability. While four of the drivers (cost of doing business, human resources endowment, linkages, and dynamism of local economy) may be used to look at the viability of the localities as places to do business in, the other three may be looked at as determinants of long-term competitiveness (sustainability).



The computation for the overall ranking uses the same standard deviation method, but appropriating greater weights² to the three factors that more or less measure the sustainability of localities as business sites. Experts and extensive research show that three of the drivers (infrastructure, responsiveness of LGU to long-term and business needs, and quality of life)

² Greater weights (in the process of averaging) were given to the values depicting the deviation from the Z-scales. Differentials for the three factors (*infrastructure, responsiveness of LGU to long term and business needs, and quality of life*) were multiplied by 1.25.

shape the long-term capacity of urban centers to handle and direct growth in economic activity and people.

Table 1 shows the overall ranking per city (versus each other) and the average scores per driver (relative to national and global benchmarks). General Santos City, Angeles City, and Baguio City are in the top three positions, while Iligan and Tacloban are ranked as tenth and ninth, respectively.

Table 1. Overall Ranking and Scores per Driver

| | Rank | CDB | HRE | Infra | Linkages | QOL | Dynamism of Local Economy | Res. of LGU |
|----------------|-----------|-------------|-------------|-------------|-------------|-------------|---------------------------|-------------|
| Gen Santos | 1 | 8.67 | 5.14 | 5.51 | 4.42 | 4.64 | 5.50 | 6.59 |
| Angeles | 2 | 6.00 | 5.06 | 5.44 | 5.13 | 6.26 | 3.33 | 3.90 |
| Baguio | 3 | 5.75 | 7.08 | 6.35 | 4.83 | 6.10 | 5.67 | 4.87 |
| San Fernando | 4 | 3.33 | 5.65 | 5.43 | 5.00 | 6.33 | 4.00 | 4.24 |
| Davao | 5 | 7.75 | 5.60 | 4.81 | 5.27 | 5.52 | 5.58 | 5.07 |
| Iloilo | 6 | 4.00 | 6.97 | 5.59 | 4.07 | 5.85 | 6.00 | 4.42 |
| Zamboanga | 7 | 7.00 | 5.29 | 4.62 | 3.21 | 5.88 | 7.58 | 5.29 |
| Cagayan de Oro | 8 | 6.00 | 7.33 | 4.64 | 4.32 | 5.06 | 5.17 | 5.35 |
| Tacloban | 9 | 6.75 | 7.53 | 4.94 | 3.57 | 5.46 | 4.25 | 4.68 |
| Iligan | 10 | 6.00 | 6.77 | 4.68 | 3.08 | 5.20 | 7.00 | 5.50 |

General Santos City has high scores in the indicators belonging to the infrastructure, dynamism of local economy, and responsiveness of LGU drivers. The competitiveness of General Santos may prove to be long-term in nature due to its emphasis on physical infrastructure, development-planning capacity and proactive leadership. Moreover, the city has established very strong linkages with the surrounding growth area (SOSKSCARGEN).

Angeles City's high rankings are reflected more by the individual rankings than the scores. Based on the rankings, the stronger points of the city lie in its Linkages and Human Resources Endowment. The city's proximity to Metro Manila and Clark Special Economic Zone as well as its centrality in Luzon remain as its major strengths. On the other hand, despite its small land area, the city possesses a large pool of skilled/easily trainable

labor. It is worth noting that the city's not-so-impressive scores pertain to its standing vis-à-vis national/global benchmarks.

Baguio City (third in the ranking) has impressive scores in the human resources endowment, infrastructure, and quality of life drivers. The city's competitiveness is now being shaped in its emerging role as the center of the planned BLIST (Baguio, La Trinidad, Itogon, Sablan, and Tuba) Metro Area and as the gateway to the Cordilleras.

Analysis per Driver

Cost of Doing Business

- The first driver pertains to the cost competitiveness of a city. The indicators used are as follows: average rent of commercial space in the city center; average rent of land for industrial use; average cost of telephone services for business use; and the cost of power for industrial use (Table 2).
- The direct cost of doing business throughout the country varies. While there are still advantages when it comes to cost of factor inputs such as cost of land/space for industrial and commercial uses, these advantages seem to be greatly offset by threatening weaknesses in areas such as cost of power.
- Aside from San Fernando La Union, all cities with data on rent of commercial space (in city center) still have very competitive commercial rent costs, relative to average rent levels in other major urban centers in the country as well as Thailand, China, Indonesia, and Malaysia. Baguio City's score, although still competitive, reflects the scant supply of land for commercial purposes since much of the city's commercial activities are centered within a very small area around the *poblacion*.
- Average rent for industrial land in most, if not all, of the cities appear very competitive vis-à-vis global benchmarks. The presence of industrial estates and districts in most of the cities studied, for instance, ensures a

Table 2. Cost of Doing Business

| | Estimated Rank | Score | Average Rent of Commercial Space | | Average Rent for Industrial Land | | Cost of Acquiring Telephone Services | | Cost of Power for Industrial Use | |
|----------------|----------------|-------|----------------------------------|----------------------|----------------------------------|----------------------|--------------------------------------|----------------------|----------------------------------|----------------------|
| | | | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks |
| Angeles City | 6 | 6.00 | nd | -- | 4 | 10.00 | 1 | 7.00 | 5 | 1.00 |
| Baguio City | 8 | 5.75 | 6 | 6.00 | 6 | 10.00 | 6 | 6.00 | 7 | 1.00 |
| Cagayan de Oro | 5 | 6.00 | 5 | 7.00 | 3 | 10.00 | nd | -- | 3 | 1.00 |
| Davao City | 2 | 7.75 | 2 | 9.00 | 1 | 10.00 | 5 | 7.00 | 1 | 5.00 |
| General Santos | 3 | 8.67 | 1 | 10.00 | 2 | 10.00 | 8 | 6.00 | Nd | -- |
| Iligan | 10 | 4.33 | nd | -- | 7 | 10.00 | 9 | 2.00 | Nd | -- |
| Iloilo | 7 | 4.00 | nd | -- | nd | -- | 4 | 7.00 | 8 | 1.00 |
| San Fernando | 9 | 3.33 | 7 | 3.00 | nd | -- | 7 | 6.00 | 6 | 1.00 |
| Tacloban | 4 | 6.75 | 3 | 9.00 | 5 | 10.00 | 2 | 7.00 | 4 | 1.00 |
| Zamboanga | 1 | 7.00 | 4 | 9.00 | nd | -- | 3 | 7.00 | 2 | 5.00 |

substantial amount of inexpensive industrial land. The cities of Davao, General Santos and Cagayan de Oro lead the ratings. Davao City and General Santos have vast land areas, while Cagayan de Oro has access to massive industrial zones such as the PHIVIDEC in Misamis Oriental.

- However, inexpensive commercial or industrial space cost/rent translate to weak advantages. Inexpensive land-usage costs are easily offset by high transportation costs. The high costs of inter-regional transport in the country plus constrained port capacities offset the advantages.
- Cost of telecommunication services has been improving due to the entry of more players in the past several years. Except for Iligan, all cities in the sample get scores of 6 to 7. However, according to the interviews made, these low “published” costs mask a bigger problem caused by inadequate coordination between the different service providers—often times resulting in interconnection problems.
- Cost of electricity in the country is very high. The country’s power rates are only less expensive than Japan’s (within the Asia-Pacific region). Using the cost of the average industry consumption for five countries (China, Thailand, Indonesia, Malaysia and the Philippines) as benchmark, six out of nine cities got scores of 1 (very low competitiveness). The cost advantages enjoyed by Davao City and

Zamboanga City are temporary in nature and brought about in large part by cross-subsidies, which are eventually going to be taken out. The generally higher scores for Mindanao cities reflect the relatively lower rates in the Mindanao grid.

- The temporary advantages in direct costs are further offset by other factors not adequately measured by this study such as those pertaining to transport and bureaucratic costs. At the end of the day, very inexpensive rent of industrial and commercial land would mean nothing when high costs of shipping, for instance, discourage potential locators in setting up shop in emerging local urban economies.

Human Resources Endowment

- The Human Resource Endowment driver was measured by the indicators: adult literacy, percentage of labor force with high school diploma, percentage of labor force with college degree, and a survey indicator on the ease of training personnel. Weighted versus national and global benchmarks, figures from Tacloban, Cagayan de Oro, Baguio City, Iloilo and Iligan have above-average ratings, while the rest of the city-samples have average ratings. Ranked versus each other, Iloilo City and Angeles City garner the top positions (Table 3).

Table 3a. Human Resource Endowment

| | Estimated Rank | Score | Adult Literacy | | Percentage of Labor Force with High School Diploma | | Percentage of Labor Force with College Degree | | Ease of Training Personnel (S) | |
|----------------|----------------|-------|-----------------|----------------------|--|---------------------|---|---------------------|--------------------------------|----------------------|
| | | | Rank vs. Sample | Score vs. Benchmarks | Rank vs Sample | Score vs Benchmarks | Rank vs Sample | Score vs Benchmarks | Rank vs Sample | Score vs. Benchmarks |
| Angeles City | 2 | 5.06 | 2 | 10.00 | 1 | 2.00 | 7 | 1.00 | 2 | 7.26 |
| Baguio City | 5 | 7.08 | 6 | 7.00 | nd | -- | nd | -- | 3 | 7.17 |
| agayan de Oro | 6 | 7.33 | 5 | 8.00 | nd | -- | nd | -- | 5 | 6.67 |
| Davao City | 7 | 5.60 | 7 | 7.00 | 5 | 1.00 | 4 | 8.00 | 8 | 6.40 |
| General Santos | 8 | 5.14 | 8 | 6.00 | 4 | 1.00 | 5 | 7.00 | 7 | 6.57 |
| Iligan | 3 | 6.17 | nd | -- | 6 | 1.00 | 2 | 10.00 | 1 | 7.50 |
| Iloilo | 1 | 6.97 | 3 | 10.00 | 3 | 1.00 | 1 | 10.00 | 4 | 6.87 |
| San Fernando | 4 | 5.65 | 1 | 10.00 | 2 | 2.00 | 6 | 4.00 | 6 | 6.60 |
| Tacloban | 9 | 7.53 | 4 | 9.00 | nd | -- | nd | -- | 10 | 6.07 |
| Zamboanga | 10 | 5.29 | 9 | 5.00 | 7 | 1.00 | 3 | 9.00 | 9 | 6.17 |

-
- Scores for adult literacy, a basic indicator of HR quality, range from 5 to 10. The percentage of local labor forces with high school education show very low scores. Benchmarks used assumed that since high school education is basic education, the average scores for urban areas would have to comprise the lower boundary for scores of leading urban centers. Only San Fernando La Union and Angeles City have grades significantly higher than this average.
 - Out of seven cities with available data on the percentage of labor force with college degree, the cities of Iligan, Iloilo, Zamboanga, Davao City and General Santos have scores of 7 to 10 (above-average competitiveness). These cities have at least 67 percent of their work force classified as college graduates.
 - These figures are partly mirrored by the next indicator—ease of training personnel. All cities have above average ratings, but Angeles, Baguio, and Iligan lead the scores. Despite the low scores for the previous indicator, those surveyed still regarded the labor forces in Angeles City as relatively very manageable to train. One possible explanation is that Angeles is a migrant city; a big part of its daytime workforce comes from neighboring cities and towns.
 - Although this research failed to get figures for Baguio City and Cagayan de Oro, both cities can boast of very competitive labor pools. Enrolment rates in secondary education (1993-1994 figures) are 60.91 percent for Baguio and 99.62 percent for Cagayan de Oro. Philippine average for the same period was 74 percent. When it comes to the percentage of 20- to 24- year old population enrolled in tertiary education, Baguio City has a score of 167 percent and Cagayan de Oro, 66.85 percent. The Philippine average is 26.2 percent. The very high score for Baguio City for enrolment rates in secondary education reflects its status as a center for college/tertiary education.
 - The combination of a high score for percentage of labor force with college degree and a low score for percentage of labor force with high school diploma could explain the paradox of having a large supply of low- to mid-skilled workers while having low labor productivity levels.

On the other hand, the disparity in the scores could just reflect the location of universities vis-à-vis that of elementary and high schools. While many of the tertiary-level educational institutions are clustered within leading cities, primary and secondary schools appear to be dispersed more toward the peripheral, semi-urban, and rural areas.

Infrastructure

- Under the broad infrastructure driver, cities are rated and scored in terms of eight factors:
 - a) Access to and availability of suitable space/land for business (measured by growth in building construction for non-residential use and presence and type of industrial districts).
 - b) Access to finance and support services (number of banks vis-à-vis population, net loan-to-deposit ratio, and presence of business support services).
 - c) Telecommunications (ease of making domestic and international telephone calls and telephone density).
 - d) Sustainability of transport (rate of growth of private vehicle stock); the indicator measuring the amount of investment in pedestrian-related infrastructure was originally included but dropped from the analyses due to inadequate data.
 - e) Solid-waste management (percent of households with access to regular garbage collection, per capita spending on solid waste management, degree of compliance with national environmental standards, and perceived cleanliness of community).
 - f) Access to media and technology (access to internet – number of subscribers viz. total population and total number of cable subscribers viz. households).
 - g) Power supply (electrification coverage).

- The average overall scores for the infrastructure driver of the 10 cities is 5.2 (Table 3b). While this average has been pulled upward by indicators such as presence of business support services, vehicle density, ease of making local and international calls, telephone density, and electrification coverage, it is pulled down by weaknesses in access to finance, access to media and technology, per capita spending on solid waste management of compliance with national environmental standards, and sustainability of transport. Ranked against the rest of the city-samples, San Fernando, Baguio, General Santos City, Iloilo and Angeles have the highest ratings. These cities also have the highest overall scores vis-à-vis the benchmarks used.

Table 3b. Infrastructure: Overall Rank/ Score

| Overall Rank/ Score | | | | | | | | | |
|---------------------|--------|----------------|------------|----------------|--------|--------|--------------|----------|-----------|
| Angeles | Baguio | Cagayan de Oro | Davao City | General Santos | Iligan | Iloilo | San Fernando | Tacloban | Zamboanga |
| 5 | 2 | 7 | 8 | 3 | 9 | 4 | 1 | 6 | 10 |
| 5.44 | 6.35 | 4.64 | 4.81 | 5.51 | 4.68 | 5.59 | 5.43 | 4.94 | 4.62 |

- Iloilo City, Angeles, and Baguio had the most active construction activities from 1995 to 1998 (Table 3c). It is no coincidence that these cities also have the highest population density levels and relatively developed road networks. As densely populated migrant cities, these places experience continuous increase in the demand for new housing and structures servicing newly built “communities.” Also, growth in construction activity, in order to be optimal, has to be accompanied and facilitated by developed road networks, which will help layout the new construction toward the outer rings of the urban centers. On the other hand, aside from an inactive local economy, factors such as inadequate road network and lack of

Table 3c. Infrastructure: Access to Space/Land/Finances

| | Access to/ Availability of Suitable Space/ Land For Business | | | | Access to Finance and Support Services | | | | | |
|----------------|--|----------------------|--|----------------------|--|----------------------|------------------------|----------------------|--|----------------------|
| | Growth in Building Construction for Non-Residential Use | | Presence/ Type of Industrial Districts | | Number of Banks vs. Population | | Net Loan Deposit Ratio | | Presence of Business Support Services (\$) | |
| | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks |
| Angeles City | 2 | 10.00 | 2 | 7.50 | 6 | 1.00 | 8 | 1.00 | 9 | 6.88 |
| Baguio City | 3 | 10.00 | 2 | 7.50 | 5 | 1.00 | 10 | 1.00 | 2 | 7.61 |
| Cagayan de Oro | 7 | 2.00 | 2 | 7.50 | 7 | 1.00 | 1 | 10.00 | 1 | 8.17 |
| Davao City | 8 | 1.00 | 7 | 2.50 | 9 | 1.00 | 3 | 10.00 | 5 | 7.37 |
| Gen. Santos | 6 | 2.00 | 1 | 10.00 | 10 | 1.00 | 2 | 7.00 | 7 | 7.04 |
| Iligan | 5 | 4.00 | 2 | 7.50 | 4 | 1.00 | 4 | 1.00 | 4 | 7.42 |
| Iloilo | 1 | 10.00 | 10 | 1.00 | 1 | 9.00 | 5 | 1.00 | 3 | 7.50 |
| San Fernando | 9 | 1.00 | 7 | 2.50 | 2 | 4.00 | 9 | 1.00 | 6 | 7.24 |
| Tacloban | 10 | 1.00 | 7 | 2.50 | 3 | 2.00 | 6 | 1.00 | 8 | 6.88 |
| Zamboanga | 4 | 6.00 | 2 | 7.50 | 8 | 1.00 | 7 | 1.00 | 10 | 6.76 |

development plans constrain construction activities. For instance, Davao City, Cagayan de Oro, General Santos City, and Iligan City's construction sectors have not been as vibrant as that of other leading urban centers because of still underdeveloped road systems.

- In terms of presence and type of industrial districts, the cities of Angeles, Baguio, Cagayan de Oro, Iligan, and Zamboanga have scores of 7.5. General Santos gets a 10. A 7.5 rating is given based on the existence of industrial districts having a significant number of local and foreign locators and adequate basic infrastructure. General Santos's fish port and economic zones are given a score of 10 due to the same factors and the presence of relatively specialized infrastructure. The 2.5 ratings given to Davao City, San Fernando, and Tacloban point to the presence of "hollow" industrial enclaves. These cities may have industrial districts, but are the types that have minimal number of locators (mostly domestic) and/or inadequate infrastructure.
- Part of the "infrastructure" that can make or break the competitiveness of urban centers are the clusters/concentrations of firms/groups and institutions that provide the array of support services to the main economic sectors, e.g., access to finance, insurance, real estate needs, and marketing support services. Access to finance is measured by the number of banks viz. population and the ratio between total loans and deposit levels in the localities. In terms of number of banks per 1,000 population, Iloilo's rate (0.95) is even higher than that of Quezon City. Angeles, Baguio, Cagayan de Oro, Davao City, General Santos City, Iligan City and Zamboanga City have scores of 1—having less than one bank per 10,000 people. However, using the loan-deposit ratio as a complement measure and as a better indicator of availability of financial capital in a locality—Davao City, Cagayan de Oro (scores of 10) and General Santos City (score of 7) have the highest scores. These figures reflect the general business/investors' confidence prevalent in these cities during the past several years.
- Since all of the city-samples are either growth centers or sub-growth centers, they rank high in terms of presence of business support services. Cagayan de Oro, Baguio, and Iloilo have the highest scores and ranks.

- Four indicators are used to measure the adequacy and quality of the cities' road networks (Table 4). The vehicle density indicator (i.e., number of vehicles per kilometer of road) complements the road density indicator (i.e., km of road per square km of land area). The adequacy of road networks has to be analyzed in terms of the respective cities' ability to manage their respective vehicle stocks. An ideal scenario is where a city has both adequate road infrastructure and at the same time has manageable levels of vehicle density. This is the case for the cities of Iloilo, San Fernando and Tacloban. For cities such as Angeles, high road density is greatly offset by too many vehicles roaming the city's roads. Cities with road density scores of lower than 5 (less than 1 km of road per square km) have to do more road building.

Table 4. Road Infrastructure

| | Road Infrastructure | | | | | | | |
|----------------|---------------------|----------------------|-----------------|----------------------|--|----------------------|---|----------------------|
| | Road Density | | Vehicle Density | | Quality of Road System: Pavement Ratio | | Quality of Road System: Quality of Road Network (S) | |
| | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks |
| Angeles City | 1 | 10.00 | 9 | 1.00 | 3 | 10.00 | 6 | 5.38 |
| Baguio City | 6 | 5.00 | 5 | 8.00 | 1 | 10.00 | 4 | 5.80 |
| Cagayan de Oro | 8 | 4.00 | 7 | 7.00 | 7 | 1.00 | 10 | 4.50 |
| Davao City | 9 | 3.00 | 3 | 9.00 | 9 | 1.00 | 7 | 5.32 |
| Gen. Santos | 7 | 4.00 | 4 | 9.00 | 5 | 7.00 | 1 | 7.40 |
| Iligan | 10 | 2.00 | 2 | 9.00 | nd | 1.00 | 2 | 6.67 |
| Iloilo | 2 | 9.00 | 10 | 10.00 | 2 | 10.00 | 9 | 4.60 |
| San Fernando | 4 | 7.00 | 8 | 6.00 | 6 | 5.00 | 5 | 5.77 |
| Tacloban | 3 | 8.00 | 6 | 7.00 | 4 | 9.00 | 3 | 5.97 |
| Zamboanga | 5 | 5.00 | 1 | 10.00 | 8 | 1.00 | 8 | 4.80 |

- In terms of quality of road system (pavement ratio), Baguio, Iloilo, Angeles, Tacloban and General Santos have the highest scores (scores of 7 to 10). General Santos, Iligan, Tacloban, Baguio, and San Fernando have the highest scores for the survey question on the quality of road network. General Santos, Tacloban and Baguio City have highest scores for both indicators-meaning that road quality in these cities has been matched by the quality in the network (e.g., presence of ring roads, bypass roads).
- Cities of Baguio, San Fernando, Angeles, and Tacloban have the highest telephone-density figures (about 178 lines per 1000 people or higher). Davao City and Zamboanga City have the lowest scores (1 and 3,

respectively)(Table 5). In terms of ease of making domestic and international calls, Iloilo, San Fernando, Tacloban, and Zamboanga yield the highest scores. Despite having average ratings, cities with the lowest rankings (Angeles, General Santos, and Cagayan de Oro) are those experiencing serious interconnection problems between the various telephone service providers.

Table 5. Telecommunications

| | Telecommunications | | | | Sustainability of Transport | |
|----------------|---|----------------------|-------------------|----------------------|---|----------------------|
| | Ease of Making Domestic and International Telephone Calls | | Telephone Density | | Rate of Growth of Private Vehicle Stock | |
| | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks |
| Angeles City | 8 | 7.34 | 3 | 9.00 | 10 | 1.00 |
| Baguio City | 5 | 7.80 | 1 | 10.00 | 9 | 2.00 |
| Cagayan de Oro | 10 | 6.88 | 7 | 6.00 | 8 | 2.00 |
| Davao City | 6 | 7.63 | 10 | 1.00 | 1 | 9.00 |
| General Santos | 9 | 7.14 | 6 | 7.00 | 5 | 4.00 |
| Iligan | 7 | 7.50 | 8 | 5.00 | 2 | 8.00 |
| Iloilo | 2 | 8.75 | 5 | 8.00 | 3 | 5.00 |
| San Fernando | 1 | 8.79 | 2 | 10.00 | 4 | 5.00 |
| Tacloban | 4 | 8.13 | 4 | 9.00 | 7 | 4.00 |
| Zamboanga | 3 | 8.20 | 9 | 3.00 | 6 | 5.00 |

- Angeles City, Baguio City, and Cagayan de Oro have the worst scores in terms of rate of growth in private vehicles. These cities are those that have been having worsening problems in traffic congestion. All cities studied seem to have been giving very low priority to investments in public transport/ pedestrian-related facilities (Table 5).
- In terms of the solid waste management indicators, only San Fernando-La Union has been consistent in its ability and willingness in handling solid waste. It scores 7 or higher in the following: percentage of households with access to regular garbage collection; per capita spending on solid waste management; and perceived cleanliness of community, and gets an average (5) score in its degree of compliance with national environmental standards. Except for relatively low per capita spending on solid waste management, Baguio City continues to live up to its reputation as one of the cleanest urban centers in the country. The city ranks first in the degree of compliance with national environmental

Table 6. Solid Waste Management

| | Solid Waste Management | | | | | | | |
|----------------|--|----------------------|---|----------------------|--|----------------------|--|----------------------|
| | Percentage of Households with Access to Regular Garbage Collection | | Per Capita Spending on Solid Waste Management | | Degree of Compliance with National Environmental Standards | | Perceived Cleanliness of Community (S) | |
| | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks |
| Angeles City | 5 | 5.00 | nd | | nd | -- | 8 | 5.46 |
| Baguio City | 2 | 8.00 | 5 | 1.00 | 1 | 5.00 | 1 | 8.20 |
| Cagayan de Oro | nd | | 3 | 4.00 | 6 | 3.00 | 7 | 5.50 |
| Davao City | 8 | 1.00 | nd | | 1 | 5.00 | 3 | 7.15 |
| Gen. Santos | 7 | 1.00 | 2 | 4.00 | 1 | 5.00 | 4 | 7.03 |
| Iligan | 9 | 1.00 | 8 | 1.00 | 6 | 3.00 | 5 | 6.17 |
| Iloilo | 5 | 6.00 | 6 | 1.00 | 8 | 1.00 | 10 | 4.42 |
| San Fernando | 3 | 7.00 | 1 | 7.00 | 1 | 5.00 | 2 | 7.78 |
| Tacloban | 1 | 8.00 | 4 | 1.00 | 1 | 5.00 | 9 | 5.40 |
| Zamboanga | 4 | 6.00 | 7 | 1.00 | nd | -- | 6 | 5.80 |

standards and perceived cleanliness of community, and 2 in terms of percentage of households with access to regular garbage collection. Of the cities with data, only San Fernando, Baguio, Davao City, General Santos City and Tacloban have acceptable solid waste management facilities. Iloilo, Tacloban, and Angeles have the worst scores in terms perceived cleanliness.

- Although more and more households in the country’s leading urban centers are linked to the main channels of the information age such as the internet and cable television, statistics show the relatively slow pace in which things are happening (Table 7). A probable explanation for the more IT-oriented cities, which still garner low scores, is the proliferation of both registered and unregistered internet shops acting as substitutes to direct household connection. However, on a broader scope, factors such as limited number of telephone lines, inadequate infrastructure, and other unmet market requisites constrain the service providers involved.

Table 7. Access to Media - Technology – Power Supply

| | Access to Media and Technology | | | | Power Supply | |
|----------------|--------------------------------|----------------------|--|----------------------|--------------------------|----------------------|
| | Access to Internet | | Number of Cable TV Subscribers viz. Population | | Electrification Coverage | |
| | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks |
| Angeles City | 1 | 1.00 | 4 | 1.00 | 3 | 10.00 |
| Baguio City | nd | -- | Nd | -- | 1 | 10.00 |
| Cagayan de Oro | 5 | 1.00 | 2 | 2.00 | 5 | 8.00 |
| Davao City | nd | -- | Nd | -- | 7 | 6.00 |
| General Santos | nd | -- | Nd | -- | 8 | 4.00 |
| Iligan | nd | -- | Nd | -- | -- | -- |
| Iloilo | 3 | 1.00 | 1 | 3.00 | 6 | 6.00 |
| San Fernando | 2 | 1.00 | 3 | 2.00 | 4 | 10.00 |
| Tacloban | 4 | 1.00 | 5 | 1.00 | 1 | 10.00 |
| Zamboanga | nd | -- | 6 | 1.00 | 9 | 3.00 |

Linkages with Growth Areas

- The linkages with growth areas driver is measured in terms of the following: general accessibility (number of weekly domestic flights); access to domestic markets (population viz. fast food chain outlets); access to production inputs; and proximity to international markets (Table 8).
- Relative to the benchmarks used, only Angeles City, Davao City and San Fernando have cumulative scores of at least 5. Zamboanga City, Iligan and Tacloban appear to be the least accessible and ‘linked’.
- Iloilo City, Davao City and Cagayan de Oro have the most number of weekly domestic flights. Davao City, General Santos, Angeles City, Cagayan de Oro and Zamboanga, however, are the only cities capable of having international flights (in the present or near future), which could further boost their competitiveness.
- Angeles City, San Fernando and Baguio City garner the highest scores in terms of access to domestic market - as measured by the number of fastfood chain outlets viz. population (Table 8).

Table 8. Linkages with Growth Areas

| | Estimated Rank | Score | Accessibility | | Access to Domestic Markets | | Access to Production Inputs | | Access to International Markets | |
|----------------|----------------|-------|-----------------------------------|-----------------------|---|-----------------------|---|-----------------------|---|-----------------------|
| | | | Number of Weekly Domestic Flights | | Population viz. Fast Food Chain Outlets | | Proximity to Major Sources of Production Inputs | | Proximity to International Points of Entry and Exit | |
| | | | Rank vs. Sample | Score vs. Bench-marks | Rank vs. Sample | Score vs. Bench-marks | Rank vs. Sample | Score vs. Bench-marks | Rank vs. Sample | Score vs. Bench-marks |
| Angeles City | 1 | 5.13 | 8 | 1.00 | 1 | 10.00 | 1 | 7.35 | 4 | 6.32 |
| Baguio City | 6 | 4.83 | 7 | 1.00 | 3 | 10.00 | 6 | 6.65 | 7 | 5.48 |
| Cagayan de Oro | 4 | 4.32 | 3 | 6.00 | 5 | 2.00 | 4 | 6.67 | 5 | 5.92 |
| Davao City | 3 | 5.27 | 1 | 7.00 | 7 | 1.00 | 3 | 6.99 | 3 | 6.37 |
| Gen. Santos | 2 | 4.42 | 6 | 2.00 | 4 | 5.00 | 4 | 6.67 | 1 | 7.41 |
| Iligan | 9 | 3.08 | 8 | 1.00 | 10 | 1.00 | 2 | 7.33 | 9 | 5.06 |
| Iloilo | 7 | 4.07 | 1 | 7.00 | 9 | 1.00 | 8 | 5.80 | 6 | 5.57 |
| San Fernando | 5 | 5.00 | 8 | 1.00 | 2 | 10.00 | 7 | 6.36 | 2 | 6.65 |
| Tacloban | 8 | 3.57 | 4 | 5.00 | 6 | 1.00 | 8 | 5.80 | 10 | 5.03 |
| Zamboanga | 10 | 3.21 | 5 | 3.00 | 8 | 1.00 | 10 | 5.73 | 8 | 5.33 |

Quality of Life

- Five factors formed parts of the Quality of Life driver (Table 9):
 - a) General social welfare of society (infant mortality rate, squatting population as percentage of total)
 - * poverty level/ incidence was dropped because of inadequacy of data on the city level
 - b) Peace and order (incidence of theft/ murder per 1000)
 - c) Access to basic services (number of hospital beds per 1000, number of medical personnel, access to potable water)
 - d) Quality of living environment (population density, cleanliness of open bodies of water)
 - e) Presence of tertiary level and higher level training institutions

Table 9a. Quality of Life: Overall Rank/ Score

| Overall Rank/ Score | | | | | | | | | |
|---------------------|--------|----------------|------------|----------------|--------|--------|--------------|----------|-----------|
| Angeles | Baguio | Cagayan de Oro | Davao City | General Santos | Iligan | Iloilo | San Fernando | Tacloban | Zamboanga |
| 9 | 3 | 7 | 6 | 10 | 8 | 4 | 1 | 2 | 5 |
| 6.26 | 6.10 | 5.06 | 5.52 | 4.64 | 5.20 | 5.85 | 6.33 | 5.46 | 5.88 |

- There were other indicators that are part of the benchmarking model but not included in the analyses because of inadequate/incomplete data for cities: i.e. price of a fixed basket of goods (measuring comparative cost of living); house price-to-income ratio (measuring affordability of housing); density of total suspended particulates during peak hours (measuring quality of living environment); and access to public space and urban amenities.
- San Fernando-La Union and Baguio City get the first and third slots in the rankings and the next highest over-all scores (both almost rated as above average). Davao City, Cagayan de Oro, General Santos, and Iligan rate low in similar areas, reflecting common weaknesses, e.g., squatting for Davao, Cagayan de Oro, and General Santos; incidence of theft for Davao and General Santos; and murder for Tacloban, General Santos, and Zamboanga; number of medical personnel viz. population; and access to potable water.
- One apparent problem in leading urban centers is the ever-increasing number of illegal settlers/squatters (Table 9b). Six out of 10 cities studied show significant amount of problems with regard this (i.e., scores lower than 5). These cities are those whose population is composed of at least 15 percent illegal settlers (Angeles, 33%; Cagayan d Oro: 25%; Davao: 15.57%; General Santos: 16.7%; San Fernando 27%; Tacloban: 16.4%). Angeles, San Fernando, and Cagayan de Oro – cities with the lowest scores, are migrant cities as well as regional centers. A common “push factor” for the migrant squatters population is the very significant socioeconomic disparities between the cities and the outlying regions.

Table 9b. General Social Welfare of Society/ Peace and Order

| | General Social Welfare of Society | | | | Peace and Order | | | |
|----------------|-----------------------------------|----------------------|---|----------------------|--------------------------------|----------------------|---------------------------------|----------------------|
| | Infant Mortality Rate | | Squatting Population (also Measure of Housing Availability) | | Incidence of Theft per 100,000 | | Incidence of Murder per 100,000 | |
| | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks |
| Angeles City | 2 | 9.00 | 10 | 1.00 | 4 | 10.00 | 2 | 5.00 |
| Baguio City | 3 | 9.00 | 4 | 5.00 | nd | -- | nd | -- |
| Cagayan de Oro | 5 | 8.00 | 8 | 1.00 | 6 | 9.00 | 4 | 1.00 |
| Davao City | 4 | 9.00 | 5 | 3.00 | 9 | 3.00 | 1 | 9.00 |
| Gen. Santos | 9 | 6.00 | 7 | 2.00 | 8 | 6.00 | 8 | 1.00 |
| Iligan | 7 | 7.00 | 3 | 6.00 | 2 | 10.00 | 6 | 1.00 |
| Iloilo | 6 | 8.00 | 1 | 10.00 | 3 | 10.00 | 5 | 1.00 |
| San Fernando | 1 | 9.00 | 9 | 1.00 | 1 | 10.00 | 3 | 5.00 |
| Tacloban | 10 | 4.00 | 6 | 3.00 | 7 | 7.00 | 9 | 1.00 |
| Zamboanga | 8 | 7.00 | 2 | 10.00 | 5 | 10.00 | 7 | 1.00 |

- Of the cities with available data on peace and order, Angeles and San Fernando have the highest scores in both incidences of theft and murder indicators. While Mindanao and Visayan cities score relatively high in the first indicator, they rate very low in the incidence of murder. Although there are no data on Davao City, it is believed that a major cause of its economic dynamism in the 1990s was the vastly improved peace and order environment.
- While all cities seem to have adequate medical facilities, as measured by the number of hospital beds viz. the population, the number of “public-oriented” medical personnel is very limited (Table 9c). In terms of access to potable water, at least two cities have less than half of their populations without direct and formal access to potable water (Iligan: 32%; Zamboanga: 48%). In comparison, an acceptable global benchmarks/standards with regard access to potable water for leading urban centers in emerging economies would be about 70 percent.

Table 9c. Quality of Life: Access to Basic Services

| | Access to Basic Services | | | | | |
|----------------|----------------------------------|----------------------|--|----------------------|---|----------------------|
| | Number of Hospital Beds per 1000 | | Number of Medical Personnel Employed by the Government per 100,000 | | Percentage of Population With Access to Potable Water | |
| | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks |
| Angeles City | 1 | 10.00 | nd | -- | nd | -- |
| Baguio City | 5 | 9.00 | 5 | 1.00 | 1 | 9.00 |
| Cagayan de Oro | 10 | 5.00 | 1 | 2.00 | 3 | 4.00 |
| Davao City | 7 | 7.00 | 8 | 1.00 | 5 | 3.00 |
| General Santos | 6 | 8.00 | 7 | 1.00 | -- | -- |
| Iligan | 8 | 6.00 | 6 | 1.00 | 7 | 1.00 |
| Iloilo | 3 | 10.00 | 3 | 1.00 | 4 | 3.00 |
| San Fernando | 2 | 10.00 | 4 | 1.00 | nd | -- |
| Tacloban | 4 | 9.00 | 2 | 1.00 | 2 | 6.00 |
| Zamboanga | 9 | 6.00 | nd | -- | 6 | 2.00 |

- General Santos has very scarce raw data; however, because its data were not confirmed, this city was dropped from this particular analysis. It is however, worth noting that General Santos City’s very low score is because the construction and establishment of a public water system are still going on.

- Most cities (except Angeles, Baguio and Iloilo City) still have manageable population densities and show signs that growth could still be accommodated (Table 9d). Except for Iloilo and Angeles, all other city-sample respondents perceive that inland waters and rivers still have acceptable cleanliness levels.

Table 9d. Quality of Life: Quality of Living Environment

| | Quality of Living Environment | | | | Presence of Tertiary Level and Higher Level Training Institutions | |
|----------------|-------------------------------|----------------------|---|----------------------|---|----------------------|
| | Population Density | | Cleanliness of Open Bodies of Water (S) | | Number of Tertiary Level Educational Institutions Within the City | |
| | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks |
| Angeles City | 8 | 4.00 | 9 | 4.56 | 5 | 10.00 |
| Baguio City | 9 | 2.00 | 6 | 5.91 | 4 | 10.00 |
| Cagayan de Oro | 6 | 9.00 | 8 | 5.67 | 6 | 10.00 |
| Davao City | 3 | 10.00 | 3 | 6.23 | 7 | 10.00 |
| General Santos | 4 | 10.00 | 1 | 7.40 | 10 | 4.00 |
| Iligan | 2 | 10.00 | 4 | 6.17 | 8 | 8.00 |
| Iloilo | 10 | 1.00 | 10 | 4.32 | 3 | 10.00 |
| San Fernando | 5 | 10.00 | 2 | 6.30 | 1 | 10.00 |
| Tacloban | 7 | 8.00 | 5 | 6.07 | 2 | 10.00 |
| Zamboanga | 1 | 10.00 | 7 | 5.77 | 9 | 6.00 |

- San Fernando, Tacloban, Iloilo, Baguio and Angeles have the most number of universities located within their jurisdictions. The cities of Iloilo and Baguio are widely regarded as university centers, and can develop this “cluster” as a strong foundation for the cities’ development.

Dynamism Of Local Economy

- The dynamism of city-economies was measured by the general health of the local economy (e.g., city product per household, growth in exports, growth in investments, and growth in tourist arrivals) and the degree of openness and internationalization (per capita export earnings of cities’ ports viz. country; earnings from exports as percentage of city product).

Table 10a. Dynamism of Local Economy: General Health of Local Economy

| | General Health Of Local Economy | | | | | | | |
|----------------|---------------------------------|----------------------|------------------------|----------------------|----------------------------|----------------------|---------------------------------|----------------------|
| | City Product per Household | | Growth Rate in Exports | | Growth Rate in Investments | | Growth Rate in Tourist Arrivals | |
| | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks |
| Angeles City | 3 | 8.00 | nd | -- | 10 | 1.00 | 2 | 1.00 |
| Baguio City | 1 | 10.00 | 2 | 10.00 | 9 | 2.00 | 4 | 10.00 |
| Cagayan de Oro | 2 | 10.00 | 8 | 1.00 | 5 | 10.0 | 7 | 4.00 |
| Davao City | 5 | 6.50 | 6 | 2.00 | 4 | 10.00 | 5 | 10.00 |
| Gen. Santos | 9 | 4.00 | 4 | 5.00 | 6 | 10.00 | 9 | 1.00 |
| Iligan | 6 | 6.00 | 1 | 10.00 | 3 | 10.00 | 8 | 1.00 |
| Iloilo | 4 | 8.00 | nd | -- | 2 | 10.00 | nd | 5.00 |
| San Fernando | 10 | 3.00 | 3 | 5.00 | 8 | 3.00 | 3 | 10.00 |
| Tacloban | 7 | 5.50 | 7 | 1.00 | 1 | 10.00 | 6 | 6.00 |
| Zamboanga | 8 | 4.50 | 5 | 1.00 | 7 | 10.00 | 1 | 10.00 |

- Zamboanga, Iligan, Iloilo, Baguio and Davao City garner the top over-all scores and rankings (Table 10b). Baguio City’s high level of economic output and surge in exports, investments and tourist arrivals in the post-earthquake years boosted Baguio City’s high marks. Zamboanga City’s high scores, on the other hand, reflect its role as one of the premiere international entrepots for Mindanao. As a matter of fact, the trade indicators are responsible for the city’s very high ratings. Meanwhile, impressive growth in investments and a respectable performance in tourism pushed Iloilo’s ratings.

Table 10b. Dynamism of Local Economy: Overall Rank/ Score

| Over-all Rank/ Score | | | | | | | | | |
|----------------------|--------|----------------|------------|----------------|--------|--------|--------------|----------|-----------|
| Angeles | Baguio | Cagayan de Oro | Davao City | General Santos | Iligan | Iloilo | San Fernando | Tacloban | Zamboanga |
| 3 | 4 | 7 | 8 | 10 | 5 | 2 | 9 | 6 | 1 |
| 3.33 | 5.67 | 5.17 | 5.58 | 5.50 | 7.00 | 6.00 | 4.00 | 4.25 | 7.58 |

- Iligan City’s economy, although lagging behind growth in tourism, leads in investments and exports growth. Davao City’s above-average score viz. the benchmarks was brought about by impressive growth in investments and tourist arrivals. General Santos had impressive growth rates in investments in the 1990s.
- The computation for the city product per household (GNP of the city) was based on the cities’ average household incomes and the ratio of the total household income and the GNP of the country. The formula, used

by the United Nations Development Programme, is one of the various ways in estimating total goods and services produced at the city level. Baguio City, Cagayan de Oro, Angeles, Iloilo and Davao City have the highest city product per household figures.

- General Santos City and Zamboanga City, although having below average city product per household figures, lead the city-samples in terms of openness and internationalization (Table 10c).

Table 10c. Dynamism of Local Economy: Openness/ Internationalization

| | Openness/ Internationalization | | | |
|----------------|---|----------------------|---|----------------------|
| | Per Capita Export Earnings of City (Ports) viz. Country | | Earnings from Exports (Ports) as Percentage of City Product | |
| | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks |
| Angeles City | nd | -- | nd | -- |
| Baguio City | 8 | 1.00 | 9 | 1.00 |
| Cagayan de Oro | 4 | 5.00 | 4 | 1.00 |
| Davao City | 5 | 4.00 | 5 | 1.00 |
| General Santos | 2 | 9.00 | 2 | 4.00 |
| Iligan | 3 | 7.00 | 3 | 2.00 |
| Iloilo | nd | -- | 8 | 1.00 |
| San Fernando | 6 | 2.00 | 7 | 1.00 |
| Tacloban | 7 | 2.00 | 6 | 1.00 |
| Zamboanga | 1 | 10.00 | 1 | 10.00 |

- Two cities register the highest rankings and scores for both per capita export earnings of cities' ports as compared to that of the country and export earnings as a percentage of city product. General Santos City's entrepot activities have been boosted by the dynamism of SOSKSCARGEN's agrisector, while Zamboanga City is pushed by the trading of goods between Southern Philippines and the Association of Southeast Asian Nation (ASEAN) Cities.

Responsiveness of City-LGU to Long-Term and Business Needs

- One of the most important drivers that shape urban competitiveness is the responsiveness of the cities' leadership to the following: (a) business needs; (b) fiscal capacity and local government health; (c) electronic governance; (d) participatory governance; and (e) long-term urban changes.

- Top overall rankings/scores go to General Santos, Iligan City, Davao City and Zamboanga City (Table 11a and 11b). General Santos City gets above average ratings in terms of the number of days required to secure business permits, general attitude toward business needs, internal revenue allotment as percentage of city revenue, growth of city revenue, and presence of fora with constituents. Tacloban City and Iloilo City rank poorly in most of these indicators.

Table 11a. Responsiveness of City-LGU to Long-Term and Business Needs: Overall Rank/ Score

| Over-all Rank/ Score | | | | | | | | | |
|----------------------|--------|----------------|------------|----------------|--------|--------|--------------|----------|-----------|
| Angeles | Baguio | Cagayan de Oro | Davao City | General Santos | Iligan | Iloilo | San Fernando | Tacloban | Zamboanga |
| 8 | 5 | 7 | 6 | 1 | 2 | 10 | 4 | 9 | 3 |
| 3.90 | 4.87 | 5.35 | 5.07 | 6.59 | 5.5 | 4.42 | 4.24 | 4.68 | 5.29 |

Table 11b. Existence of Land-Use Plans

| Existence of Land -Use Plans | | | | | | | | | |
|------------------------------|--------|----------------|------------|----------------|--------|--------|--------------|----------|-----------|
| Angeles | Baguio | Cagayan de Oro | Davao City | General Santos | Iligan | Iloilo | San Fernando | Tacloban | Zamboanga |
| 3 | 7 | 7 | 1 | 1 | -- | 7 | 3 | 3 | 3 |
| 2.5 | 2.5 | 2.5 | 10.0 | 10.0 | -- | 2.5 | 5.0 | 5.0 | 5.0 |

- Based on the results of a survey among businessmen, General Santos, Angeles, and San Fernando are found to have the fastest turnover rate in the processing of business permits, while Iloilo and Tacloban take the most number of days (Table 11c). On the other hand, Zamboanga City, General Santos, Iloilo City and Iligan appear to have the leanest government units while Angeles, San Fernando and Davao City have the most number of government employees viz. population size.
- Perceived corruption is lowest in San Fernando, General Santos and Baguio City while worst in Iloilo and Tacloban. The next indicator, general attitude of government to business needs, mirrors these scores. San Fernando, General Santos and Baguio City are perceived as being very supportive of their respective local business environments while Iloilo City and Tacloban City, although having respectable scores, rank last among the 10 cities.

Table 11c. Responsiveness To Business Needs

| | Responsiveness To Business Needs | | | | | | | |
|----------------|---|----------------------|---|----------------------|---------------------------|----------------------|--|----------------------|
| | Number of Days Required to Secure Business Permit (S) | | Number of Government Employees per 1000 of the Population | | Corruption Perception (S) | | General Attitude of Government to Business Needs (S) | |
| | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks |
| Angeles City | 2 | 6.17 | 7 | 1.00 | 7 | 5.39 | 6 | 6.83 |
| Baguio City | 8 | 5.11 | 4 | 5.00 | 3 | 6.27 | 3 | 7.28 |
| Cagayan de Oro | 6 | 5.50 | Nd | -- | 8 | 5.33 | 8 | 6.50 |
| Davao City | 5 | 5.65 | 9 | 1.00 | 6 | 5.78 | 4 | 7.05 |
| General Santos | 1 | 6.57 | 2 | 8.00 | 2 | 6.48 | 2 | 7.50 |
| Iligan | 4 | 5.67 | 4 | 7.00 | 4 | 6.17 | 5 | 7.00 |
| Iloilo | 9 | 5.00 | 3 | 8.00 | 10 | 3.82 | 9 | 8.00 |
| San Fernando | 3 | 5.90 | 8 | 1.00 | 1 | 6.67 | 1 | 10.00 |
| Tacloban | 10 | 4.43 | 6 | 6.00 | 9 | 4.43 | 10 | 6.00 |
| Zamboanga | 7 | 5.37 | 1 | 9.00 | 5 | 5.85 | 7 | 9.00 |

- In terms of fiscal health of local government units (LGUs), the internal revenue allotment (IRA) as a percentage of city revenue and the growth of city revenue were analyzed. Relatively self-reliant city-LGUs are expected to have other sources of revenue and should only allow its IRA to constitute less than half of their total revenues. General Santos, Zamboanga City, Baguio, Iloilo City and Cagayan de Oro are the cities that meet this standard. On the other hand, Cagayan de Oro and General Santos City have had the highest growth in city revenue. General Santos's IRA constitutes only about 38 percent of total revenue, comparable to the leading cities of Metro Manila (Table 11d and 11e).

Table 11d. Fiscal Capacity and Health of LGU

| | Fiscal Capacity and Health of LGU | | | | Capacity for Electronic Governance | | Openness | |
|----------------|-----------------------------------|----------------------|------------------------|----------------------|-------------------------------------|----------------------|--|----------------------|
| | IRA as % of City Revenue | | Growth of City Revenue | | Use of IT in Bureaucratic Processes | | Presence of Forums/ Initiatives to Elicit Opinions of Constituents | |
| | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks | Rank vs. Sample | Score vs. Benchmarks |
| Angeles City | 8 | 3.00 | 9 | 2.00 | 6 | 2.50 | 7 | 6.13 |
| Baguio City | 2 | 5.00 | 5 | 3.00 | 6 | 2.50 | 3 | 7.20 |
| Cagayan de Oro | 5 | 5.00 | 1 | 10.00 | 1 | 10.0 | 8 | 6.00 |
| Davao City | 6 | 4.00 | 7 | 2.00 | 3 | 7.50 | 5 | 6.67 |
| Gen. Santos | 1 | 7.00 | 2 | 7.00 | 5 | 5.00 | 1 | 7.32 |
| Iligan | 7 | 4.00 | 6 | 2.00 | 1 | 10.0 | 4 | 7.17 |
| Iloilo | 4 | 5.00 | 8 | 2.00 | 5 | 5.00 | 9 | 5.98 |
| San Fernando | nd | -- | 10 | 1.00 | 6 | 2.50 | 2 | 7.31 |
| Tacloban | 9 | 3.00 | 4 | 4.00 | 3 | 7.50 | 10 | 5.73 |
| Zamboanga | 2 | 6.00 | 3 | 5.00 | nd | -- | 6 | 6.57 |

Table 11e. Computer-To-Bureaucrat Ratio

| Computer-To-Bureaucrat Ratio | | | | | | | | | |
|------------------------------|--------|----------------|------------|----------------|--------|--------|--------------|----------|-----------|
| Angeles | Baguio | Cagayan de Oro | Davao City | General Santos | Iligan | Iloilo | San Fernando | Tacloban | Zamboanga |
| 7 | nd | nd | 6 | 1 | 2 | 8 | 4 | 5 | 3 |
| 1.0 | -- | -- | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |

- An important factor measured was the use of information technology in the bureaucratic purposes. Cagayan de Oro and Iligan City have been ranked as very competitive, while Davao City and General Santos rank as above average and average, respectively.

Chart on Indicators

Cost of Doing Business

Figure 1. Average Rent of Commercial Space in City Center, 1999

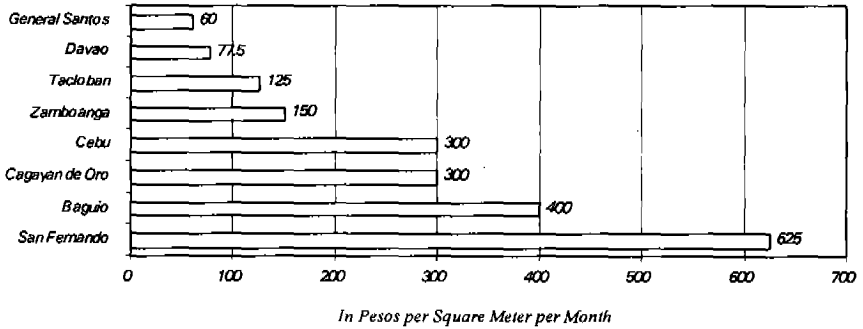


Figure 2. Average Rent of Land for Industrial Use, 1999

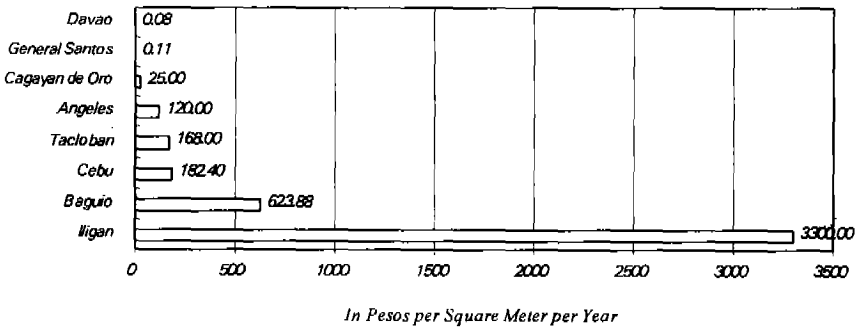


Figure 3. Cost of Labor for Nonagricultural Sectors, 1999

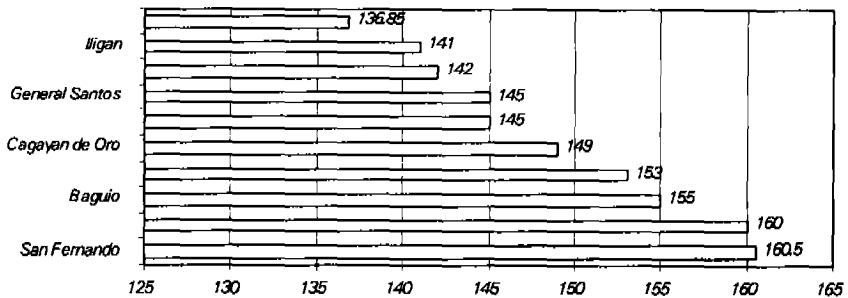


Figure 4. Average Cost of Acquiring Telephone Services for Commercial Purposes, 1999

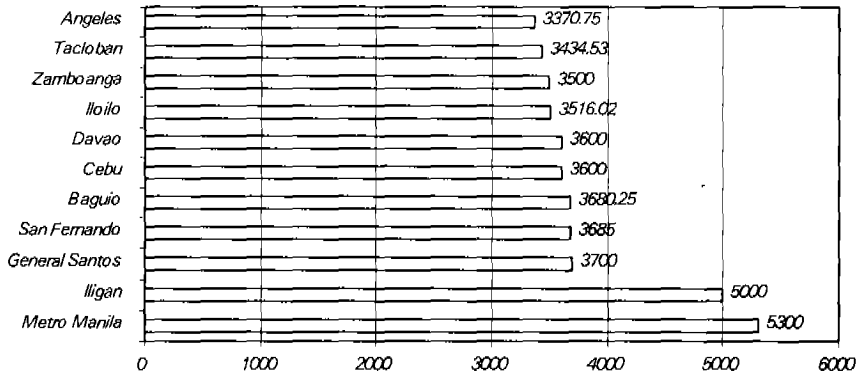
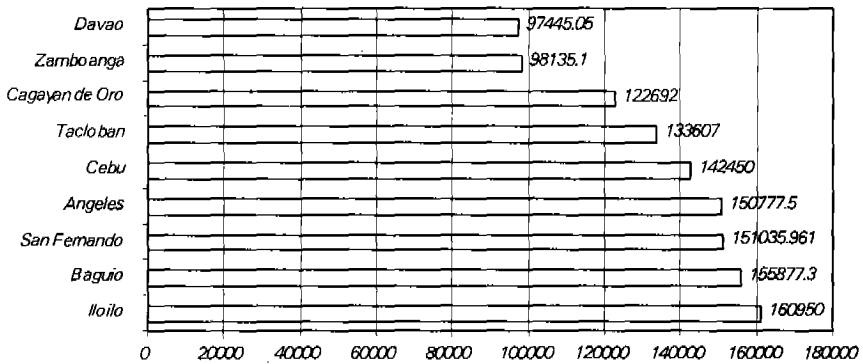


Figure 5. Cost of Electricity for Industrial Use, 1999



Monthly Bill of Industrial Clients Consuming, on Average, 37,000 kwh

Human Resource Endowment

Figure 6. Adult Literacy, 1995

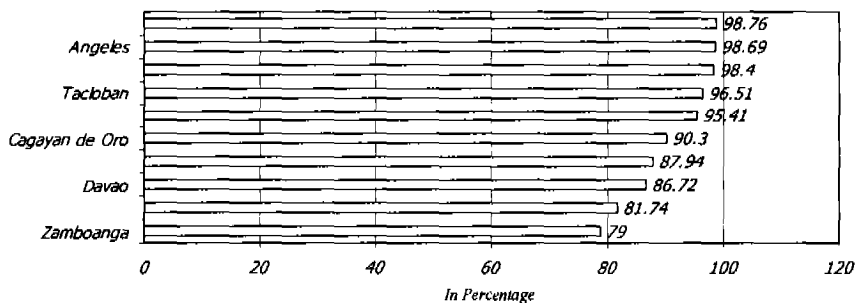


Figure 7. Percentage of Labor Force with a High School Degree, 1998

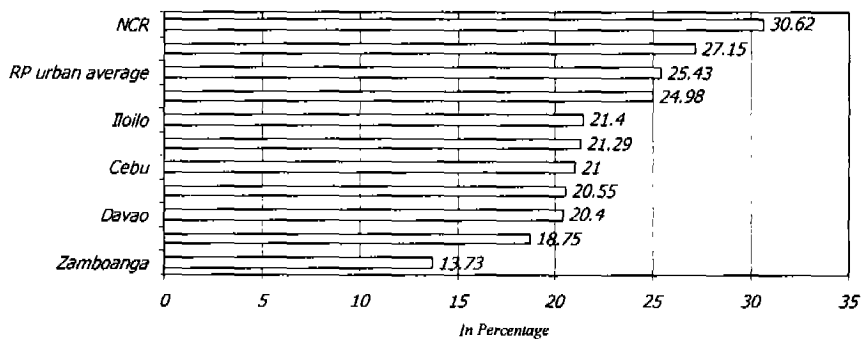


Figure 8. Percentage of Labor Force with a College Degree, 1998

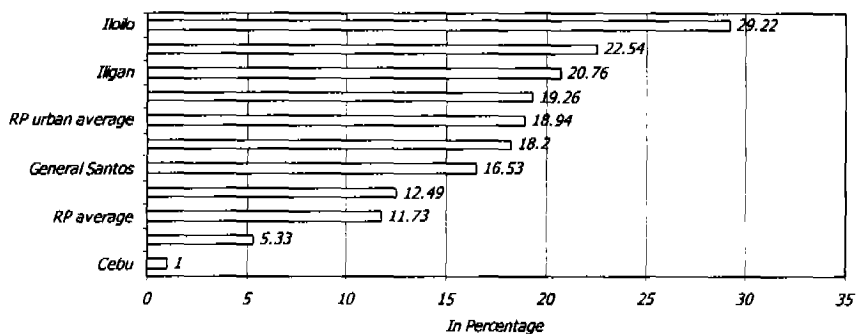
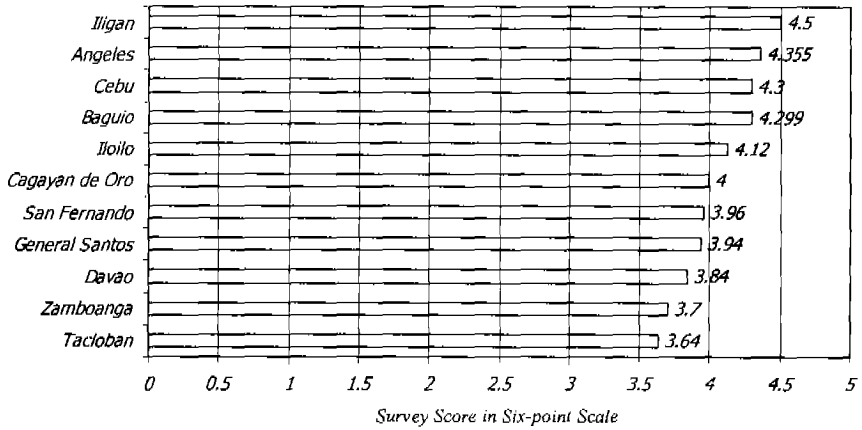


Figure 9. Ease of Training Personnel

Infrastructure

Figure 10. Growth in Building Construction for Nonresidential Use, 1995 to 1998

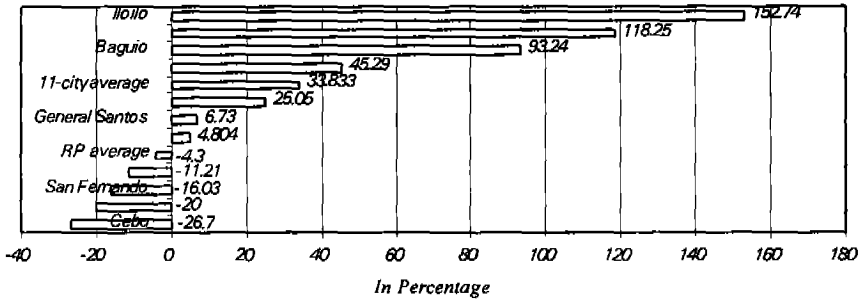


Figure 11. Number of Banks per 1000 People, 1999

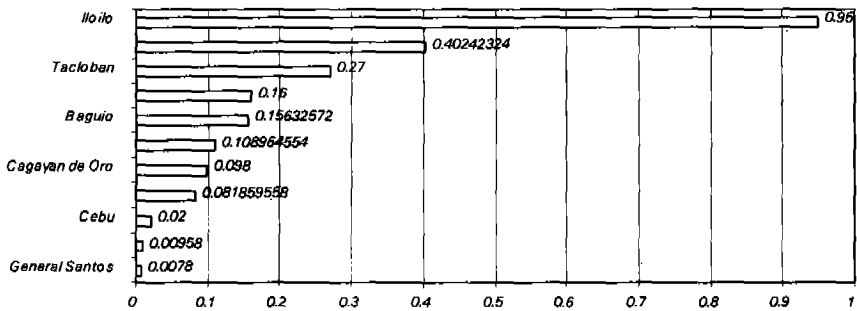


Figure 12. Net Loan-Deposit Ratio, 1997

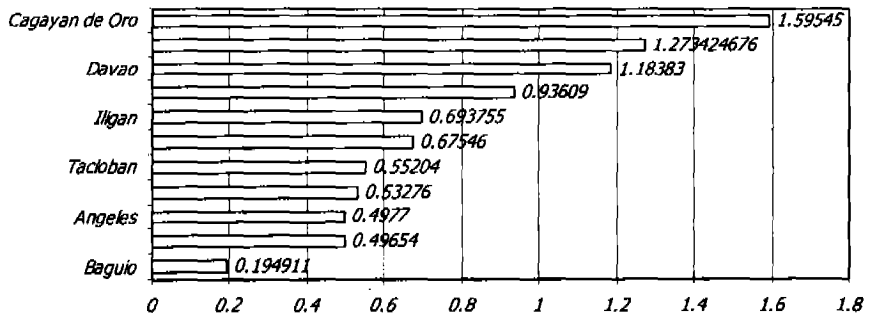
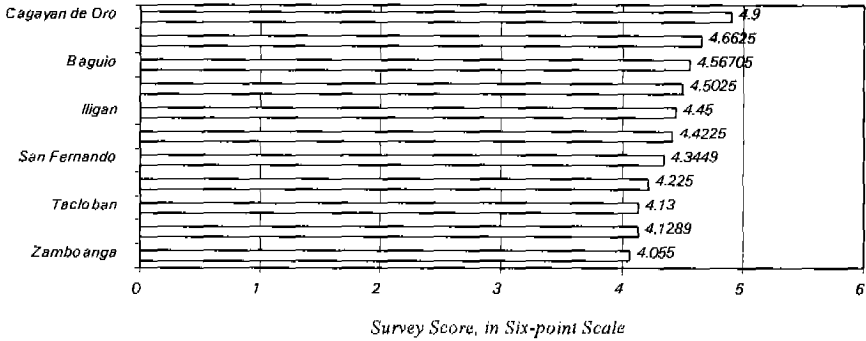


Figure 13. Presence of Business Support Services



A survey score of 1 indicates that consultancy, legal, insurance and marketing services are inadequate in the city. A survey score of 6 indicates otherwise.

Figure 14. Road Density, 1997

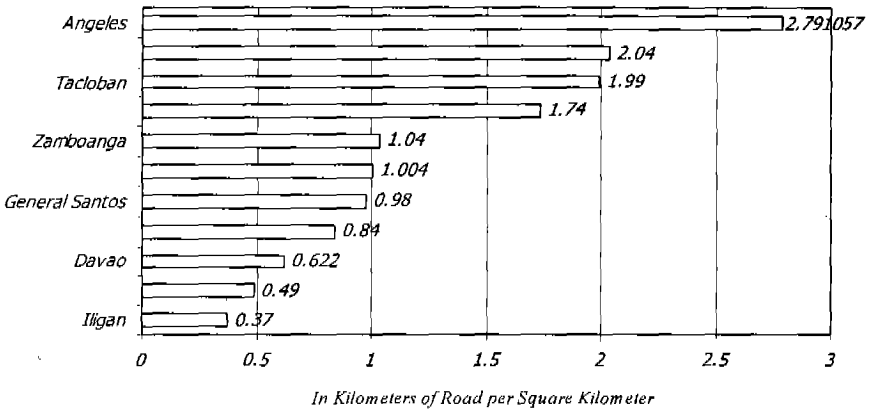


Figure 15. Vehicle Density, 1998

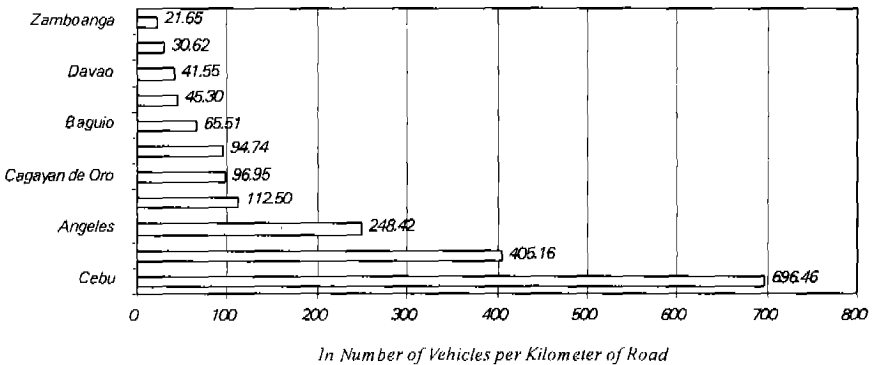
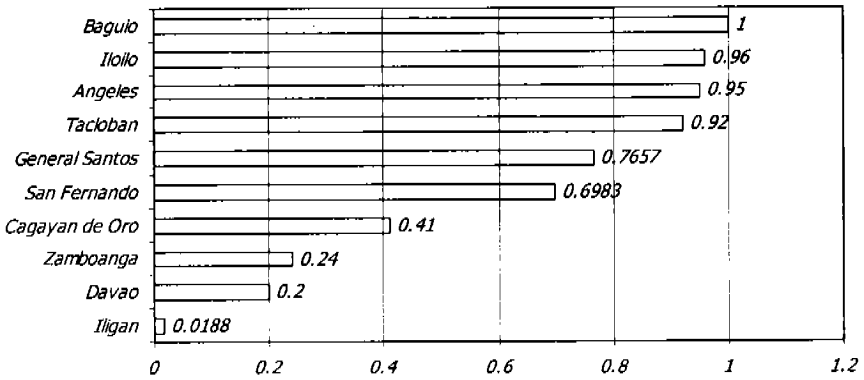
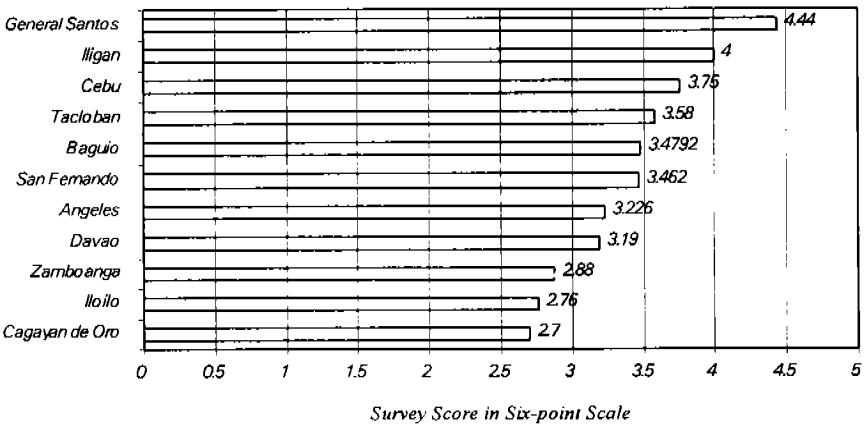
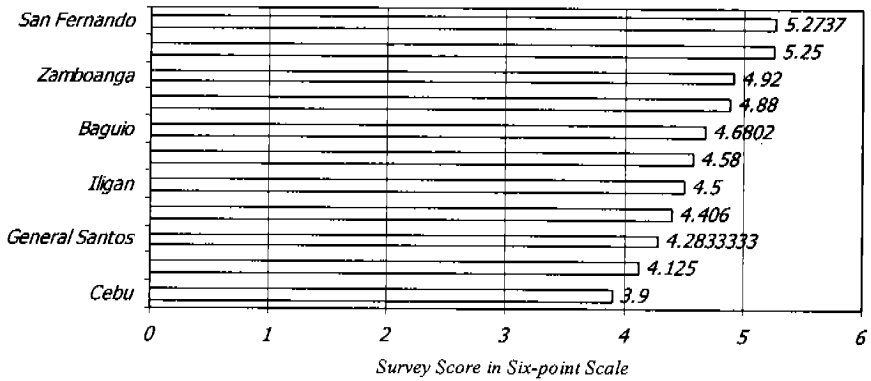


Figure 16. Pavement Ratio, 1997**Figure 17. Quality of Road System**

A survey score of 1 indicates that the road network is inferior because it brings about frequent traffic congestion. A score of 6 indicates that the road network is able to facilitate the efficient flow of vehicles.

Figure 18. Ease of Making Domestic and International Long Distance Calls



A survey score of 1 indicates that Interconnectivity among different telephone operators, and making domestic and international long distance calls are difficult. A 6 indicates ease.

Figure 19. Telephone Density, December 1998

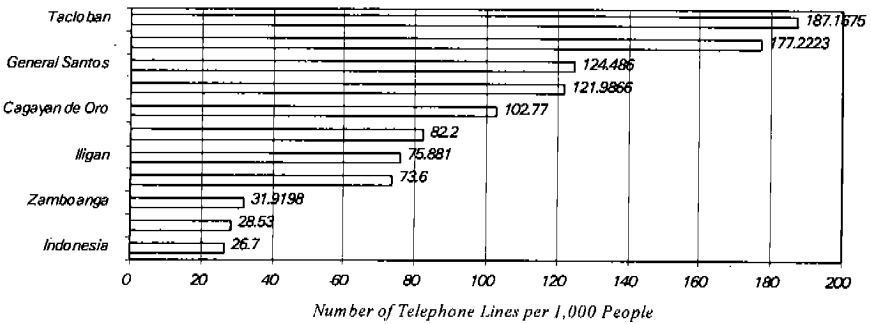


Figure 20. Rate of Growth of Private Vehicle Stock, Average of 1995 to 1998

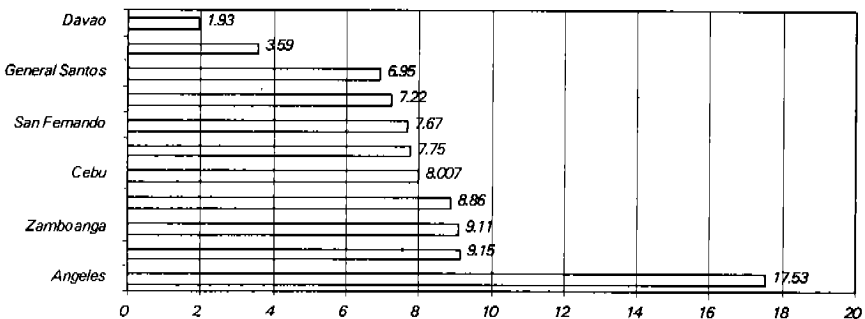


Figure 21. Percentage of Households with Access to Regular Garbage Collection, 1999

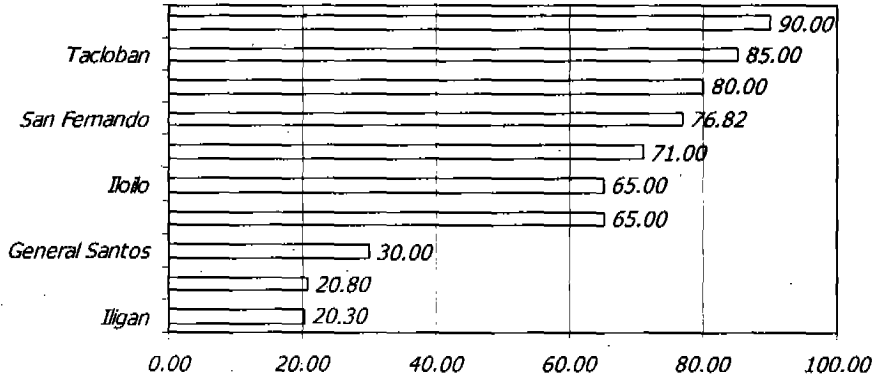


Figure 22. Per Capita Spending on Solid Waste Management, 1998

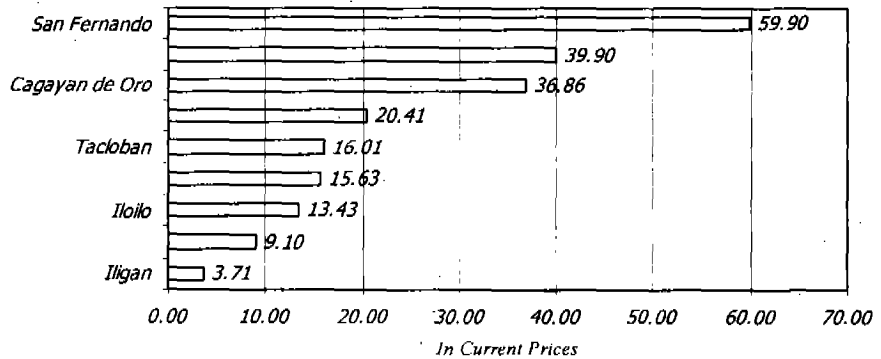
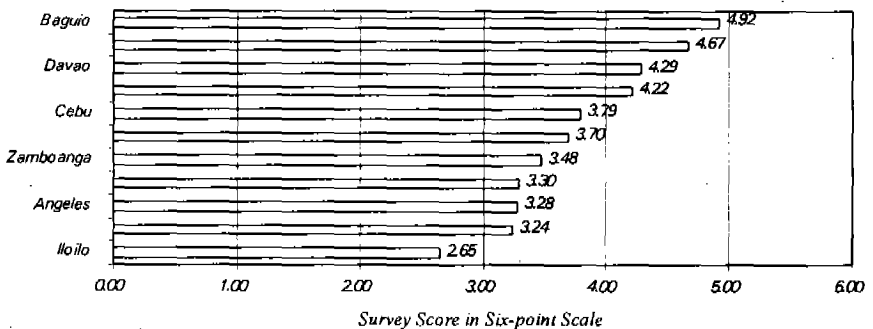


Figure 23. Cleanliness of Community



A score of 1 indicates that the cleanliness of the urban environment is not maintained by the city government and citizens. A score of 6 indicates that cleanliness is well maintained.

Figure 24. Electrification Coverage, 1999

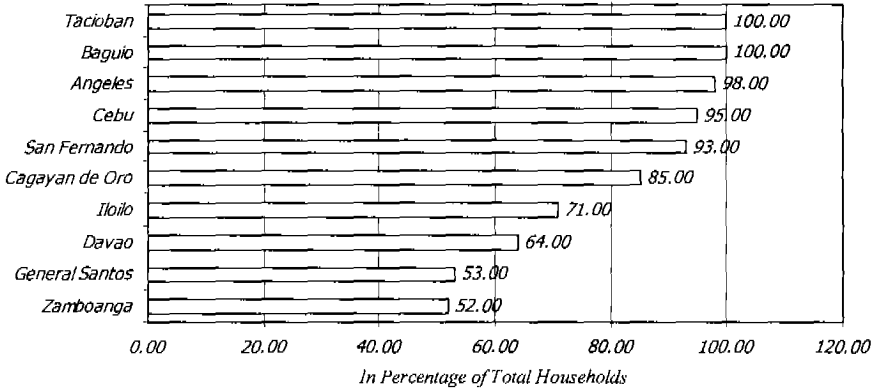


Figure 25. Access to Internet. May to August 1999

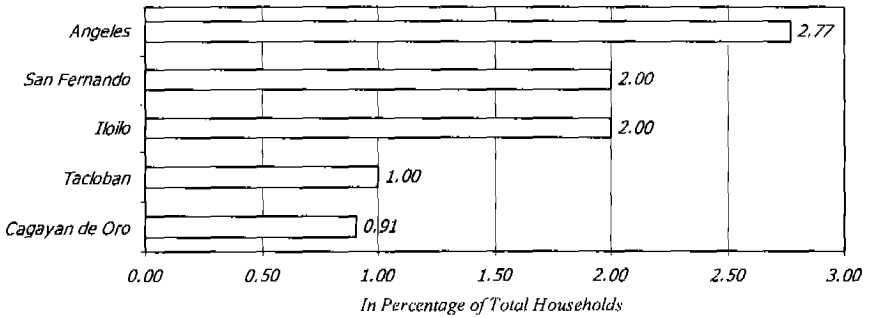
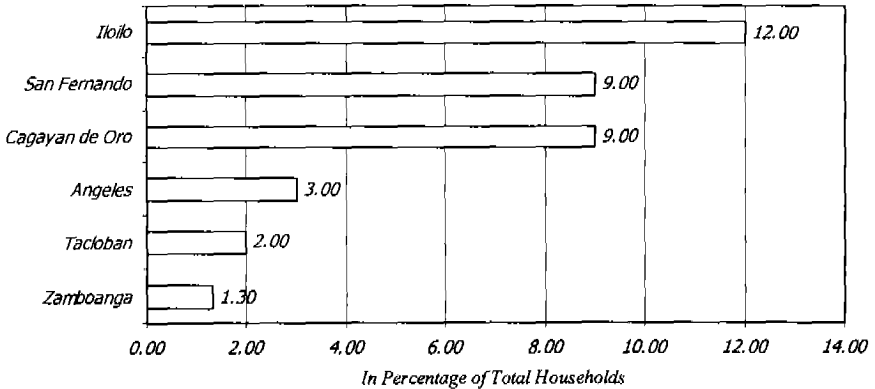
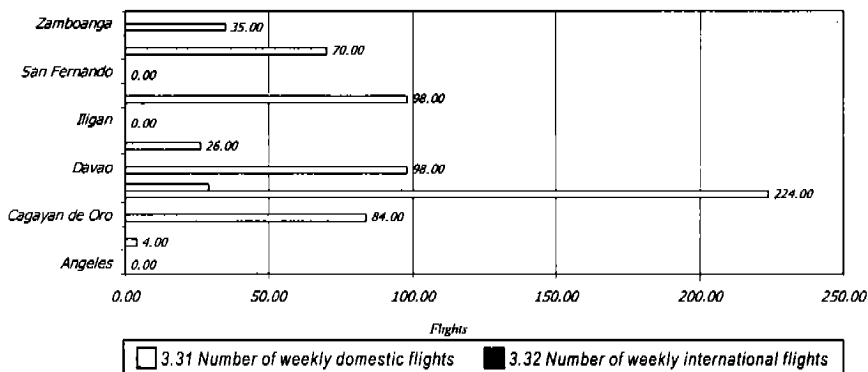


Figure 26. Access to Cable Television, May to August 1999



Linkages to Other Growth Nodes, Urban Centers and Surrounding Growth Regions

Figure 27. Number of Weekly Domestic and International Flights, May to August 1999



This is the status of weekly domestic and international flights during the data gathering segment of the study. Note that Davao City does handle international aviation traffic, although on an on-and-off basis. Also, Angeles City, through the Clark Airport, can handle domestic flights by special arrangement with carriers. Likewise, San Fernando's Poro Point airport can cater to domestic flights.

Figure 28. Population vis-à-vis Fast Food Chain Outlets

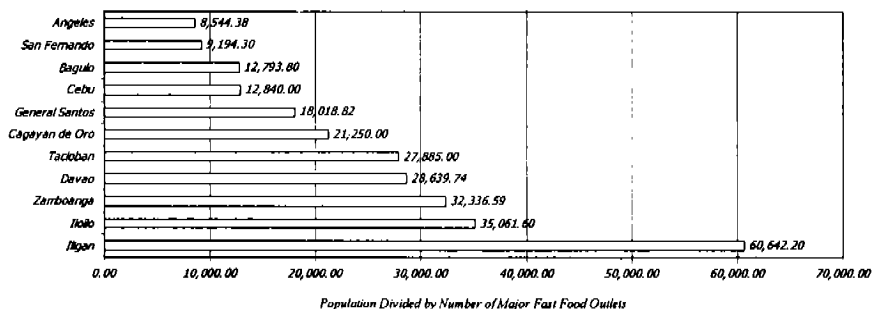
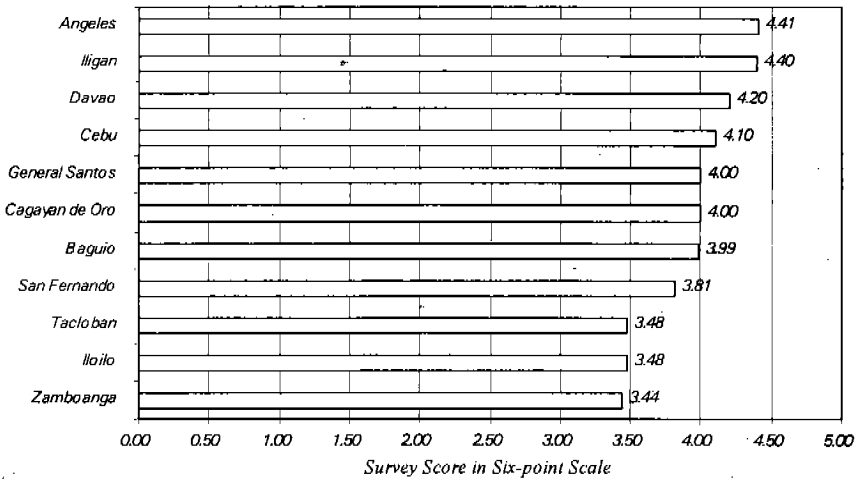
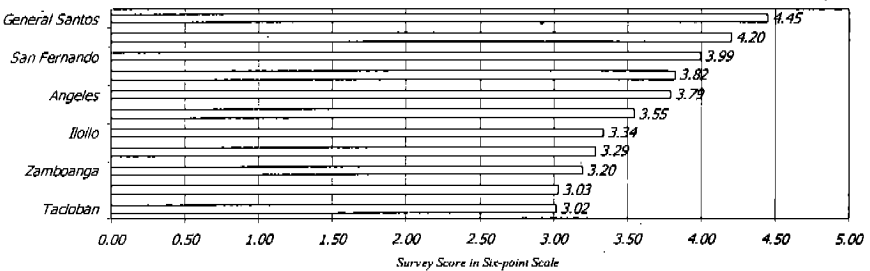


Figure 29. Proximity to Major Sources of Production Inputs

A survey score of 1 indicates that the city is located far from major sources of production, and that the city is near production inputs and that the duration of transport of raw materials is reasonably short.

Figure 30. Proximity to International Points of Entry and Exit

A survey score of 1 indicates that the city is far from international points of entry and exit; the process of moving raw materials is slow and inefficient; and the transport of goods/raw materials to international markets takes too long. A score of 6 indicates otherwise.

Quality of Life

Figure 31. Infant Mortality Rate, 1997

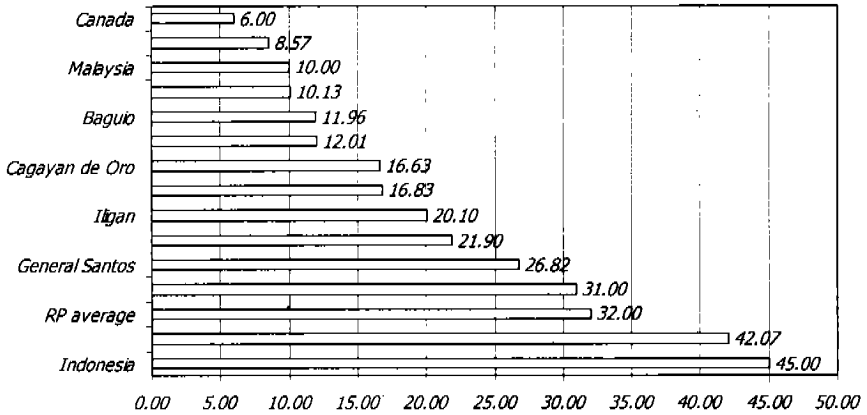


Figure 32. Theft per 100,000 of the Population, 1997

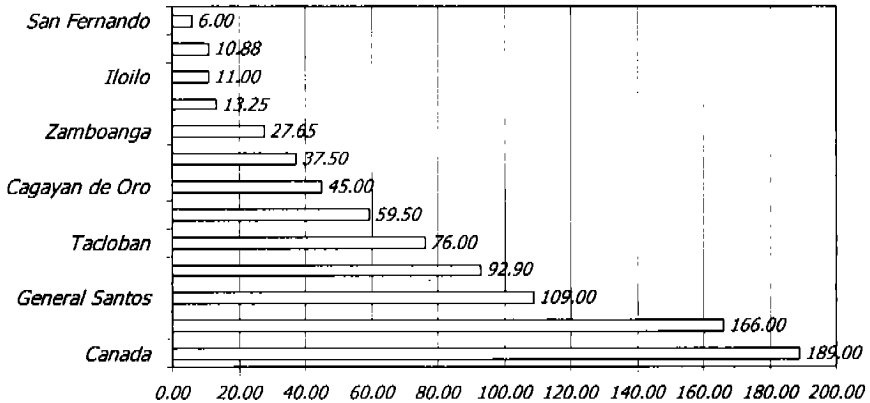


Figure 33. Murder per 100,000 of the Population, 1997

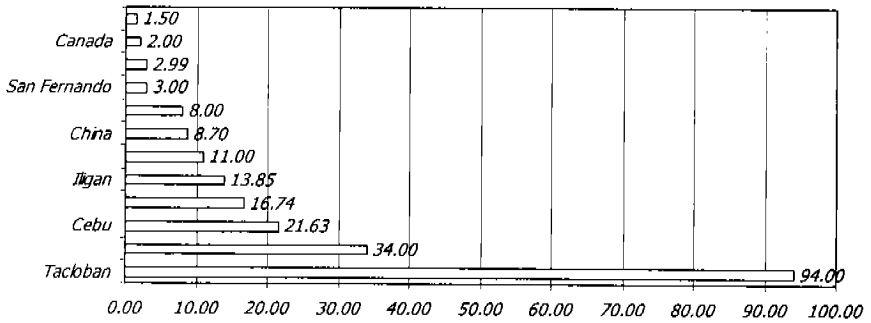


Figure 34. Consumer Price Inflation, 1998 (1994=100)

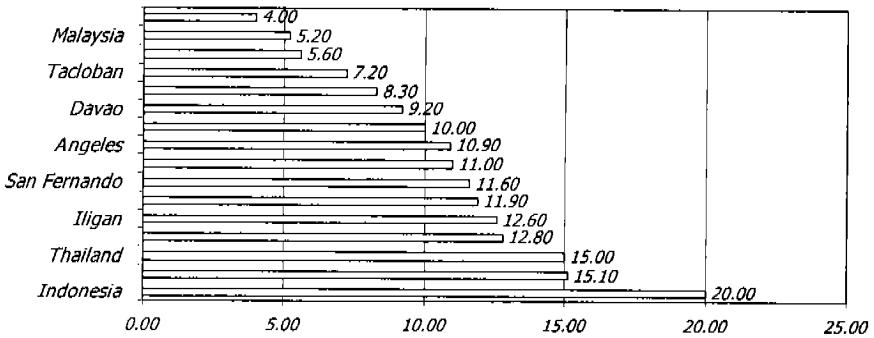


Figure 35. Price of a Basket of Consumer Goods

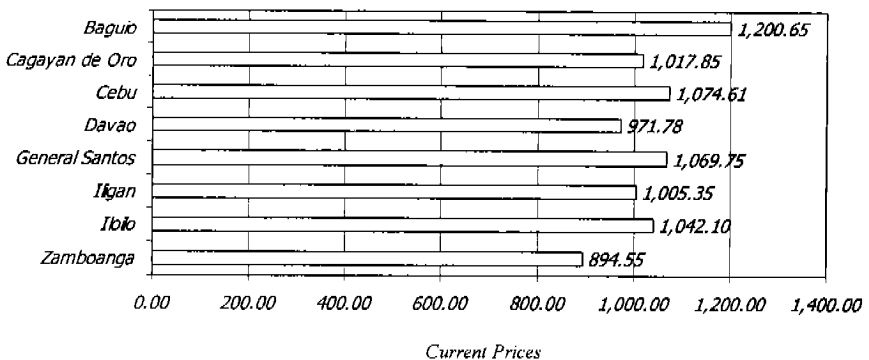


Figure 36. Squatting Population, March 1999

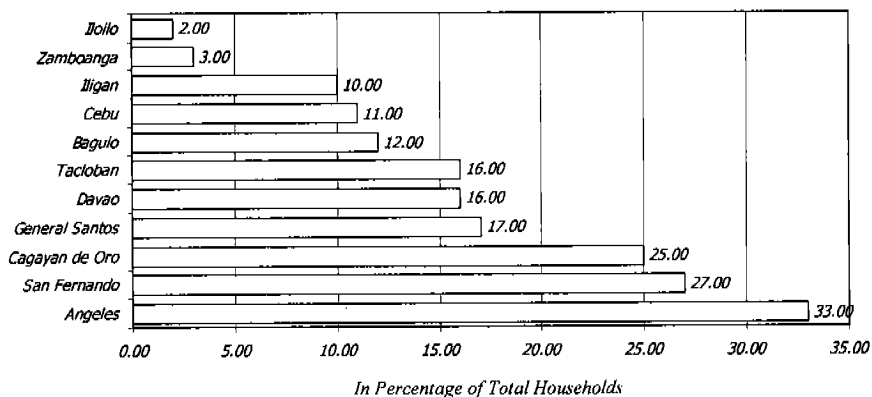


Figure 37. Population per Hospital Bed, 1998

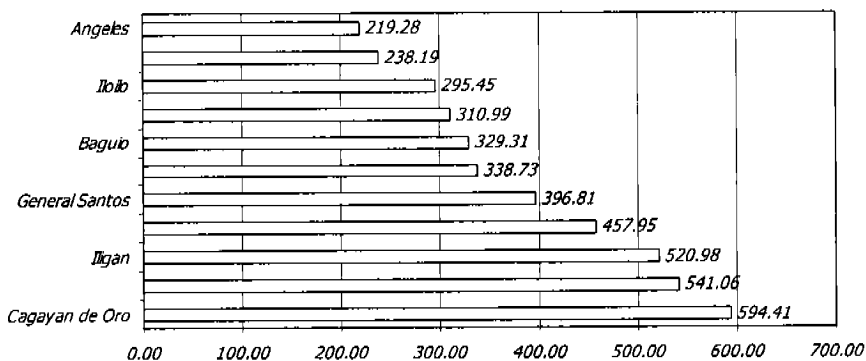


Figure 38. Number of Medical Personnel Employed by the Government per 100,000 of the Population, 1997

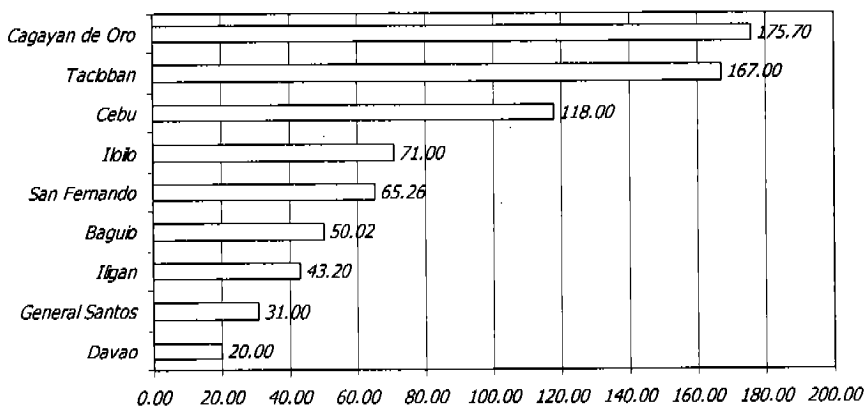


Figure 39. Percentage of Population with Access to Potable Water, 1997-1998

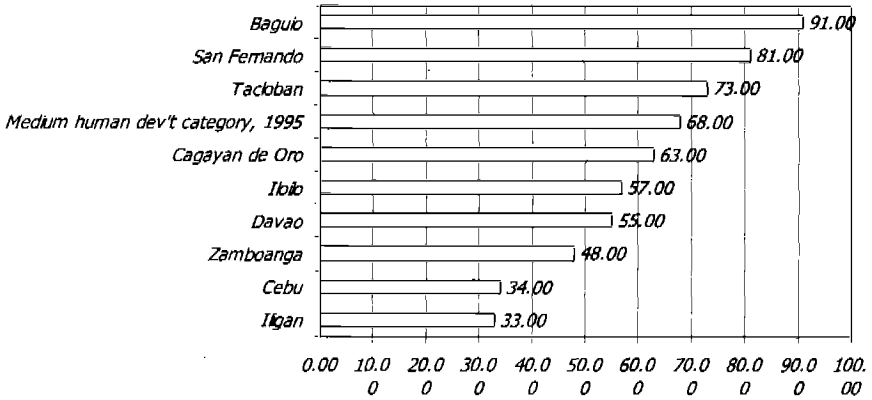


Figure 40. Population Density, 1995

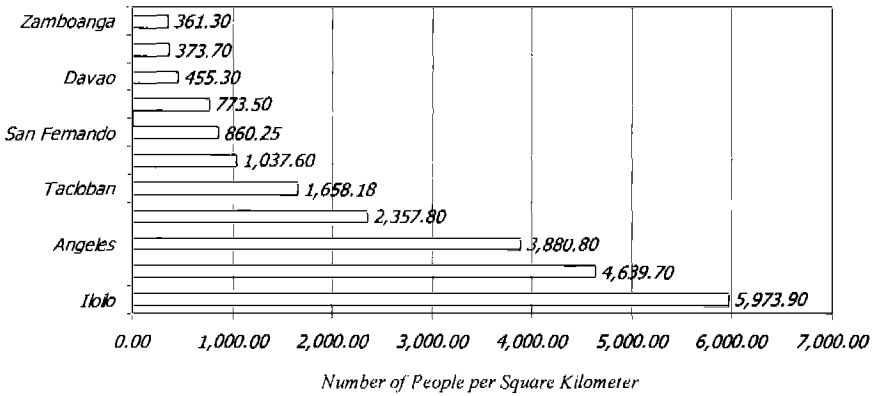
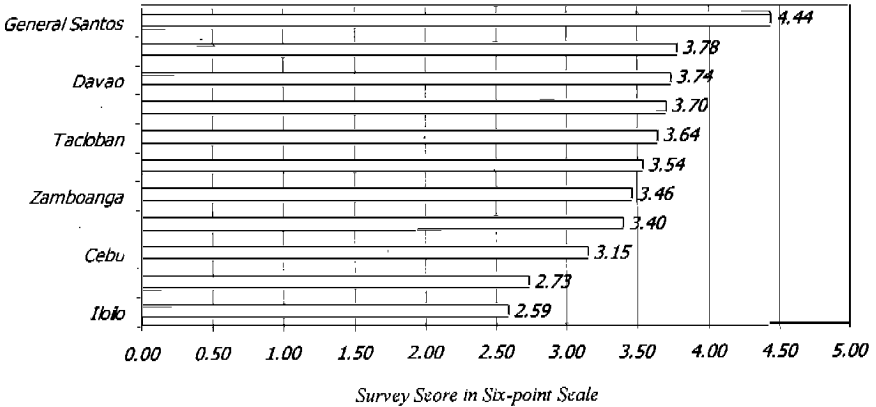
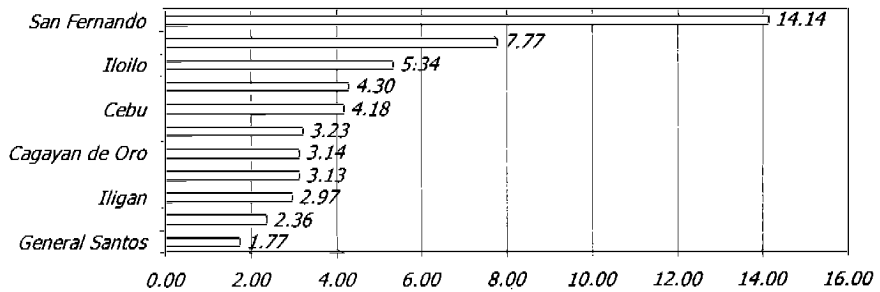


Figure 41. Cleanliness of Open Bodies of Water



A survey score of 1 indicates that natural bodies of water in the city (i.e., rivers, lakes, creeks) are dirty and hazardous to citizens' health. A score of 6 indicates these are clean and aesthetically pleasing.

Figure 42. Number of Tertiary Level Education Institutions per 100,000 of Population, 1999



Dynamism of Local Economy

Figure 43. City Product per Household, 1997

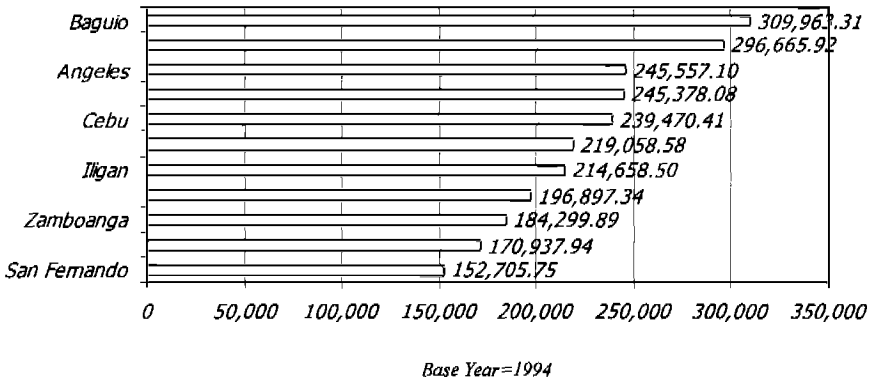


Figure 44. Growth Rate in Exports, Average 1994 to 1998

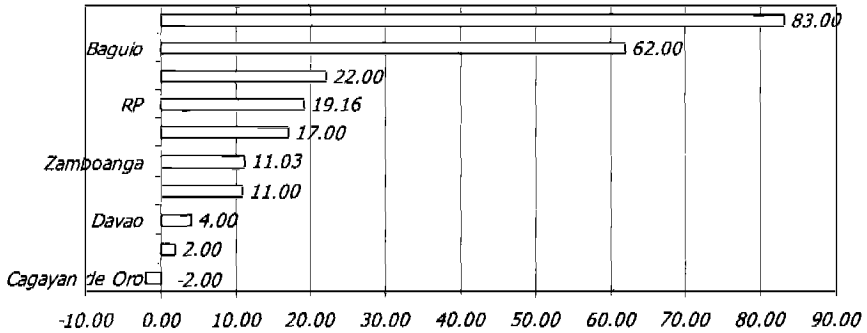


Figure 45. Growth Rate in Investments, Average of 1994 to 1998

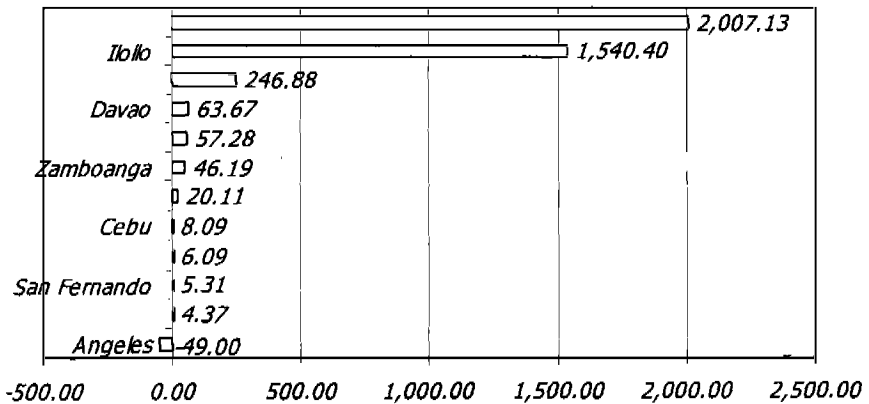


Figure 46. Growth Rate in Tourist Arrivals, Average of 1994 to 1998

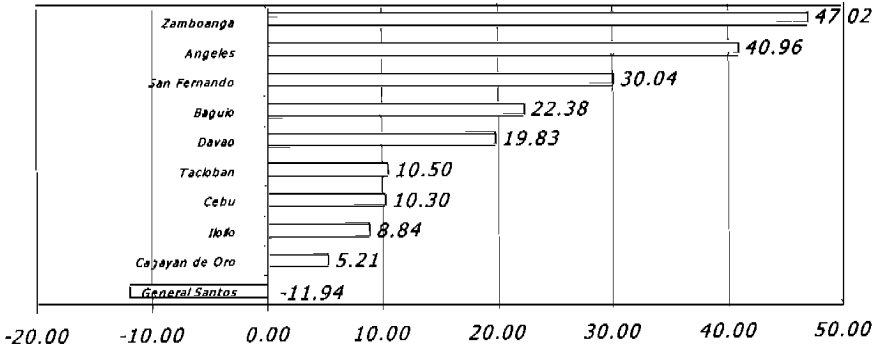


Figure 47. Per Capita Exports vis-a-vis National Average, 1998

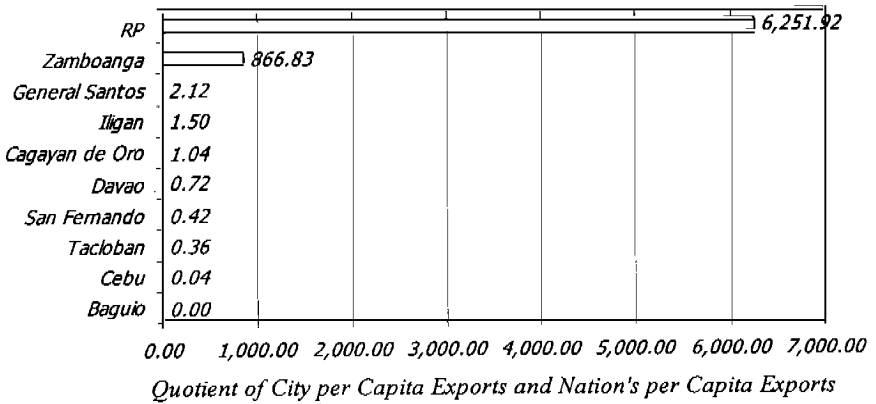
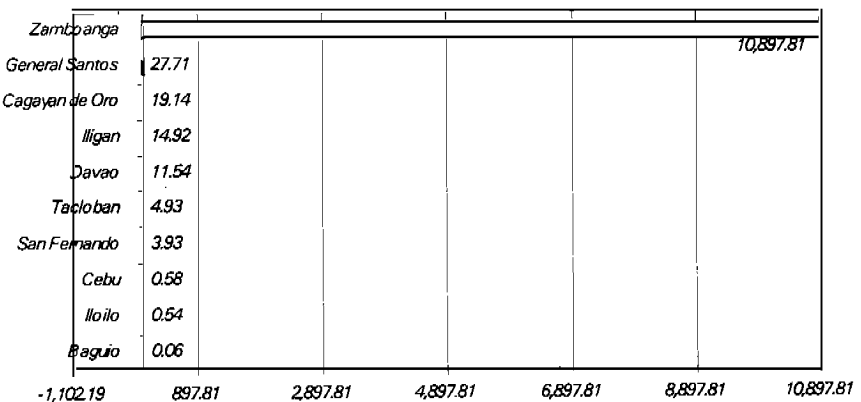
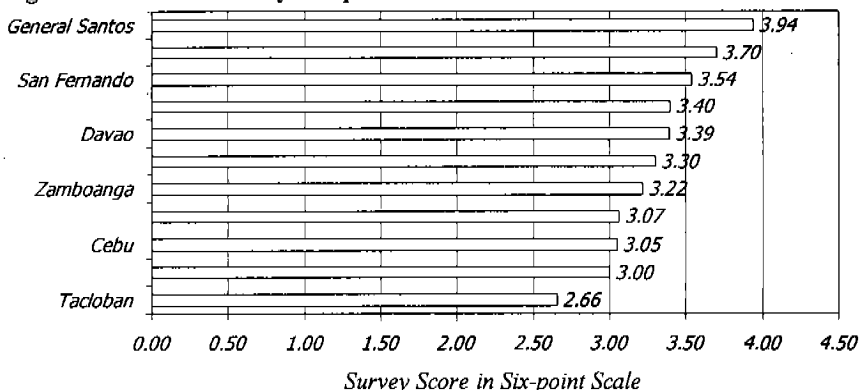


Figure 48. Exports as a Percentage of City Product, 1997



Responsiveness of the Local Government

Figure 49. Number of Days Required to Secure a Business Permit



A score of 1 indicates that the length of time required to secure a business permit is too long. A score of 6 indicates that the length of time is reasonably short.

Figure 50. Number of Government Employees to '000 of the Population, 1999

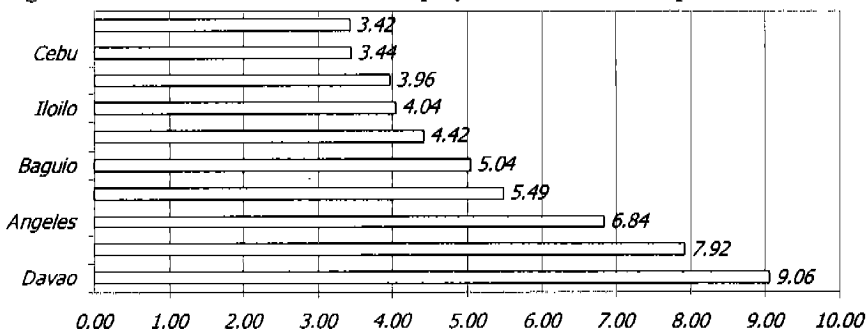
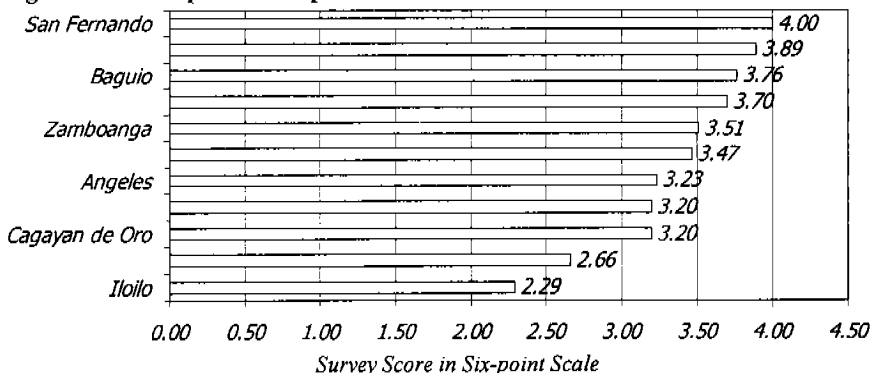
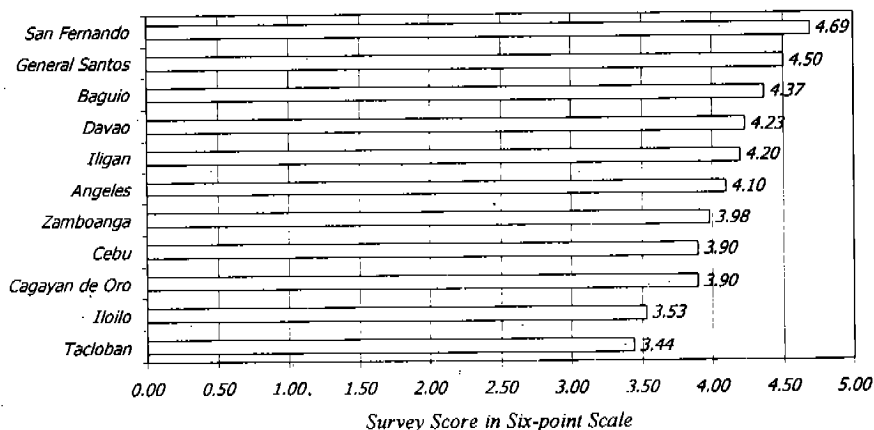


Figure 51. Corruption Perception



A score of 1 indicates that the local government is riddled with corruption. A score of 6 indicates that the local government is transparent and honest in its dealings.

Figure 52. General Attitude of Government to Business Needs

A score of 1 indicates that the city government is hostile and restrictive to business needs. A score of 6 indicates receptiveness or willingness to accommodate business needs.

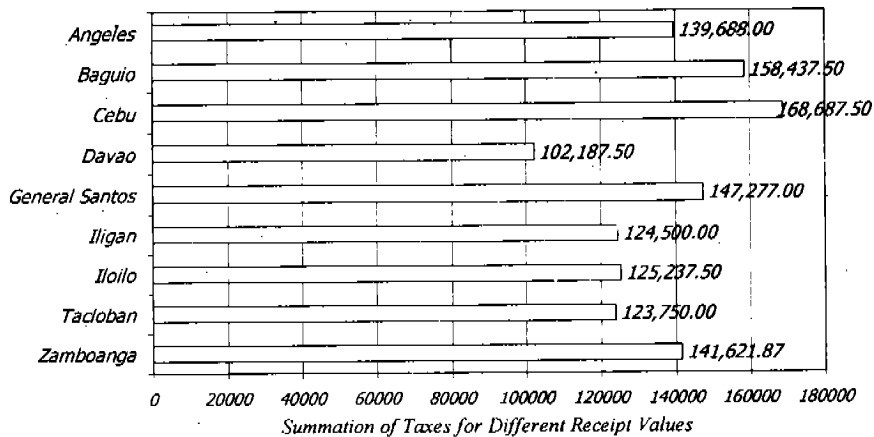
Figure 53. Business Taxes for Manufacturing

Figure 54. IRA as a Percentage of City Government Revenue, Average of 1995 to 1998

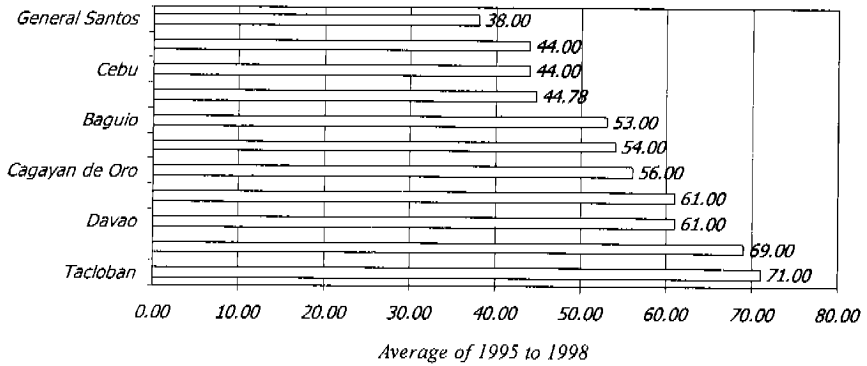


Figure 55. Growth of City Government Revenue, Average of 1995 to 1998

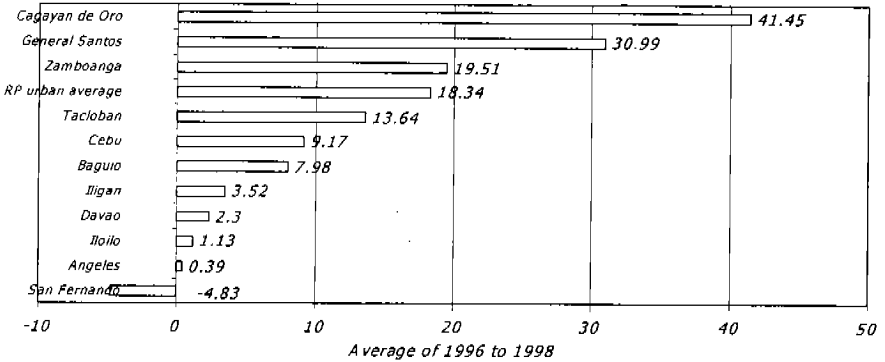


Figure 56. Computer to Bureaucrat Ratio, 1999

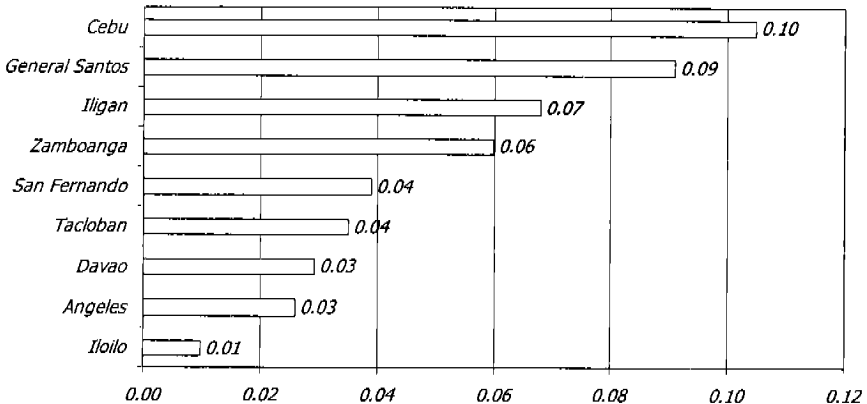
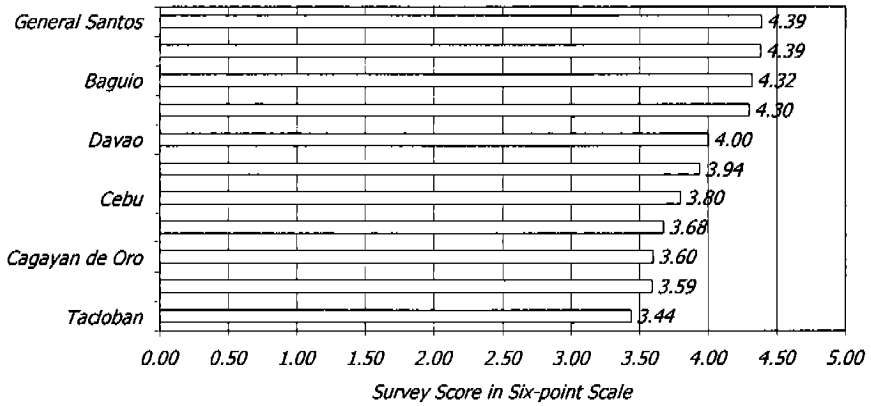


Figure 57. Presence of Initiatives/Forums to Elicit Opinions of Constituents

A score of 1 indicates that the local government does not hold fora to elicit the opinions of constituents. A score of 6 indicates that it does.

**Table 12. Indicators Requiring Qualitative Analysis
Presence/Type of Industrial Districts**

| City | Is There an Industrial District? | Is Basic Infrastructure Adequate? | Are there Foreign Locators? | Is Specialized Infrastructure Present? | Researchers' Remark | Score |
|----------------|----------------------------------|-----------------------------------|-----------------------------|--|--|-------|
| Angeles | Yes. | Yes. | Yes. | None specified. | -- | 7.50 |
| Baguio | Yes. | Yes. | Yes. | Yes. | Saturated. No room for growth. | 7.50 |
| Cagayan de Oro | Yes. | Yes. | Yes. | No. | -- | 7.50 |
| Davao | Yes. | No. | Not a lot. | No. | -- | 2.50 |
| General Santos | Yes. | Yes. | Yes. | Yes. | -- | 10.00 |
| Iligan | Yes. | Yes. | No. | Yes. | -- | 7.50 |
| Iloilo | None specified. | -- | -- | -- | There are no industrial districts in Iloilo. | 1.00 |
| San Fernando | Yes, but there are no locators. | -- | -- | -- | Potential yet unrealized. | 2.50 |
| Tacloban | Yes, but there are no locators. | -- | -- | -- | -- | 2.50 |
| Zamboanga | Yes. | Yes. | Yes. | Yes. | -- | 10.00 |

Table 13. Degree of Compliance with National Environmental Standards Governing Solid Waste Management

| City | Current Means of Solid Waste Disposal | Concrete Measures Being Undertaken to Upgrade Solid Waste Disposal (i.e., suitable site identified; budget allocation, or legislation) | Score |
|----------------|---------------------------------------|---|-------|
| Baguio | Open dumping. | Construction of a sanitary landfill already planned. Site identified, budget allocated. | 5.00 |
| Cagayan de Oro | Controlled dumping. | Plans underway. No concrete measures specified. | 3.00 |
| Davao | Open dumping. | Site selected. | 5.00 |
| General Santos | Controlled dumping | Budget allocated. | 5.00 |
| Iligan | Open dumping. | Site selection underway. | 3.00 |
| Iloilo | Open dumping. | None specified. | 1.00 |
| San Fernando | Open dumping. | Sanitary landfill to be constructed through the world bank's solid waste ecological enhancement program. Site selected and feasibility study conducted. | 5.00 |
| Tacloban | Open dumping. | Plans underway. No concrete measures specified. | 3.00 |

Table 14. Existence of Land Use Plans

| City | Status of Land Use Plan and Zoning Ordinance | Score |
|----------------|---|-------|
| Angeles | Land use plan being reviewed for approval by the HLURB | 5.00 |
| Baguio | Land use plan still being drafted by local government | 2.50 |
| Cagayan de Oro | Land use plan still being drafted by local government | 2.50 |
| Davao | Land use plan and zoning ordinance enacted | 10.00 |
| General Santos | Land use plan and zoning ordinance enacted | 10.00 |
| Iligan | Land use plan still being reviewed by the HLURB | 5.00 |
| Iloilo | Land use plan still being drafted by local government | 2.50 |
| San Fernando | Land use plan being reviewed for approval by the provincial board | 5.00 |
| Tacloban | Land use plan awaiting approval by provincial committee | 5.00 |
| Zamboanga | Land use plan awaiting approval by HLURB | 5.00 |

Table 15. Use of Information-Technology in Governance

| City | Computerization Efforts Ongoing? Concrete Measures Taken? | Operations Which have Already Been Computerized | Use of GIS or LARIS or LAN? | Score |
|----------------|---|---|---|--------------|
| Angeles | Yes. Computer units acquired. | None. | No. | 2.50 |
| Baguio | Yes. Computerization program underway. | None specified. | No. | 2.50 |
| Davao | Yes. | Various business transactions such as application for/and renewal of business permits; interconnection with the SSS and treasury offices. | Yes to LARIS. | 7.50 |
| General Santos | Yes. Continuous capability-building and digitizing of data. | Computer database in business bureau. | Yes to GIS. | 5.00 |
| Iligan | Yes. | Issuance of business permits and licenses; tax assessment and billing; payments and collection; assessment and billing of fees and charges; computerization of budget monitoring and creation of financial statements; creation of electronic database of electronic records. | Yes to GIS. | 10.00 |
| Iloilo | Yes. Computer units acquired. | Electronic public employment records; local government website. | No. | 5.00 |
| San Fernando | Yes. | Local government website; | No. | 2.50 |
| Tacloban | Yes. | Business permits; tax assessment; billing; payments and collection; billing of fees and charges. | Yes to LAN. | 7.50 |
| Zamboanga | Yes. Feasibility study being planned. | Electronic database of employment records. | GIS present, but not utilized due to lack of skills | 2.50 |

Insights on Overall Rankings and Scores

1. The quality of leadership affects the competitiveness of cities.

Strong leadership, which brings about directed planning and growth, is a unifying element that could explain high scores and rankings, especially in the *infrastructure* and *quality-of-life* drivers. Strong leadership—in the private and/or public sector—is present in cities that got the top five slots in the over-all rankings (General Santos, Angeles, Baguio, San Fernando and Davao). Its mayor, development planning capacity, very active business groups, and the SOSKSCARGEN development office lead General Santos City's leadership arsenal.

It is quite a different story for Angeles City. The city, although not known for having an enlightened and proactive LGU, boasts of a strong private sector. This is very evident in the number and degree of involvement of business/trade associations and non-governmental organizations. Baguio City's LGU has had a reputation of maintaining one of the cleanest and greenest cities in the country. City mayor Mary Jane Ortega of San Fernando, La Union has been in the forefront in defining the vision and growth plans for one of the country's newest cities, and even has gone abroad to market her city's investment and growth potentials. For Davao City, the strong leadership of Mayor Duterte has brought about Davao City's dynamism (by providing the needed political stability), especially in the first half of the 1990s.

2. Urban development that gives due emphasis on the cities' quality of life almost always helps nurture the cities' overall competitiveness.

The cities of Angeles, Baguio and San Fernando, ranked second, third and fourth, respectively, have above-average overall scores for the *quality-of-life* driver. Local business environments, to be competitive in the long-term, have to give due emphasis on the standard of living of their local and transient residents. While there are urban centers that are good for residents but not as much for business (agglomerating factors tend to favor concentration of consumers than residents), it will be difficult to find those that remain bad for residents but good for business.

Above-average quality of lives affect productivity especially of labor. Also, healthy urban centers nurture some kind of pride in the place and enhance business dynamism in cities.

3. *Growth regions — whether at the subnational or subregional level — help cities enhance their competitiveness.*

Research shows that the nature and strength of economic and physical linkage that cities establish with their surrounding growth areas/regions can further enhance the long-term competitiveness of the city-samples.

The top three cities mentioned earlier can use their adjacent or surrounding growth areas (such as Clark Airbase for Angeles) as their platform in the global economic game. Growth regions can offer cities added competitive advantages in the form of:

- Shared resources/ infrastructure facilities
- Complementing comparative advantages
- Shared efforts in attracting inward foreign direct investments

4. *Figures point to the need for a shift in the country's urban policy, especially with the significant advancement of globalization and local autonomy. The following insights are deduced from the results of the study:*

- a) There is a need to rethink traditional national urban hierarchies that set out pre-determined roles and functions to the country's urban centers. National urban hierarchies are starting to give way to global urban hierarchies, such that "mid-size" urban centers that lessen their dependence on the primate city would have greater chances of being active players in the global economy.
- b) Improvement in the utilities sectors will have profound benefits on the cities' cost competitiveness.
- c) The LGUs have great control in minimizing indirect costs of doing business, especially those that are related to bureaucratic costs and lack/inadequacy of information.
- d) Infrastructure policy needs to be pushed at both the national and local levels.

-
- e) It is very vital to physically and technologically integrate the major urban centers.
 - f) There is a great need to review the present system of allocating internal revenue. The present system tends to reinforce the socioeconomic imbalances between the more- and less-developed urban centers.

PART 2

CITY COMPETITIVENESS PROFILES

*ANGELES CITY***Table 1. Demographic Profile**

| | | |
|--|--------------------------------|----------|
| Population (In 1000) | 1960 | 75.900 |
| | 1970 | 134.544 |
| | 1980 | 188.834 |
| | 1990 | 236.686 |
| | 1995 | 264.983 |
| | Latest Estimate (1999) | 296.664 |
| Population Density Average | 1995 | 4,262.81 |
| Annual Growth Rate in Population | 1970-1980 | 4.035 |
| | 1980-1990 | 2.30 |
| | 1990-1995 | -0.20 |
| Age Dependency Ratio (percentage of population under 15 and over 65 divided by percentage of population between 15 and 65) | | 0.62 |
| Life Expectancy: Men (in number of years) | Latest Estimate, Median Age | 21.20 |
| Life Expectancy: Women (in number of years) | Latest Estimate Median Age | 22.20 |
| Crude Birth Rate per 1000 People | Latest Estimate | 38.21 |
| Crude Death Rate per 1000 People | Latest Estimate | 4.42 |
| Employment Rate | 1998 | 91.743 |

Table 2. Land Use Analysis

| Land Use | Existing Land Area (in square kilometers) | Existing % of Total Land Use | Proposed Land Area in Present LUP (in square kilometers) | Proposed % of Total Land Use |
|--------------------------------|---|------------------------------|--|------------------------------|
| Built-Up | 26.6906 | 42.94 | 31.8717 | 51.27 |
| Commercial | 2.8424 | 4.57 | 3.6424 | 0.0586 |
| Agro-Industrial/ Industrial | 0.7865 | 1.26 | 1.7778 | 2.86 |
| Total Land Area of City | 62.1616 | 100 | 62.1616 | 100 |

Table 3. Economic make-up

| | | | |
|-----------------------------------|--------|---|-------|
| Agriculture, Fishery and Forestry | 0.0585 | Wholesale and Retail Trade | 1.120 |
| Mining and Quarrying | 0.3200 | Transportation, Storage and Communication | 2.524 |
| Manufacturing | 1.742 | Financing, Insurance, Real Estate and Business Services | 4.921 |
| Electricity, Gas and Water | 2.64 | | |
| Construction | 1.935 | | |

Note: Location Quotient (percentage of city employment in city-level industry grouping divided by percentage of national employment in the same industry grouping)

Table 4. Competitiveness Rankings and Scoring

| Driver/ (factor)/ Indicator | | Rank | Score |
|---|---|------|-------|
| Cost Of Doing Business | | 6 | 6 |
| Average Rent of Commercial Space in City Center | (Affordability of Land/ Space for Industrial/ Commercial Use) | | |
| Average Rent of Land for Industrial Use | | 4 | 10 |
| Average Cost of Acquiring Telephone Services for Commercial Purposes | (Affordability of Telecommunication Services) | 1 | 7 |
| Cost of Electricity for Industrial Use | (Cost of Power) | 5 | 1 |
| Human Resource Endowment | | 2 | 5.06 |
| Adult Literacy | (Presence of Skilled/ Easily Trainable Labor) | 2 | 10 |
| % Of Labor Force with a High School Diploma | | 1 | 2 |
| % Of Labor Force with a College Degree | | 7 | 1 |
| Ease of Training Personnel | (Ease of Interacting with Labor Force) | 2 | 7.26 |
| Infrastructure | | 5 | 5.44 |
| Growth in Building Construction for Non-Residential Use | (Access to/ Availability of Suitable Space/ Sites for Business) | 2 | 10 |
| Presence/ Type of Industrial Districts | | 3 | 7.5 |
| Number of Banks vis-a-vis Population Size | (Access to Finance and Business Support Services) | 6 | 1 |
| Net Loan-Deposit Ratio | | 8 | 1 |
| Presence of Business Support Services | | 9 | 6.88 |
| Road Density, in Kilometers of Road Per Square Kilometer | (Road Infrastructure) | 1 | 10 |
| Vehicle Density, in Number of Vehicles per Kilometer of Road | | 9 | 1 |
| Pavement Ratio | | 3 | 10 |
| Quality Of Road System | | 6 | 5.38 |
| Ease of Making Domestic and International Long Distance Calls | (Telecommunications) | 8 | 7.34 |
| Telephone Density | | 3 | 9 |
| Rate of Growth of Private Vehicle Stock | (Sustainability of Transport) | 10 | 1 |
| % of Households with access to Regular Garbage Collection | (Solid Waste Management) | 5 | 5 |
| Per Capita Spending on SWM | | | |
| Degree of Compliance with National Environmental Standards Governing Solid Waste Management | | | |
| Cleanliness of Community | | 8 | 5.46 |
| Electrification Coverage | (Power Supply) | 2 | 10 |
| Access to Internet | (Access to Media and Technology) | 1 | 1 |
| Access to Cable Television | | 4 | 1 |
| Linkages with Growth Areas | | 1 | 5.13 |
| Number of Weekly Domestic Flights | (Accessibility) | 8 | 1 |
| Population vis-a-vis Fast Food Chain Outlets | (Access to Domestic Markets) | 1 | 10 |

Table 4. Continued

| | | | |
|--|---|----|------|
| Proximity to Major Sources of Production Inputs | (Access to Production Inputs) | 1 | 7.35 |
| Proximity to International Points of Entry and Exit | (Access to International Markets) | 4 | 6.32 |
| Quality Of Life | | | |
| Infant Mortality Rate | (General Social Welfare of Society) | 2 | 9 |
| Squatting Population/ Total Population | | 10 | 1 |
| Driver/ (factor)/ Indicator | | | |
| Incidence of Theft per 100,000 of the Population | (Peace and Order) | 4 | 10 |
| Incidence of Murder per 100,000 of the Population | | 2 | 5 |
| Local Inflation Rate | (Price Stability) | 5 | 1 |
| Population per Hospital Bed | (Access to Basic Services) | 1 | 10 |
| Number of Medical Personnel Employed by the Government per 100,000 of the Population | | | |
| % of Population with Access to Potable Water | | | |
| Population Density | (Quality of Living Environment) | 8 | 4 |
| Cleanliness of Open Bodies of Water | | 9 | 4.56 |
| Number of Tertiary Level Educational Institutions within the City | (Presence of Tertiary Level Schools and Higher Level Training Institutions) | 5 | 10 |
| Dynamism of the Local Economy | | 3 | 3.33 |
| City Product per Household | (General Health of Local Economy) | 3 | 8 |
| Growth Rate in Exports | | | |
| Growth Rate in Investments | | 10 | 1 |
| Growth Rate in Tourist Arrivals | | 2 | 1 |
| Per Capita Exports vis-a-vis Country Exports as a % of City Product | (Openness/ Internationalization) | | |
| Responsiveness of the LGU to Business and Long-Term Needs | | 8 | 3.9 |
| Existence of Land Use Plans | (Capacity to Anticipate Long-Term Urban Changes) | 3 | 5 |
| Number of Days Required to Secure a Business Permit | (Responsiveness to Business Needs) | 2 | 3.17 |
| Number Of Government Employees to '000 of the Population | | 7 | 1 |
| Corruption Perception | | 7 | 5.39 |
| General Attitude of Government to Business Needs | | 6 | 6.83 |
| IRA as a % of City Government Revenue (Average of 1995 to 1998) | (LGU Fiscal Capacity and Health) | 8 | 3 |
| Growth of City Government Revenue | | 9 | 2 |
| Extent of IT Use in Bureaucratic Processes | Capacity for | 6 | 2.5 |

Analysis

Anxious to shed its image as the G.I.'s complaisant hostess, Angeles City has taken on an aggressive regeneration campaign that aims to secure for itself a place in global markets. Traditionally, much of the economic identity of Angeles has cleaved to the existence of Clark Air Force Base. Even after the turnover of the base to Filipino hands, Angeles still relies heavily on the Special Economic Zone, albeit with greater control over the winds of fate.

Angeles City has a sizeable share in Central Luzon's envisioned role as the industrial heartland of the Asia Pacific region. Planners intend the Angeles-Clark conurbation to form a growth triad with Subic-Olongapo and Metro Manila. Together with Subic, the Angeles-Clark conurbation is to serve as the region's international gateway to global economies. Moreover, the city is to play a major role in the country's W-Growth Corridor. Angeles forms part of the growth area's industrial zone, housing CSEZ, Angeles Industrial Park, Angeles Livelihood Village and San Simon Industrial Park.

Despite the presence of these industrial districts, services and trading constitute the bulk of the Angeles economy. From 1995 to 1997, general merchandise and labor service firms consistently accounted for 73 percent of the number of registered firms in the city. On the other hand, industrial firms took up, at most, a diminutive 5.4 percent of the pie. Investment figures substantiate this picture. Growing at a pace that leaves much to be desired, investment in Angeles is channelled dominantly to trading and labor services.

With such an economy, it is no wonder that the Angeles City Urban Regeneration Program (ACURP) banks heavily on tourism development to cater to visitors who are indeed pouring in. The development of the Clark airport and connective road infrastructure will hasten the pace of growth in the city. How such rapid change will affect the social fabric of the city remains to be seen. Presently, Angeles already suffers from the ills of congestion as well as inadequate infrastructure and poor delivery of health services.

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Unanimous concern has been raised over the severe traffic congestion within the city and between neighboring towns. Angeles City boasts of the highest road density among the 10 emerging cities sampled in this study, yet has one of the highest vehicle densities too. Moreover, private vehicle registration is growing extremely fast. The ACURP has identified the upgrading of main roads and expansion of the road network as one of its objectives. This will be accompanied by the construction of drainage, water, sewerage and garbage management systems.

A more pressing concern ought to be the large squatter population thriving within the city. The National Housing Authority estimates that 16,515 families, or 33.19 percent of households within the city, are squatters. Thus, ACURP plans to implement a social housing plan for urban squatters. This comes hand in hand with other strategies for the social sector, such as the improvement of education, population growth restraint, drug abuse mitigation, the prevention of sexually transmitted diseases and nutrition improvement. In the long run, efforts in social regeneration will need to be complemented by aggressive investment attraction schemes to invigorate the slow growth in investments. Investments must be channelled to sectors that will increase the long-run productive capacity of the economy. Only in this way can the domestic economy afford a better standard of living for Angeleños.

On the other hand, a boon presents itself in the form of a highly-skilled and educated labor force. This is evidenced by an adult literacy rate of 98.69 percent and a labor force with a better-than-average finishing rate in basic education. Angeles City can step up this advantage with continuous improvements in its education program.

Strengths, Weaknesses and Areas of Improvement*Strong Points*

- Presence of strategic industrial districts
- Educated labor force and high adult literacy rate
- Expansive road network, as indicated by high road density
- High growth rate in tourist arrivals

Weak Points

- Large squatter population, portent of deeper socio-economic problems
- Vehicular congestion
- There is a need to improve the existing road network, to accommodate the ambitious role envisioned for the city
- There is a need to hasten the pace of investment and channel investments to the right sectors

*BAGUIO CITY***Table 5. Demographic Profile**

| | | |
|--|---------------------------|----------|
| Population (In 1000) | 1960 | 50.436 |
| | 1970 | 94.449 |
| | 1980 | 119.009 |
| | 1990 | 183.142 |
| | 1995 | 226.833 |
| | Latest Estimate (1999 Pr) | 266.443 |
| Population Density Average | 1995 | 4,639.70 |
| Annual Growth Rate in Population | 1970-1980 | 4.0775 |
| | 1980-1990 | 5.3889 |
| | 1990-1995 | 2.3884 |
| Age Dependency Ratio (percentage of population under 15 and over 65 divided by percentage of population between 15 and 65) | | 0.56201 |
| Life Expectancy: Men (in number of years) | Latest Estimate, | 21.2 |
| Life Expectancy: Women (in number of years) | Latest Estimate | 21.5 |
| Crude Birth Rate per 1000 People | Latest Estimate | 24.27 |
| Crude Death Rate per 1000 People | Latest Estimate | 3.4 |
| Employment Rate | 1998 | 86.57 |

Table 6. Land Use Analysis

| Land Use | Existing Land Area (in square kilometers) | Existing % of Total Land Use | Proposed Land Area in Present LUP (in square kilometers) | Proposed % of Total Land Use |
|--------------------------------|---|------------------------------|--|------------------------------|
| Built-Up | 28.7183 | 49.95 | 32.4612 | 56.47 |
| Commercial | 2.0135 | 3.50 | 2.1256 | 3.70 |
| Agro-Industrial/ Industrial | 1.3039 | 2.27 | 0.517 | 0.90 |
| Total Land Area of City | 57.49 | 100 | 57.49 | 100 |

Table 7. Economic make-up

| | | | |
|-----------------------------------|---------------|---|---------------|
| Agriculture, Fishery and Forestry | 1.507 | Wholesale and Retail Trade | 0.508 |
| Mining and Quarrying | 6.026 | Transportation, Storage and Communication | 0.4851 |
| Manufacturing | 0.3568 | Financing, Insurance, Real Estate and Business Services | 1.96 |
| Electricity, Gas and Water | 1.123 | | |
| Construction | 0.7929 | | |

Note: Location Quotient (percentage of city employment in city-level industry grouping divided by percentage of national employment in the same industry grouping)

Table 8. Competitiveness Rankings and Scoring

| Driver/ (Factor)/ Indicator | Rank | Score | |
|---|---|-------|------|
| Cost Of Doing Business | 8 | 5.75 | |
| Average Rent of Commercial Space in City Center | (Affordability of Land/ Space for Industrial/ Commercial Use) | 6 | 6 |
| Average Rent of Land for Industrial Use | | 6 | 10 |
| Average Cost of Acquiring Telephone Services for Commercial Purposes | (Affordability of Telecommunication Services) | 6 | 6 |
| Cost of Electricity for Industrial Use | (Cost of Power) | 7 | 1 |
| Human Resource Endowment | | 5 | 7.08 |
| Adult Literacy | | 6 | 7 |
| % Of Labor Force with a High School Diploma | (Presence of Skilled/ Easily Trainable Labor) | | |
| % Of Labor Force with a College Degree | | | |
| Ease of Training Personnel | (Ease of Interacting with Labor Force) | 3 | 7.17 |
| Infrastructure | | 2 | 6.35 |
| Growth In Building Construction for Non-Residential Use | (Access to/ Availability of Suitable Space/ Sites for Business) | 3 | 10 |
| Presence/ Type of Industrial Districts | | 3 | 7.5 |
| Number of Banks vis-a-vis Population Size | (Access to Finance and Business Support Services) | 5 | 1 |
| Net Loan-Deposit Ratio | | 10 | 1 |
| Presence of Business Support Services | | 2 | 7.61 |
| Road Density, in kilometers of road per square kilometer | | 6 | 5 |
| Vehicle Density, in number of vehicles per kilometer of road | (Road Infrastructure) | 5 | 8 |
| Pavement Ratio | | 1 | 10 |
| Quality of Road System | | 4 | 5.8 |
| Ease of Making Domestic and International Long Distance Calls | (Telecommunications) | 5 | 7.8 |
| Telephone Density | | 1 | 10 |
| Rate of Growth of Private Vehicle Stock | (Sustainability of Transport) | 9 | 2 |
| % Of Households with Access to Regular Garbage Collection | | 2 | 8 |
| Per Capita Spending on SWM | (Solid Waste Management) | 5 | 1 |
| Degree of Compliance with National Environmental Standards Governing Solid Waste Management | | 1 | 5 |
| Cleanliness of Community | | 1 | 8.2 |
| Electrification Coverage | (Power Supply) | 1 | 10 |
| Access to Internet | (Access to Media and Technology) | | |
| Access to Cable Television | | | |
| Linkages with Growth Areas | | 6 | 4.83 |
| Number of Weekly Domestic Flights | (Accessibility) | 7 | 1 |
| Population vis-a-vis Fast Food Chain Outlets | (Access to Domestic Markets) | 3 | 10 |

Table 8. Continued

| | | | |
|--|---|---|------|
| Proximity to International Points of Entry and Exit | (Access to International Markets) | 7 | 5.48 |
| Quality of Life | | | |
| Infant Mortality Rate | (General Social Welfare of Society) | 3 | 9 |
| Squatting Population/ Total Population | | 4 | 5 |
| Driver/ (factor)/ Indicator | | | |
| Incidence of Theft per 100,000 of the Population | (Peace And Order) | | |
| Incidence of Murder per 100,000 of the Population | | | |
| Local Inflation Rate | (Price Stability) | 3 | 4 |
| Population per Hospital Bed | | 5 | 9 |
| Number of Medical Personnel Employed by the Government per 100,000 of the Population | (Access to Basic Services) | 5 | 1 |
| % of Population with Access to Potable Water | | 1 | 9 |
| Population Density | (Quality of Living Environment) | 9 | 2 |
| Cleanliness of Open Bodies of Water | | 6 | 5.91 |
| Number of Tertiary Level Educational Institutions within the City | (Presence of Tertiary Level Schools and Higher Level Training Institutions) | 4 | 10 |
| Dynamism of the Local Economy | | | |
| City Product per Household | | 4 | 5.67 |
| Growth Rate in Exports | (General Health of Local Economy) | 1 | 10 |
| Growth Rate in Investments | | 2 | 10 |
| Growth Rate in Tourist Arrivals | | 9 | 2 |
| Per Capita Exports vis-a-vis Country | (Openness/ Internationalization) | 4 | 10 |
| Exports as a % of City Product | | 8 | 1 |
| Responsiveness of the LGU to Business and Long-Term Needs | | | |
| Existence of Land Use Plans | (Capacity to Anticipate Long-Term Urban Changes) | 9 | 1 |
| Number of Days Required to Secure a Business Permit | (Responsiveness to Business Needs) | 7 | 2.5 |
| Number of Government Employees to '000 of the Population | | 8 | 5.11 |
| Corruption Perception | | 4 | 5 |
| General Attitude of Government to Business Needs | | 3 | 6.27 |
| IRA as a % of City Government Revenue (average of 1995 to 1998) | (LGU Fiscal Capacity and Health) | 3 | 7.28 |
| Growth of City Government Revenue | | 2 | 5 |
| Extent of IT Use in Bureaucratic Processes | Capacity for Electronic Governance | 5 | 3 |
| Computer to Bureaucrat Ratio | | 6 | 2.5 |

Analysis

Baguio City upholds its traditional role as the “summer capital” of the Philippines, as well as the center of higher learning for Northern Luzon. Tourist arrivals have continued its upward trend since the 1990 earthquake that leveled the city, while students from the surrounding provinces continue to flock to one of the nine tertiary educational institutions in the city. Being the seat of government during the summer months of the American Period and the years following that was also a large factor in reinforcing its role as the political and economic center for the region.

Trends indicate that tourism and services related to tourist and educational activities shall continue to fuel the city’s economy. While exports also contribute a sizeable portion to the city’s income, the limited amount of space available for industrial activities curtails this sector’s future growth. A relatively pro-active resident community, supported by a local government responsive to its needs have established a good quality of life for Baguio City residents. And while recent infrastructure projects have improved access to the city as well as to production inputs from the surrounding municipalities, ingress and egress from the city is disrupted by the periodic closure of main highways due to landslides during the monsoon season.

In the context of the planned Urban BLIST area, which encompasses the municipalities of Baguio City, La Trinidad, Itogon, Sablan and Tuba, the city is expected to play a crucial role as the area’s urban and services center. Conceptualized within the framework of the Northwest Luzon Growth Quadrangle, the proposal was to arrest the emerging concerns related to the increasing urbanization in the city by creating a framework for the planned development of these municipalities into an efficient urban environment. By decentralizing activities among these municipalities, economies of scale and productive efficiency are the expected outcomes.

However, before the city can proceed to fulfill such great expectations, several issues need to be addressed at the onset. The lack of a clear economic or physical development strategy for Baguio City poses a challenge for the city’s future. While the vision for the city as a “center for tourism

and education in Northern Luzon” is unified, its strategic role in the region is undefined. The immediate implications of this shortcoming are manifested in the haphazard development trends now taking place in the city. With only about 58 square kilometers in total area, most of which is either built-up or remain untouched for construction due to steep slopes, Baguio City needs to use its limited land resources more efficiently in order to meet the spatial needs of its established industries.

More than the implications on the economic use of the city’s available land, recent urbanization patterns are threatening the preservation of the city’s natural and man-made environment. Long-time residents of Baguio City lament that the city they see emerging before them is a far cry from the lush mountain resort it once was. More and more, large concrete buildings that house shopping malls and residential condominiums are replacing the city’s forest cover.

Unabated urbanization trends, coupled with rapid population growth have placed a tremendous strain on the city’s infrastructure systems. The city’s limited water supply has been a persistent problem for residents. The worsening air quality brought on by the rise in the city’s private vehicle stock, on the other hand, emerged only in recent years. Waste water treatment facilities as well as more efficient solid waste management measures are needed if the city government intends to maintain the prevailing quality of life for its residents.

The conflicting demands of progress and the preservation of tradition brings Baguio City to an important crossroad on its path to development. Capitalizing on the strength of its traditional roles can prove to be a great advantage for the city, with the access it provides to a wide range of valuable production inputs such as labor and agricultural products, and a more extensive market base. In particular, agri-based industries are a potential growth cluster for Baguio City. The city has certainly taken the right path in prioritizing the preservation of its natural environment. Its challenge therefore, is to place this within the context of its development objectives of maintaining its stature as the tourist and educational center for Northern Luzon. By pursuing this vision within the broader development framework of the planned Urban BLIST area, Baguio City and the other mu-

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municipalities in the area, can function more efficiently as an integrated metropolitan network.

Strengths, Weaknesses and Areas of Improvement

Strong Points

- Availability of basic infrastructure services (e.g., water, telecommunications, power)
- Presence of support services
- Responsiveness of the local government to business and community needs
- Cleanliness of the environment
- Safe and comfortable quality of life

Weak Points

- High rate of growth of private vehicle stock
- Limited access to domestic and international markets
- High population density
- Low growth rate in investments, low volume of exports (as a percentage of city product)

*CAGAYAN DE ORO CITY***Table 9. Demographic Profile**

| | | |
|--|----------------------------|---------|
| Population (In 1000) | 1960 | 68,000 |
| | 1970 | 128,000 |
| | 1980 | 227,000 |
| | 1990 | 340,000 |
| | 1995 | 428,000 |
| | Latest Estimate (1999 Pr) | 510,000 |
| Population Density Average | 1995 | 0.88 |
| Annual Growth Rate in Population | 1970-1980 | 5.88 |
| | 1980-1990 | 4.10 |
| | 1990-1995 | 4.45 |
| Age Dependency Ratio (percentage of population under 15 and over 65 divided by percentage of population between 15 and 65) | 1995 | 63.83 |
| Life Expectancy: Men (in number of years) | Latest Estimate, (1995) | 65.00 |
| Life Expectancy: Women (in number of years) | Latest Estimate (1995) | 67.00 |
| Crude Birth Rate per 1000 People | Latest Estimate (1995) | 28.69 |
| Crude Death Rate per 1000 People | | |
| | | |

Table 10. Land Use Analysis

| Land Use | Existing Land Area (in square kilometers) | Existing % of Total Land Use | Proposed Land Area in Present LUP (in square kilometers) | Proposed % of Total Land Use |
|--------------------------------|--|-------------------------------------|---|-------------------------------------|
| Built-Up | 62.50 | 12.80 | 82.00 | 16.80 |
| Commercial | 2.57 | 2.57 | 4.00 | 0.82 |
| Agro-Industrial/ Industrial | 2.19 | 2.19 | 2.14 | 0.44 |
| Total Land Area of City | 488.86 | | 488.86 | |

Table 11. Economic make-up

| | | | |
|-----------------------------------|-------------|---|-------------|
| Agriculture, Fishery and Forestry | 0.20 | Wholesale and Retail Trade | 1.06 |
| Mining and Quarrying | 0.50 | Transportation, Storage and Communication | 1.63 |
| Manufacturing | 0.86 | Financing, Insurance, Real Estate and Business Services | 3.17 |
| Electricity, Gas and Water | 1.30 | | |
| Construction | 1.10 | | |

Note: **Location Quotient** (percentage of city employment in city-level industry grouping divided by percentage of national employment in the same industry grouping)

Table 12. Competitiveness Rankings and Scoring

| Driver/ (factor)/ Indicator | Rank | Score | |
|---|---|-------|------|
| Cost of Doing Business | 5 | 6.0 | |
| Average Rent of Commercial Space in City Center | (Affordability of Land/ Space for Industrial/ Commercial Use) | 5 | 7.0 |
| Average Rent of Land for Industrial Use | | 3 | 10.0 |
| Average Cost of Acquiring Telephone Services for Commercial Purposes | (Affordability of Telecommunication Services) | nd | -- |
| Cost of Electricity for Industrial Use | (Cost of Power) | 3 | 1.0 |
| Human Resource Endowment | | 6 | 7.33 |
| Adult Literacy | (Presence of Skilled/ Easily Trainable Labor) | 5 | 8.0 |
| % Of Labor Force with a High School Diploma | | nd | -- |
| % Of Labor Force with a College Degree | | nd | -- |
| Ease of Training Personnel | (Ease of Interacting with Labor Force) | 5 | 6.67 |
| Infrastructure | | 7 | 4.57 |
| Growth in Building Construction for Non-Residential Use | (Access to/ Availability of Suitable Space/ Sites for Business) | 7 | 2.0 |
| Presence/ Type of Industrial Districts | | 2 | 7.5 |
| Number of Banks vis-a-vis Population Size | (Access to Finance and Business Support Services) | 7 | 1.0 |
| Net Loan-Deposit Ratio | | 1 | 10.0 |
| Presence of Business Support Services | | 1 | 8.17 |
| Road Density, in Kilometers of Road per Square Kilometer | (Road Infrastructure) | 8 | 4.0 |
| Vehicle Density, in Number of Vehicles per Kilometer of Road | | 7 | 7.0 |
| Pavement Ratio | | 7 | 1.0 |
| Quality of Road System | | 10 | 4.5 |
| Ease of Making Domestic and International Long Distance Calls | (Telecommunications) | 10 | 6.88 |
| Telephone Density | | 7 | 6.0 |
| Rate of Growth of Private Vehicle Stock | (Sustainability of Transport) | 8 | 2.0 |
| % of Households with Access to Regular Garbage Collection | (Solid Waste Management) | nd | -- |
| Per Capita Spending on SWM | | 3 | 4.0 |
| Degree of Compliance with National Environmental Standards Governing Solid Waste Management | | 6 | 3.0 |
| Cleanliness of Community | | 7 | 5.5 |
| Electrification Coverage | (Power Supply) | 5 | 8.0 |
| Access to Internet | (Access to Media and Technology) | 5 | 1.0 |
| Access to Cable Television | | 2 | 2.0 |
| Linkages with Growth Areas | | 4 | 4.32 |
| Number of Weekly Domestic Flights | (Accessibility) | 3 | 6.0 |
| Population vis-a-vis Fast Food Chain Outlets | (Access to Domestic Markets) | 5 | 2.0 |

Table 12. Continued

| | | | |
|---|-------------------------------------|---|------|
| Proximity to Major Sources of Production Inputs | (Access to Production Inputs) | 4 | 6.67 |
| Proximity to International Points of Entry and Exit | (Access to International Markets) | 5 | 5.92 |
| Quality of Life | | 7 | 4.72 |
| Infant Mortality Rate | (General Social Welfare of Society) | 5 | 8.0 |
| Squatting Population/ Total Population | | 8 | 1.0 |

| Driver/ (Factor)/ Indicator | | Rank | Score |
|--|---|------------|-------|
| Incidence of Theft per 100,000 of the Population | (Peace and Order) | 6 | 9.0 |
| Incidence of Murder per 100,000 of the Population | | 4 | 1.0 |
| Local Inflation Rate | (Price Stability) | 10 | 1.0 |
| Population per Hospital Bed | | 10 | 5.0 |
| Number of Medical Personnel Employed by the Government per 100,000 of the Population | (Access to Basic Services) | 1 | 2.0 |
| % of Population with Access to Potable Water | | 3 | 4.0 |
| Population Density | (Quality of Living Environment) | 6 | 9.0 |
| Cleanliness of Open Bodies Of Water | | 8 | 5.67 |
| Number of Tertiary Level Educational Institutions within the City | (Presence of Tertiary Level Schools and Higher Level Training Institutions) | 6 | 10.0 |
| Dynamism of the Local Economy | | 7 | 5.17 |
| City Product per Household | (General Health of Local Economy) | 2 | 10.0 |
| Growth Rate in Exports | | 8 | 1.0 |
| Growth Rate in Investments | | 5 | 10.0 |
| Growth Rate in Tourist Arrivals | | 7 | 4.0 |
| Per Capita Exports vis-a-vis Country | | 4 | 5.0 |
| Exports as a % of City Product | (Openness/ Internationalization) | 4 | 1.0 |
| Responsiveness of the LGU to Business and Long-Term Needs | | 7 | 5.04 |
| Existence of Land Use Plans | (Capacity to Anticipate Long-Term Urban Changes) | 7 | 2.5 |
| Number of Days Required to Secure a Business Permit | (Responsiveness to Business Needs) | 6 | 5.5 |
| Number of Government Employees to '000 of the Population | | Nd | -- |
| Corruption Perception | | 8 | 5.33 |
| General Attitude of Government to Business Needs | | 8 | 6.5 |
| IRA as a % of City Government Revenue (Average of 1995 to 1998) | (LGU Fiscal Capacity and Health) | 5 | 5.0 |
| Growth of City Government Revenue | | 1 | 10.0 |
| Extent of it Use in Bureaucratic Processes | Capacity for Electronic Governance | 1 | 10.0 |
| Computer to Bureaucrat Ratio | | Nd | -- |
| Presence of Initiatives/Forums to Elicit Opinions of Constituents | | (Openness) | 8 |

Analysis

The total land area of Cagayan de Oro is about 489 square kilometers. It includes about 25 kilometers of coastline and a fine deep-water harbor, the Macalajar Bay. From a mere population of 52,000 people in 1948, the number of inhabitants rose to 128,000 after 22 years. It almost doubled in 1980. Over 100 percent was added another decade later. From 1980 to 1990, the population has increased by 113,000. Surprisingly, between the intercensal period of 1990 to 1995, the population of the city increased by 88,000.

A big part of the city, just like many other urban areas in the country, is rural. About 80 percent of its total land area is considered as rural; however, only 20 percent of the total population are actual rural inhabitants. The city, especially its urbanized districts, have experienced considerable amount of migration since the start of the post-war years.

In years of peace or political turmoil, this city of “golden friendship” and its economy has benefited tremendously from being the rest and recreation haven of Mindanao. As years pass, however, there seems to be an ongoing transformation of Cagayan de Oro from being just a bustling rest and recreation city-port in the south to becoming one of the country’s metropolitan centers.

The official role and function of the city is straightforward. Continuously being developed as one of Mindanao’s premiere trade, services and recreational center has been the *raison de’ être* for its prominence, as collectively noted by various national and local development plans and documents. On the other hand, the National Urban Development and Housing Framework (UDHA) cites the function of the city, the regional center of Northern Mindanao, as a major satellite of the country’s tourism development and provider of the highest level of health, education, banking, trade, commerce and government services in the region.

The Cagayan-Iligan Corridor (CIC) Master Plan cites a similar vision for Cagayan de Oro; however, it notes that the city’s role goes beyond its physical boundaries, it being the growth corridor’s most important urban

center. The Mindanao 2000 plan pushes this role even further, saying that its second highest-ranking urban settlement plays a pivotal role in an integrated Mindanao economy, being the services center for its North Coast Economic Growth Cluster.¹ This North Cluster, which includes CARAGA and CIC, is envisioned to be: (1) a premiere domestic food-basket and agri-industrial exporter; (2) the industrial corridor of Southern Philippines; and (3) Mindanao's gateway to the domestic economy.

Cagayan de Oro seems to be heading toward metropolitan-hood. Global economic integration (i.e. decentralization of international economic activities) seems to have accelerated the expansion of medium-sized cities of emerging regions and their industries. Investments tend to be moving from established centers to the emerging periphery, partly because of the latter's cheaper production inputs, advances in telecommunications technology and newly formed subregional alliances.

The overcongestion of Metro Cebu and Metro Manila on one hand, and considerable development and growth in Cagayan de Oro's services, trade and manufacturing sectors, on the other hand, might just help the latter become an important secondary metropolitan node in the country. This indeed seems to be the inevitable next step for the city's long-term development.

Statistics show that Cagayan de Oro has three leading growth clusters: (1) sectors involved in business or corporate services; and (2) sectors involved in transport, trade and communication. Figures also indicate that a third leading growth cluster in the city would be sectors consisting of (light) manufacturing industries such as those in food manufacturing.

Past research and data would point out that the competitiveness of Cagayan de Oro relies heavily on the extent to which physical, technological and economic linkages with the CIC-ADZ, Region 10, and the rest of Mindanao are strengthened and further developed. The two most important

¹ The Mindanao 2000 classifies the Island's various growth regions into three major Economic Growth Clusters on the basis of resource endowments, markets infrastructure, and products: North Coast Agriindustrial Corridor, Southern Mindanao Food Triangle and EAGA Agriindustrial Hub, and Western Mindanao Marine Center and EAGA Trading Hub.

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linkages that have to be developed are: (a) transport and telecommunications infrastructure links; and (b) linkages between the city and urbanized areas and the rural hinterland. Infrastructure is an apparent weakness of the city. Quality of the city's road network needs some improvement. The city spends a relatively low amount on solid waste management and has not yet come up with an updated land-use plan.

While the focus in the next 10 to 15 years should be on infrastructure development, some sectors are still showing signs of continued growth and may lead the city's next round of growth. For instance, domestic tourism, as measured by tourist arrivals, still managed to achieve a 21 percent growth rate in the first quarter of 1998, compared to the same period in 1997. Occupancy levels also increased by about 6 percent during the same period.

This dynamism in domestic tourism is seen as an advantage to the city's potential as gateway to Northern Mindanao's ecotourism sites such as the Camiguin Island, the Eco-Village in Malasag, the farms of Bukidnon and others.

The export sector could prove to be a crisis-resilient sector, as shown in the 72 percent increase in the 1998 first quarter value of exports, compared to that of the first quarter of 1997. However, the growth was offset by the much greater increase of 146.65 percent in the value of imports. In the short- and medium-terms, there is a need to push for the growth and export of high-value agri-based products (e.g., mango). However, necessary and sufficient post-harvest, storage, and transportation facilities and infrastructure have to be put in place to improve the exports' quality and reduce the presently high levels of spoilage.

Also in the short- and medium-term, there is a need to promote the image of the city as potential location for firms in the so-called quaternary sector such as banks and consultancy firms. The relatively low costs of commercial space and the city's emergence as the next metropolitan area add to its competitive advantage.

In the longterm, Cagayan de Oro ought to develop its food-processing industry. The sector can only be globally competitive in the long-term for

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obvious reasons: foremost are its limitations in transport costs and infrastructure.

Strengths and Weaknesses

Strong Points

- Still low rent of land for industrial use
- Availability of skilled- and easily-trainable labor
- Presence of industrial zones
- Access to financial capital
- Presence of business support services
- Electrification coverage
- Access to tertiary-level and training institutions
- Growth in investments and exports
- Growth in city revenue

Weak Points

- Slow growth in building construction
- Poor quality of road network
- Low spending on solid waste management
- Relatively alarming incidence of murder
- Absence of updated land-use plan

*DAVAO CITY***Table 13. Demographic Profile**

| | | |
|--|----------------------------|-----------|
| Population (In 1000) | 1960 | 225,712 |
| | 1970 | 392,473 |
| | 1980 | 610,375 |
| | 1990 | 849,947 |
| | 1995 | 1,006,840 |
| | Latest Estimate (1998) | 1,116,950 |
| Population Density Average | 1995 | 413.00 |
| Annual Growth Rate in Population | 1970-1980 | |
| | 1980-1990 | 3.37 |
| | 1990-1995 | 3.22 |
| Age Dependency Ratio (percentage of population under 15 and over 65 divided by percentage of population between 15 and 65) | 1998 | 62.94 |
| Life Expectancy: Men (in number of years) | Latest Estimate, (1997) | 66.60 |
| Life Expectancy: Women (in number of years) | Latest Estimate (1997) | 70.20 |
| Crude Birth Rate per 1000 People | Latest Estimate (1997) | 31.24 |
| Crude Death Rate per 1000 People | Latest Estimate (1997) | 4.54 |
| Employment Rate | 1998 | 87.90 |

Table 14. Land Use Analysis

| Land Use | Existing Land Area (in square kilometers) | Existing % of Total Land Use | Proposed Land Area in Present LUP (in square kilometers) | Proposed % of Total Land Use |
|--------------------------------|---|------------------------------|--|------------------------------|
| Built-Up | 41.22 | 14.17 | 127.62 | 43.88 |
| Commercial | 7.97 | 2.74 | 34.12 | 11.73 |
| Agro-Industrial/ Industrial | 8.44 | 2.90 | 70.59 | 24.27 |
| Total Land Area of City | 2,443.61 | | 2,443.61 | |

Table 15. Economic make-up

| | | | |
|-----------------------------------|------|---|------|
| Agriculture, Fishery and Forestry | 0.63 | Wholesale and Retail Trade | 1.33 |
| Mining and Quarrying | 1.44 | Transportation, Storage and Communication | 1.27 |
| Manufacturing | 1.03 | Financing, Insurance, Real Estate and Business Services | 2.62 |
| Electricity, Gas and Water | 1.10 | | |
| Construction | 1.08 | | |

Note: Location Quotient (percentage of city employment in city-level industry grouping divided by percentage of national employment in the same industry grouping)

Table 16. Competitiveness Rankings and Scoring

| Driver/ (Factor)/ Indicator | | Rank | Score |
|---|---|------|-------|
| Cost Of Doing Business | | 2 | 7.75 |
| Average Rent of Commercial Space in City Center | (Affordability of Land/ Space for Industrial/ Commercial Use) | 2 | 9.0 |
| Average Rent of Land for Industrial Use | (Affordability of Telecommunication Services) | 1 | 10.0 |
| Average Cost of Acquiring Telephone Services for Commercial Purposes | (Cost of Power) | 5 | 7.0 |
| Cost Of Electricity for Industrial Use | | 1 | 5.0 |
| Human Resource Endowment | | 7 | 5.6 |
| Adult Literacy | (Presence of Skilled/ Easily Trainable Labor) | 7 | 7.0 |
| % of Labor Force with a High School Diploma | | 5 | 1.0 |
| % Of Labor Force with a College Degree | | 4 | 8.0 |
| Ease of Training Personnel | (Ease of Interacting with Labor Force) | 8 | 6.4 |
| Infrastructure | | 8 | 4.96 |
| Growth in Building Construction for Non-Residential Use | (Access to/ Availability of Suitable Space/ Sites for Business) | 8 | 1.0 |
| Presence/ Type of Industrial Districts | | 7 | 2.5 |
| Number of Banks vis-a-vis Population Size | (Access to Finance and Business Support Services) | 9 | 1.0 |
| Net Loan-Deposit Ratio | | 3 | 10.0 |
| Presence of Business Support Services | | 5 | 7.37 |
| Road Density, in Kilometers of Road per Square Kilometer | (Road Infrastructure) | 9 | 3.0 |
| Vehicle Density, in Number of Vehicles per Kilometer Of Road | | 3 | 9.0 |
| Pavement Ratio | | 9 | 1.0 |
| Quality of Road System | | 7 | 5.32 |
| Ease of Making Domestic and International Long Distance Calls | (Telecommunications) | 6 | 7.63 |
| Telephone Density | | 10 | 1.0 |
| Rate of Growth of Private Vehicle Stock | (Sustainability of Transport) | 1 | 9.0 |
| % of Households with Access to Regular Garbage Collection | (Solid Waste Management) | 8 | 1.0 |
| Per Capita Spending on SWM | | Nd | -- |
| Degree of Compliance with National Environmental Standards Governing Solid Waste Management | | 1 | 5.0 |
| Cleanliness of Community | | 3 | 7.15 |
| Electrification Coverage | (Power Supply) | 7 | 6.0 |
| Access to Internet | (Access to Media and Technology) | Nd | -- |
| Access to Cable Television | | Nd | -- |
| Linkages With Growth Areas | | 3 | 5.27 |
| Number of Weekly Domestic Flights | (Accessibility) | 1 | 7.0 |
| Population vis-a-vis Fast Food Chain Outlets | (Access to Domestic Markets) | 7 | 1.0 |

Table 16. Continued

| | | | |
|---|-------------------------------------|---|------|
| Proximity to Major Sources of Production Inputs | (Access to Production Inputs) | 3 | 6.99 |
| Proximity to International Points of Entry and Exit | (Access to International Markets) | 3 | 6.37 |
| Quality of Life | | 6 | 5.11 |
| Infant Mortality Rate | (General Social Welfare of Society) | 4 | 9.0 |
| Squatting Population/ Total Population | | 5 | 3.0 |

| Driver/ (Factor)/ Indicator | | Rank | Score |
|--|---|------|-------|
| Incidence of Theft per 100,000 of the Population | (Peace and Order) | 9 | 3.0 |
| Incidence of Murder per 100,000 of the Population | | 1 | 9.0 |
| Local Inflation Rate | (Price Stability) | 4 | 3.0 |
| Population per Hospital Bed | (Access to Basic Services) | 7 | 7.0 |
| Number of Medical Personnel Employed by the Government per 100,000 of the Population | | 8 | 1.0 |
| % of Population with Access to Potable Water | | 5 | 3.0 |
| Population Density | (Quality of Living Environment) | 3 | 10.0 |
| Cleanliness of Open Bodies of Water | | 3 | 6.23 |
| Number of Tertiary Level Educational Institutions within the City | (Presence of Tertiary Level Schools and Higher Level Training Institutions) | 7 | 10.0 |
| Dynamism Of The Local Economy | | 8 | 5.58 |
| City Product per Person | (General Health Of Local Economy) | 5 | 6.5 |
| Growth Rate in Exports | | 6 | 2.0 |
| Growth Rate in Investments | | 4 | 10.0 |
| Growth Rate in Tourist Arrivals | | 5 | 10.0 |
| Per Capita Exports vis-a-vis Country | (Openness/ Internationalization) | 5 | 4.0 |
| Exports as a % of City Product | | 5 | 1.0 |
| Responsiveness of the LGU to Business and Long-Term Needs | | 3 | 5.07 |
| Existence of Land Use Plans | (Capacity to Anticipate Long-Term Urban Changes) | 1 | 10.0 |
| Number of Days Required to Secure a Business Permit | (Responsiveness to Business Needs) | 5 | 5.65 |
| Number of Government Employees to '000 of the Population | | 9 | 1.0 |
| Corruption Perception | | 6 | 5.78 |
| General Attitude of Government to Business Needs | | 4 | 7.05 |
| IRA as a % of City Government Revenue (Average of 1995 to 1998) | (LGU Fiscal Capacity and Health) | 6 | 4.0 |
| Growth Of City Government Revenue | | 7 | 2.0 |
| Extent of IT use in Bureaucratic Processes | Capacity for Electronic Governance | 3 | 7.5 |
| Computer to Bureaucrat Ratio | | 6 | 1.0 |
| Presence of Initiatives/Forums to Elicit Opinions of Constituents | Openness | 5 | 6.67 |

Analysis

Davao City is one of the largest urban centers in the country, both in terms of land area and population. According to the country's national urban development plans of the past two decades, the city has been identified as one of the major growth centers of the country and one of the two major metropolitan centers (together with Metro Cebu) meant to balance and diffuse the over-concentration of economic activity in Metro Manila. From a population of about 390,000 in 1970 and an urbanization rate of 45 percent in 1970, this migrant city grew to become a settlement of over a million residents with an urbanization rate of 70 percent. As a major metropolitan area, the city is being groomed as an emerging international metropolis, especially since it is said to be fast becoming BIMP-EAGA's (Brunei Darussalam Indonesia Malaysia Philippines East ASEAN Growth Area) *de facto* capital. As a growth center for industries, the city's vast land area and access to abundant natural resources give existing and potential locators sufficient economies-of-scale.

Davao City, together with the rest of the Davao Gulf area, pursues a multiindustry development strategy. Its economy is made-up of several healthy industries that could all develop into dynamic interrelated growth clusters. Agriindustry, being the predominant economic sector in Mindanao, is also the underlying industry cluster that gives other industries strong support and foundation for their respective development. On the other hand, the city also has strong services sector, as seen in its numerous educational and research institutions, government offices, and consumer services-related establishments. Other growth sectors include tourism and light manufacturing.

Davao City's economy seemed to have been running too fast until 1996. When the global financial crisis occurred in mid-1997, the weakness of some of its sectors became more apparent. While the entire economy seemed to be on a colorful growth path from the start of the 1990s, post-1997 figures paint a more realistic picture of the queen city's economy. This reality is best summarized by the average household income figure, which dropped by 10 percent in real terms, from 1994 to 1997. Davao City's frailties speak of potential strengths brought about by size but failed to be fully optimized

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because of a lack of economic diversity and long-term outlook. Its production sector, especially its exports sector, is dominated by very few products (i.e., banana and coco-based products). Most of its manufacturing sub-sectors, aside from consisting of cottage industries, are mainly catering to local markets.

Also, the city has not yet succeeded in coming up with a dynamic non-resource-based and outward-looking production sector. A city like Davao, while primarily based on agri-related sectors, has to go beyond agriculture and develop more propulsive and high growth sectors such as electronics. The city's business associations seem to be pushing for the development of small- to medium-scale industries as the bedrock of Davao's industrial development in the next 10 to 15 years. However, leaders have to address problems such as limited access to markets (outside Metro Manila and Metro Cebu), lack of "regional" economies-of-scale through better transport and trade links with the rest of BIMP-EAGA; limited technological infrastructure and support (e.g., need for more research and development centers); and limited access to capital.

Another weakness would be the monolithic nature and composition of the city's investments. In 1996, about 68 percent of total investments went to property development and 24 percent to tourism-related facilities. In contrast, 77 percent of total investments that were poured into General Santos City in 1997 were in the manufacturing and infrastructure sectors.

Davao City, however, still remains to be one of the most competitive city economies in the region owing to its abundant natural wealth, cosmopolitan culture, impressive business climate, still admirable quality of life and a pool of skilled and easily-trainable workforce.

Potential growth sectors in the short- and long-terms include the following:

- short-term: short-haul tourism sector, services sectors related to the city's functions as a metropolitan center, and food manufacturing
- long-term: higher value-added agri-based products, small firm-driven light industries, high-growth sectors, and the long-haul tourism sector

Strengths and Weaknesses

Strong Points

- Cost of doing business, especially availability of land for potential development
- Availability of skilled and easily-trainable labor
- Access to financial capital (high net loan-deposit ratio)
- Presence of business support services
- Dynamism of local economy as boosted by tremendous investors' confidence
- Still impressive quality of life shown by factors such as controlled vehicle density, degree of compliance with environmental standards, cleanliness of community
- Links to surrounding growth area; proximity to abundant factors of production and international points of entry and exit
- Peace and order situation
- Attitude of government toward business and long-term needs (city has approved and updated land-use plan and has started to use information technology for bureaucratic purposes)

Weak Points

- Infrastructure endowment
- Type of industrial districts
- Inadequacy and below-average quality of its road network
- Low telephone density
- Poor access of households to regular garbage collection
- Increasing number of squatters
- Relatively high incidence of theft
- Relatively low exports level
- Bloated local bureaucracy
- And low growth in city revenue

GENERAL SANTOS CITY

Table 17. Demographic Profile

| | | |
|--|-------------------------|---------|
| Population (In 1000) | 1960 | 84,988 |
| | 1970 | 85,861 |
| | 1980 | 149,396 |
| | 1990 | 250,389 |
| | 1995 | 327,173 |
| | Latest Estimate (1999) | 396,414 |
| Population Density Average | 1995 | 605 |
| Annual Growth Rate in Population | 1970-1980 | 5.80 |
| | 1980-1990 | 3.37 |
| | 1990-1995 | 5.14 |
| Age Dependency Ratio (percentage of population under 15 and over 65 divided by percentage of population between 15 and 65) | 1998 | 72.86 |
| Life Expectancy: Men (in number of years) | Latest Estimate, | 57.32 |
| Life Expectancy: Women (in number of years) | Latest Estimate | 65.18 |
| Crude Birth Rate per 1000 People | Latest Estimate | 17.54 |
| Crude Death Rate per 1000 People | Latest Estimate | 5.38 |
| Employment Rate | 1998 | 86.80 |

Table 18. Land Use Analysis

| Land Use | Existing Land Area (in square kilometers) | Existing % of Total Land Use | Proposed Land Area in Present LUP (in square kilometers) | Proposed % of Total Land Use |
|--------------------------------|---|------------------------------|--|------------------------------|
| Built-Up | 42.02 | 7.84 | 94.21 | 17.57 |
| Commercial | 5.63 | 1.05 | 15.36 | 2.87 |
| Agro-Industrial/ Industrial | 6.47 | 1.21 | 54.37 | 10.14 |
| Total Land Area of City | 536.06 | | 536.06 | |

Table 19. Economic make-up

| | | | |
|-----------------------------------|-------------|---|-------------|
| Agriculture, Fishery and Forestry | 1.02 | Wholesale and Retail Trade | 1.06 |
| Mining and Quarrying | 0.30 | Transportation, Storage and Communication | 1.03 |
| Manufacturing | 0.90 | Financing, Insurance, Real Estate and Business Services | 1.96 |
| Electricity, Gas and Water | 1.26 | | |
| Construction | 0.78 | | |

Note: Location Quotient (percentage of city employment in city-level industry grouping divided by percentage of national employment in the same industry grouping)

Table 20. Competitiveness Rankings and Scoring

| Driver/ (factor)/ Indicator | | Rank | Score |
|---|---|-------------------------------|-------|
| Cost Of Doing Business | | 3 | 8.67 |
| Average Rent of Commercial Space in City Center | (Affordability of Land/ Space for Industrial/ Commercial Use) | 1 | 10.0 |
| Average Rent of Land for Industrial Use | | 2 | 10.0 |
| Average Cost of Acquiring Telephone Services for Commercial Purposes | (Affordability of Telecommunication Services) | 8 | 6.0 |
| Cost of Electricity for Industrial Use | (Cost of Power) | nd | -- |
| Human Resource Endowment | | 8 | 5.14 |
| Adult Literacy | (Presence of Skilled/ Easily Trainable Labor) | 8 | 6.0 |
| % Of Labor Force with a High School Diploma | | 4 | 1.0 |
| % Of Labor Force with a College Degree | | 5 | 7.0 |
| Ease of Training Personnel | (Ease of Interacting with Labor Force) | 7 | 6.57 |
| Infrastructure | | 3 | 5.23 |
| Growth in Building Construction for Non-Residential Use | (Access to/ Availability of Suitable Space/ Sites for Business) | 6 | 2.0 |
| Presence/ Type of Industrial Districts | | 1 | 10.0 |
| Number of Banks vis-a-vis Population Size | (Access to Finance and Business Support Services) | 10 | 1.0 |
| Net Loan-Deposit Ratio | | 2 | 7.0 |
| Presence of Business Support Services | | 7 | 7.04 |
| Road Density, in kilometers of road per square kilometer | (Road Infrastructure) | 7 | 4.0 |
| Vehicle Density, in number of vehicles per kilometer of road | | 4 | 9.0 |
| Pavement Ratio | | 5 | 7.0 |
| Quality of Road System | | 1 | 7.4 |
| Ease of Making Domestic and International Long Distance Calls | (Telecommunications) | 9 | 7.14 |
| Telephone Density | | 6 | 7.0 |
| Rate of Growth of Private Vehicle Stock | | (Sustainability of Transport) | 5 |
| % of Households with Access to Regular Garbage Collection | (Solid Waste Management) | 7 | 1.0 |
| Per Capita Spending on SWM | | 2 | 4.0 |
| Degree of Compliance with National Environmental Standards Governing Solid Waste Management | | 1 | 5.0 |
| Cleanliness of Community | | 4 | 7.03 |
| Electrification Coverage | (Power Supply) | 8 | 4.0 |
| Access to Internet | (Access to Media and Technology) | nd | -- |
| Access to Cable Television | | nd | -- |
| Linkages with Growth Areas | | 2 | 4.42 |
| Number of Weekly Domestic Flights | (Accessibility) | 6 | 2.0 |
| Population vis-a-vis Fast Food Chain Outlets | (Access to Domestic Markets) | 4 | 5.0 |

Table 20. Continued

| | | | |
|--|---|-------------------|--------------|
| Proximity to Major Sources of Production Inputs | (Access to Production Inputs) | 4 | 6.67 |
| Proximity to International Points of Entry and Exit | (Access to International Markets) | 1 | 7.41 |
| Quality of Life | | 10 | 4.12 |
| Infant Mortality Rate | (General Social Welfare of Society) | 9 | 6.0 |
| Squatting Population/ Total Population | | 7 | 2.0 |
| Driver/ (Factor)/ Indicator | | Rank | Score |
| Incidence of Theft per 100,000 of the Population | (Peace and Order) | 8 | 6.0 |
| Incidence of Murder per 100,000 of the Population | | 9 | 1.0 |
| Local Inflation Rate | (Price Stability) | 8 | 1.0 |
| Population per Hospital Bed | (Access to Basic Services) | 6 | 8.0 |
| Number of Medical Personnel Employed by the Government per 100,000 of the Population | | 7 | 1.0 |
| % of Population with Access to Potable Water | | Data Not Verified | |
| Population Density | (Quality of Living Environment) | 4 | 10.0 |
| Cleanliness Of Open Bodies Of Water | | 1 | 7.4 |
| Number of Tertiary Level Educational Institutions within the City | (Presence of Tertiary Level Schools and Higher Level Training Institutions) | 10 | 4.0 |
| Dynamism of the Local Economy | | 10 | 5.5 |
| City Product per Household | (General Health of Local Economy) | 9 | 4.0 |
| Growth Rate in Exports | | 4 | 5.0 |
| Growth Rate in Investments | | 6 | 10.0 |
| Growth Rate in Tourist Arrivals | | 9 | 1.0 |
| Per Capita Exports vis-a-vis Country | (Openness/ Internationalization) | 2 | 9.0 |
| Exports as a % of City Product | | 2 | 4.0 |
| Responsiveness of the LGU to Business and Long-Term Needs | | 1 | 6.59 |
| Existence of Land Use Plans | (Capacity to Anticipate Long-Term Urban Changes) | 1 | 10.0 |
| Number of Days Required to Secure a Business Permit | (Responsiveness to Business Needs) | 1 | 6.57 |
| Number of Government Employees to '000 of the Population | | 2 | 8.0 |
| Corruption Perception | | 2 | 6.48 |
| General Attitude of Government to Business Needs | | 2 | 7.5 |
| IRA as a % of City Government Revenue (Average of 1995 to 1998) | (LGU Fiscal Capacity and Health) | 1 | 7.0 |
| Growth of City Government Revenue | | 2 | 7.0 |
| Extent of IT Use in Bureaucratic Processes | Capacity for Electronic Governance | 5 | 5.0 |
| Computer to Bureaucrat Ratio | | 1 | 1.0 |
| Presence of Initiatives/Forums to Elicit Opinions of Constituents | Openness | 1 | 7.32 |

Analysis

In 1997, about 70 percent of the total investments poured into General Santos City were in the infrastructure and manufacturing sectors. While other leading cities had investments mostly in property development and other services sectors, General Santos had started to build on its long-term competitiveness, giving due emphasis on agri-industrialization, good planning and governance and massive infrastructure building.

Under the national and regional physical framework plans, General Santos City has been envisioned to be a Regional Industrial Center (RIC) and secondary growth center in Southern Mindanao. However, the dynamism of the SOSKSCARGEN development zone during the past decade led this relatively young urban center to pursue a much bigger role. The growth area's agri-based sector has attracted so much foreign capital, especially from development and donor agencies, infusing investment on impressive road networks, a brand new airport, state-of-the-art development planning equipment and others. According to the proposed 1998 to 2008 comprehensive development plan, by the year 2010, General Santos City shall be transformed into a leading trade and financial hub in Mindanao.

Fishing is one of the biggest industries in the city. The sector has actually helped trigger the economic boom being experienced by the city today. General Santos City's marine-based products have caught international recognition. For instance, in 1998, the fishing industry share about 48 percent of the value of exports. Although the city is only the second leading fish landing area in the country (next to Navotas), it is number one in higher-value fish products such as tuna. Sashimi-grade tuna has found its way to Japan and first-class hotels in Metro Manila. The rest is canned by the five biggest tuna canneries that have a combined capacity of 570 metric tons a day or consumed by the domestic market.

General Santos has abundant marine resources and is situated in a very strategic site. The country is located along the so-called tuna belt, which runs from the East Central Pacific Ocean. Aside from the Pacific fishing grounds, other fishing areas such as the Moro Gulf and the Celebes Sea are

also very rich in tuna. Today, the city has over 40 commercial fishing firms landing a combined volume of 8,000 metric tons of fish per month.

The city's economy likewise depends on pineapple, bananas, coconuts and cattle. Agriculture will continue to play a major role in the city's industrial development. The rate of the sector's growth continues to determine the structural changes in the industrial and the services sector. As part of the general industry development plan, manufacturing will be enhanced so that the processing of locally produced agricultural products can be made possible. The industrialization thrust of General Santos calls for the massive development of its infrastructure and utilities.

The master plan of the city maps out a development path geared toward not just the agri-based industries, but also toward the manufacturing and tourism sectors. Agri-based sectors would develop food processing, while manufacturing will center on shipbuilding and repair, packaging products such as boxes and tin, coco coir, foundry and metal fabrication, handicrafts, furniture, electronics and garments.

The establishment of an agro-marine processing zone, which will be built next to the newly completed fish port complex, is expected to intensify growth in the city's fishing industry. Innovative efforts in improving related activities such as tuna farming will boost the country's bid to become one of the world's major suppliers of processed fish.

The fishing industry is expected to be enhanced by infrastructure building and good development planning, which seems to have been the major backbone of the city's economic dynamism.

Some of the major issues confronting the full development of major industries are as follows:

- Border conflicts with ASEAN neighbors and other adjacent municipalities
- The lack of a water, sewerage, and solid waste management systems
- The decline in the fish catch
- The lack of supply

Strengths and Weaknesses

Strong Points

- Low costs of doing business, especially access to land that can be developed
- Infrastructure, especially quality of road network and ports
- Presence and type of industrial zones
- Access to finance
- Cleanliness of community and environment; handling of solid waste
- Proximity and linkages to surrounding growth area (SOSKSCARGEN)
- Very active exports/ trade sector
- Responsiveness of LGU to long-term and business needs: existence of approved and updated plans, efficient bureaucracy, low corruption perception
- Use of IT in local governance
- Participation of private sector in development initiatives

Weak Points

- Basic infrastructure (water, garbage collection)
- Below-average quality of life (low access to urban amenities, relatively large squatting population, relatively high incidence of murder, high local inflation rate)

*ILIGAN CITY***Table 21. Demographic Profile**

| | | |
|--|---------------------------|---------|
| Population (In 1000) | 1960 | 58.433 |
| | 1970 | 104.493 |
| | 1980 | 167.358 |
| | 1990 | 226.568 |
| | 1995 | 273.004 |
| | Latest Estimate (1999 Pr) | 303.211 |
| Population Density Average | 1995 | 303.211 |
| Annual Growth Rate in Population | 1970-1980 | 0.602 |
| | 1980-1990 | 0.534 |
| | 1990-1995 | 0.205 |
| Age Dependency Ratio (percentage of population under 15 and over 65 divided by percentage of population between 15 and 65) | | 0.594 |
| Life Expectancy: Men (in number of years) | Latest Estimate, | 63.47 |
| Life Expectancy: Women (in number of years) | Latest Estimate | 69.41 |
| Crude Birth Rate per 1000 People | | 31.8 |
| Crude Death Rate per 1000 People | | 6.20 |
| Employment Rate | 1998 | 86.2 |

Table 22. Land Use Analysis

| Land Use | Existing Land Area (in square kilometers) | Existing % of Total Land Use | Proposed Land Area in Present LUP (in square kilometers) | Proposed % of Total Land Use |
|--------------------------------|---|------------------------------|--|------------------------------|
| Built-Up | – | 5.49 | – | – |
| Commercial | – | 0.04 | – | – |
| Agro-Industrial/ Industrial | – | 0.73 | – | – |
| Total Land Area of City | – | | – | – |

Table 23. Economic make-up

| | | | |
|-----------------------------------|----|---|----|
| Agriculture, Fishery and Forestry | – | Wholesale and Retail Trade | -- |
| Mining and Quarrying | – | Transportation, Storage and Communication | – |
| Manufacturing | – | Financing, Insurance, Real Estate and Business Services | – |
| Electricity, Gas and Water | -- | | |
| Construction | – | | |

Note: Location Quotient (percentage of city employment in city-level industry grouping divided by percentage of national employment in the same industry grouping)

Table 24. Competitiveness Rankings and Scoring

| Driver/ (factor)/ Indicator | | Rank | Score |
|---|---|------|-------|
| Cost Of Doing Business | | 10 | 4.33 |
| Average Rent of Commercial Space in City Center | (Affordability of Land/ Space for Industrial/ Commercial Use) | -- | -- |
| Average Rent of Land for Industrial Use | | 7 | 10 |
| Average Cost of Acquiring Telephone Services for Commercial Purposes | (Affordability of Telecommunication Services) | 9 | 2 |
| Cost of Electricity for Industrial Use | (Cost of Power) | -- | -- |
| Human Resource Endowment | | 3 | 6.17 |
| Adult Literacy | (Presence of Skilled/ Easily Trainable Labor) | | |
| % Of Labor Force with a High School Diploma | | 6 | 1 |
| % Of Labor Force with a College Degree | | 2 | 10 |
| Ease of Training Personnel | (Ease of Interacting with Labor Force) | 1 | 7.5 |
| Infrastructure | | 8 | 4.68 |
| Growth in Building Construction for Non-Residential Use | (Access to/ Availability of Suitable Space/ Sites for Business) | 5 | 4 |
| Presence/ Type of Industrial Districts | | 3 | 7.5 |
| Number of Banks vis-a-vis Population Size | (Access to Finance and Business Support Services) | 4 | 1 |
| Net Loan-Deposit Ratio | | 4 | 1 |
| Presence of Business Support Services | | 4 | 7.42 |
| Road Density, in Kilometers of Road Per Square Kilometer | (Road Infrastructure) | 10 | 2 |
| Vehicle Density, in Number of Vehicles per Kilometer of Road | | 2 | 9 |
| Pavement Ratio | | -- | -- |
| Quality Of Road System | | 2 | 6.67 |
| Ease of Making Domestic and International Long Distance Calls | (Telecommunications) | 7 | 7.5 |
| Telephone Density | | 8 | 5 |
| Rate of Growth of Private Vehicle Stock | (Sustainability of Transport) | 2 | 8 |
| % of Households with access to Regular Garbage Collection | (Solid Waste Management) | 9 | 1 |
| Per Capita Spending on SWM | | 8 | 1 |
| Degree of Compliance with National Environmental Standards Governing Solid Waste Management | | 5 | 3 |
| Cleanliness of Community | | 5 | 6.17 |
| Electrification Coverage | (Power Supply) | -- | -- |
| Access to Internet | (Access to Media and Technology) | -- | -- |
| Access to Cable Television | | -- | -- |
| Linkages with Growth Areas | | 9 | 3.08 |
| Number of Weekly Domestic Flights | (Accessibility) | 8 | 1 |
| Population vis-a-vis Fast Food Chain Outlets | (Access to Domestic Markets) | 10 | 1 |

Table 24. Continued

| | | | |
|--|---|-------------|--------------|
| Proximity to Major Sources of Production Inputs | (Access to Production Inputs) | 2 | 1 |
| Proximity to International Points of Entry and Exit | (Access to International Markets) | 9 | 7.33 |
| Quality Of Life | | 9 | 5.20 |
| Infant Mortality Rate | (General Social Welfare of Society) | 7 | 7.0 |
| Squatting Population/ Total Population | | 3 | 6 |
| Driver/ (factor)/ Indicator | | Rank | Score |
| Incidence of Theft per 100,000 of the Population | (Peace and Order) | 2 | 10 |
| Incidence of Murder per 100,000 of the Population | | 6 | 1 |
| Local Inflation Rate | (Price Stability) | 9 | 1 |
| Population per Hospital Bed | (Access to Basic Services) | 8 | 6 |
| Number of Medical Personnel Employed by the Government per 100,000 of the Population | | 6 | 1 |
| % of Population with Access to Potable Water | | 7 | 1 |
| Population Density | (Quality of Living Environment) | 2 | 10 |
| Cleanliness of Open Bodies of Water | | 4 | 6.17 |
| Number of Tertiary Level Educational Institutions within the City | (Presence of Tertiary Level Schools and Higher Level Training Institutions) | 8 | 8 |
| Dynamism of the Local Economy | | 5 | 7 |
| City Product per Household | (General Health of Local Economy) | 6 | 6 |
| Growth Rate in Exports | | 1 | 10 |
| Growth Rate in Investments | | 3 | 10 |
| Growth Rate in Tourist Arrivals | | | |
| Per Capita Exports vis-a-vis Country | (Openness/ Internationalization) | 3 | 7 |
| Exports as a % of City Product | | 3 | 2 |
| Responsiveness of the LGU to Business and Long-Term Needs | | 2 | 5.5 |
| Existence of Land Use Plans | (Capacity to Anticipate Long-Term Urban Changes) | 3 | 5 |
| Number of Days Required to Secure a Business Permit | (Responsiveness to Business Needs) | 4 | 5.67 |
| Number Of Government Employees to '000 of the Population | | 4 | 7 |
| Corruption Perception | | 4 | 6.17 |
| General Attitude of Government. to Business Needs | | 5 | 7 |
| IRA as a % of City Government Revenue (Average of 1995 to 1998) | (LGU Fiscal Capacity and Health) | 7 | 4 |
| Growth of City Government Revenue | | 6 | 2 |
| Extent of IT Use in Bureaucratic Processes | Capacity for Electronic Governance | 1 | 10 |
| Computer to Bureaucrat Ratio | | 2 | 1 |
| Presence of Initiatives/Forums to Elicit Opinions of Constituents | Openness | 4 | 7.17 |

Analysis

The economy of Iligan City is dominated by community, social and personal services, as evidenced by the sheer number of laborers the sector employs. Wholesale and retail trade is the second largest industry group in the city. The local government's thrust is for Iligan City to achieve balanced sustainable growth and excellent quality of life.

The vision for an excellent quality of life is yet to be realized since the city measures 5.20 in this criterion. Rapid consumer price inflation, limited access to potable water and a large squatting population are issues Iligan residents have to contend with. The inadequacy of basic infrastructure such as solid waste collection services is another concern.

On the other hand, Iligan City performs extremely well in the economic arena. The city has been increasing its exports at four times the pace of the rest of the country. Investments have been pouring in 12 times faster than the rate of increase of Board of Investments (BOI)-registered investments in the country. These economic indicators have to be complemented with equally impressive social indicators if the growth of Iligan City is to be sustainable.

Strengths, Weaknesses and Areas of Improvement

Strong Points

- Inexpensive rent of land for industrial use
- High percentage of labor force with college degree
- Low incidence of theft
- High growth rate in exports
- High growth rate in investments
- Ardent efforts in integrating information technologies in governance

Weak Points

- Weak access to finance
- Limited reach of solid waste management services
- Under-investment in solid waste management
- High consumer price inflation rate
- Large squatting population
- Limited reach of water utility services

*ILOILO CITY***Table 25. Demographic Profile**

| | | |
|--|---------------------------|----------|
| Population (In 1000) | 1960 | 151,266 |
| | 1970 | 209,738 |
| | 1980 | 244,877 |
| | 1990 | 309,565 |
| | 1995 | 334,539 |
| | Latest Estimate (1999 Pr) | 356,016 |
| Population Density Average | 1995 | 3,922.83 |
| Annual Growth Rate in Population | 1970-1980 | 1.50 |
| | 1980-1990 | 2.40 |
| | 1990-1995 | 1.47 |
| Age Dependency Ratio (percentage of population under 15 and over 65 divided by percentage of population between 15 and 65) | | 58.90 |
| Life Expectancy: Men (in number of years) | Latest Estimate, | |
| Life Expectancy: Women (in number of years) | Latest Estimate | |
| Crude Birth Rate per 1000 People | | 21.63 |
| Crude Death Rate per 1000 People | | 7.89 |
| Employment Rate | 1998 | 85.50 |

Table 26. Land Use Analysis

| Land Use | Existing Land Area (in square kilometers) | Existing % of Total Land Use | Proposed Land Area in Present LUP (in square kilometers) | Proposed % of Total Land Use |
|--------------------------------|--|-------------------------------------|---|-------------------------------------|
| Built-Up | 19.78 | 23.90 | - | - |
| Commercial | 1.35 | 3.50 | - | - |
| Agro-Industrial/ Industrial | 0.84 | 1.00 | - | - |
| Total Land Area of City | 82.85 | 26.50 | - | - |

Table 27. Economic make-up

| | | | |
|-----------------------------------|-------------|---|-------------|
| Agriculture, Fishery and Forestry | 0.16 | Wholesale and Retail Trade | 1.39 |
| Mining and Quarrying | 0.00 | Transportation, Storage and Communication | 0.83 |
| Manufacturing | 0.68 | Financing, Insurance, Real Estate and Business Services | 1.53 |
| Electricity, Gas and Water | 1.83 | | |
| Construction | 1.13 | | |

Note: Location Quotient (percentage of city employment in city-level industry grouping divided by percentage of national employment in the same industry grouping)

Table 28. Competitiveness Rankings and Scoring

| Driver/ (factor)/ Indicator | | Rank | Score |
|---|---|----------------------|-------|
| Cost Of Doing Business | | 7 | 4.0 |
| Average Rent of Commercial Space in City Center | (Affordability of Land/ Space for Industrial/ Commercial Use) | nd | -- |
| Average Rent of Land for Industrial Use | | nd | -- |
| Average Cost of Acquiring Telephone Services for Commercial Purposes | (Affordability of Telecommunication Services) | 4 | 7.0 |
| Cost of Electricity for Industrial Use | (Cost of Power) | 8 | 1.0 |
| Human Resource Endowment | | 1 | 6.97 |
| Adult Literacy | (Presence of Skilled/ Easily Trainable Labor) | 3 | 10.0 |
| % Of Labor Force with a High School Diploma | | 3 | 1.0 |
| % Of Labor Force with a College Degree | | 1 | 10.0 |
| Ease of Training Personnel | (Ease of Interacting with Labor Force) | 4 | 6.87 |
| Infrastructure | | 4 | 5.59 |
| Growth in Building Construction for Non-Residential Use | (Access to/ Availability of Suitable Space/ Sites for Business) | 1 | 10.0 |
| Presence/ Type of Industrial Districts | | 10 | 1.0 |
| Number of Banks vis-a-vis Population Size | (Access to Finance and Business Support Services) | 1 | 9.0 |
| Net Loan-Deposit Ratio | | 5 | 1.0 |
| Presence of Business Support Services | | 3 | 7.5 |
| Road Density, in Kilometers of Road Per Square Kilometer | (Road Infrastructure) | 2 | 9.0 |
| Vehicle Density, in Number of Vehicles per Kilometer of Road | | 10 | 10.0 |
| Pavement Ratio | | 2 | 10.0 |
| Quality Of Road System | | 9 | 4.6 |
| Ease of Making Domestic and International Long Distance Calls | | (Telecommunications) | 2 |
| Telephone Density | 5 | | 8.0 |
| Rate of Growth of Private Vehicle Stock | (Sustainability of Transport) | | 3 |
| % of Households with access to Regular Garbage Collection | (Solid Waste Management) | 5 | 6.0 |
| Per Capita Spending on SWM | | 6 | 1.0 |
| Degree of Compliance with National Environmental Standards Governing Solid Waste Management | | 8 | 1.0 |
| Cleanliness of Community | | 10 | 4.42 |
| Electrification Coverage | | (Power Supply) | 6 |
| Access to Internet | (Access to Media and Technology) | 3 | 1.0 |
| Access to Cable Television | | 1 | 3.0 |
| Linkages with Growth Areas | | 7 | 4.07 |
| Number of Weekly Domestic Flights | (Accessibility) | 1 | 7.0 |
| Population vis-a-vis Fast Food Chain Outlets | (Access to Domestic Markets) | 9 | 1.0 |

Table 28. Continued

| | | | |
|--|---|-------------|--------------|
| Proximity to Major Sources of Production Inputs | (Access to Production Inputs) | 8 | 5.8 |
| Proximity to International Points of Entry and Exit | (Access to International Markets) | 6 | 5.57 |
| Quality Of Life | | 4 | 5.44 |
| Infant Mortality Rate | (General Social Welfare of Society) | 6 | 8.0 |
| Squatting Population/ Total Population | | 1 | 10.0 |
| Driver/ (factor)/ Indicator | | Rank | Score |
| Incidence of Theft per 100,000 of the Population | (Peace and Order) | 3 | 10.0 |
| Incidence of Murder per 100,000 of the Population | | 5 | 1.0 |
| Local Inflation Rate | (Price Stability) | 1 | 6.0 |
| Population per Hospital Bed | (Access to Basic Services) | 3 | 10.0 |
| Number of Medical Personnel Employed by the Government per 100,000 of the Population | | 3 | 1.0 |
| % of Population with access to Potable Water | | 4 | 3.0 |
| Population Density | (Quality of Living Environment) | 10 | 1.0 |
| Cleanliness of Open Bodies of Water | | 10 | 4.32 |
| Number of Tertiary Level Educational Institutions within the City | (Presence of Tertiary Level Schools and Higher Level Training Institutions) | 3 | 10.0 |
| Dynamism of the Local Economy | | 2 | 6.0 |
| City Product per Household | (General Health of Local Economy) | 4 | 8.0 |
| Growth Rate in Exports | | nd | -- |
| Growth Rate in Investments | | 2 | 10.0 |
| Growth Rate in Tourist Arrivals | | ? | 5.0 |
| Per Capita Exports vis-a-vis Country | (Openness/ Internationalization) | nd | -- |
| Exports as a % of City Product | | 8 | 1.0 |
| Responsiveness of the LGU to Business and Long-Term Needs | | 10 | 4.42 |
| Existence of Land Use Plans | (Capacity to Anticipate Long-Term Urban Changes) | 7 | 2.5 |
| Number of Days Required to Secure a Business Permit | (Responsiveness to Business Needs) | 9 | 5.0 |
| Number Of Government Employees to '000 of the Population | | 3 | 8.0 |
| Corruption Perception | | 10 | 3.82 |
| General Attitude of Government to Business Needs | | 9 | 8.0 |
| IRA As A % of City Government Revenue (Average of 1995 to 1998) | (LGU Fiscal Capacity and Health) | 4 | 5.0 |
| Growth of City Government Revenue | | 8 | 2.0 |
| Extent of IT Use in Bureaucratic Processes | Capacity for Electronic Governance | 6 | 2.5 |
| Computer to Bureaucrat Ratio | | 8 | 1.0 |
| Presence of Initiatives/Forums to Elicit Opinions of Constituents | Openness | 9 | 5.98 |

Analysis

Iloilo City is one of the major economic centers in the Philippines and the principal urban center of the Western Visayas Region. Traditionally, it has been the center for trade and services and the primary point of access to and from the islands of Panay and Guimaras. Wholesale and retail establishments make up half of the total number of registered businesses, and service establishments account for most of the remaining firms. Trends in the sectoral growth indicate that this is unlikely to change. Most of the newly registered firms for 1995 to 1997 are engaged in trade and services.

The city is also seen as a key player in the region's drive to attract investors and develop a manufacturing base of firms that will take advantage of the region's agricultural products. The Panay-Guimaras-Negros Agro-Industrial Development Project (PAGNAI-ADP) designates Iloilo City as the People Industrial Enterprise (PIE) for the Regional Agro-Industrial Center (RAIC) in the neighboring municipality of Pavia. In this capacity, it is to play its role as conduit for the movement of inputs and output from the RAIC and provider of support services. The PIE and other District Agro-Industrial Centers (DAICs) are also expected to provide intermediate processing of indigenous raw materials or produce final products wherein they have a recognized comparative advantage. The city's sectoral plan on industry development goes further by proposing the development of an alternative RAIC in the city's districts. This RAIC will accommodate small- and medium-sized firms.

Several issues, however, need to be addressed if the city is to adequately fulfill these roles. The overwhelming majority of commercial establishments are classified as micro or cottage enterprises. The city has virtually no manufacturing industry to speak of, with only 6 percent of all establishments classified as manufacturing firms and a flat growth in this sector in the past three years.

The lack of an effective incentives program for the development of these sectors is symptomatic of the absence of the city government's business policy direction. Interviews with key informants point to the confrontational nature of city politics and overly bureaucratic government machinery. The

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continuity of what passes off as policy is not guaranteed as the present administration is on its last term. All these contribute to the uncertainty in the business environment.

The lack of space and the requisite infrastructure are also cited as critical factors. The city's central business district is only 2.89 square kilometers but more than half of all establishments are located there. The lack of an updated land use plan has led to the inappropriate location of manufacturing firms in residential districts. As expansion of commercial and industrial activity is foreseen, encroachment on agricultural land is inevitable and this is not being looked on too kindly by some sectors.

The congestion in the central city has also resulted in high levels of air pollutants and indirectly in the increased propensity for flooding as natural waterways are being obstructed by human settlements and commercial establishments. Ninety percent of Iloilo City is susceptible to flooding as it lies just 2 meters above sea level. In addition, the lack of proper disposal facilities for sewerage and solid waste are similarly being looked at as requiring immediate attention.

The drive for industrialization within the city is not seen as a viable long-term prospect and would be difficult to achieve given the above constraints. Increased links with industrial centers in the rest of the province could prove to be more appropriate. These concerns, however, do not remove the distinct advantage that is afforded the city because of its strategic location. In particular, the services sector could prove to be the engine of growth for the city.

Strengths and Weaknesses

Strong Points

- Low labor costs
- Adequate human resources, presence of good schools and availability of college graduates
- Presence of more-than-adequate business support services

Weak Points

- Lack of space; high rental rates and cost of power
- High costs of shipping and lack of direct access to international markets
- High population density and lack of public space
- High perceived corruption and inefficient bureaucracy
- Inadequate infrastructure to address environmental concerns

*SAN FERNANDO CITY***Table 29. Demographic Profile**

| | | |
|--|---------------------------|----------|
| Population (In 1000) | 1960 | 37.836 |
| | 1970 | 52.597 |
| | 1980 | 68.410 |
| | 1990 | 84.949 |
| | 1995 | 91.943 |
| | Latest Estimate (1999 Pr) | 97.951 |
| Population Density Average | 1995 | 860.2451 |
| Annual Growth Rate in Population | 1970-1980 | 2.37 |
| | 1980-1990 | 2.42 |
| | 1990-1995 | 1.59 |
| Age Dependency Ratio (percentage of population under 15 and over 65 divided by percentage of population between 15 and 65) | | 0.61 |
| Life Expectancy: Men (in number of years) | Latest Estimate, | 20.9 |
| Life Expectancy: Women (in number of years) | Latest Estimate | 22.6 |
| Crude Birth Rate per 1000 People | Latest Estimate | 29.98 |
| Crude Death Rate per 1000 People | Latest Estimate | 5 |
| Employment Rate | 1998 | 95.16 |

Table 30. Land Use Analysis

| Land Use | Existing Land Area (in square kilometers) | Existing % of Total Land Use | Proposed Land Area in Present LUP (in square kilometers) | Proposed % of Total Land Use |
|--------------------------------|---|------------------------------|--|------------------------------|
| Built-Up | - | - | - | - |
| Commercial | - | - | - | - |
| Agro-Industrial/ Industrial | - | - | - | - |
| Total Land Area of City | 105.25 | | 105.25 | |

Table 31. Economic make-up

| | | | |
|-----------------------------------|---------------|---|---------------|
| Agriculture, Fishery and Forestry | 1.134 | Wholesale and Retail Trade | 0.6605 |
| Mining and Quarrying | 1.82 | Transportation, Storage and Communication | 0.8909 |
| Manufacturing | 0.6895 | Financing, Insurance, Real Estate and Business Services | 0.725 |
| Electricity, Gas and Water | 0.9 | | |
| Construction | 0.863 | | |

Note: Location Quotient (percentage of city employment in city-level industry grouping divided by percentage of national employment in the same industry grouping)

Table 32. Competitiveness Rankings and Scoring

| Driver/ (factor)/ Indicator | | Rank | Score |
|---|---|----------------------|-------|
| Infrastructure | | 9 | 3.33 |
| Average Rent of Commercial Space in City Center | (Affordability of Land/ Space for Industrial/ Commercial Use) | 7 | 3 |
| Average Rent of Land for Industrial Use | | | |
| Average Cost of Acquiring Telephone Services for Commercial Purposes | (Affordability of Telecommunication Services) | 7 | 6 |
| Cost of Electricity for Industrial Use | (Cost of Power) | 6 | 1 |
| Human Resource Endowment | | 4 | 5.65 |
| Adult Literacy | (Presence of Skilled/ Easily Trainable Labor) | 1 | 10 |
| % Of Labor Force with a High School Diploma | | 2 | 2 |
| % Of Labor Force with a College Degree | | 6 | 4 |
| Ease of Training Personnel | (Ease of Interacting with Labor Force) | 6 | 6.6 |
| Infrastructure | | 1 | 5.43 |
| Growth in Building Construction for Non-Residential Use | (Access to/ Availability of Suitable Space/ Sites for Business) | 9 | 1 |
| Presence/ Type of Industrial Districts | | 7 | 2.5 |
| Number of Banks vis-a-vis Population Size | (Access to Finance and Business Support Services) | 2 | 2 |
| Net Loan-Deposit Ratio | | 9 | 1 |
| Presence of Business Support Services | | 6 | 6.88 |
| Road Density, in Kilometers of Road Per Square Kilometer | (Road Infrastructure) | 4 | 8 |
| Vehicle Density, in Number of Vehicles per Kilometer of Road | | 8 | 7 |
| Pavement Ratio | | 6 | 9 |
| Quality Of Road System | | 5 | 5.97 |
| Ease of Making Domestic and International Long Distance Calls | | (Telecommunications) | 1 |
| Telephone Density | 2 | | 9 |
| Rate of Growth of Private Vehicle Stock | (Sustainability of Transport) | 4 | 5 |
| % of Households with access to Regular Garbage Collection | (Solid Waste Management) | 3 | 7 |
| Per Capita Spending on SWM | | 1 | 7 |
| Degree of Compliance with National Environmental Standards Governing Solid Waste Management | | 1 | 5 |
| Cleanliness of Community | | 2 | 7.78 |
| Electrification Coverage | (Power Supply) | 3 | 10 |
| Access to Internet | (Access to Media and Technology) | 2 | 1 |
| Access to Cable Television | | 3 | 2 |
| Linkages with Growth Areas | | 5 | 5 |
| Number of Weekly Domestic Flights | (Accessibility) | 8 | 1 |
| Population vis-a-vis Fast Food Chain Outlets | (Access to Domestic Markets) | 2 | 10 |

Table 32. Continued

| | | | |
|--|---|-------------|--------------|
| Proximity to Major Sources of Production Inputs | (Access to Production Inputs) | 7 | 6.36 |
| Proximity to International Points of Entry and Exit | (Access to International Markets) | 2 | 6.65 |
| Quality Of Life | | | |
| Infant Mortality Rate | (General Social Welfare of Society) | 1 | 9 |
| Squatting Population/ Total Population | | 9 | 1 |
| Driver/ (factor)/ Indicator | | Rank | Score |
| Incidence of Theft per 100,000 of the Population | (Peace and Order) | 1 | 10 |
| Incidence of Murder per 100,000 of the Population | | 3 | 5 |
| Local Inflation Rate | (Price Stability) | 7 | 1 |
| Population per Hospital Bed | (Access to Basic Services) | 2 | 10 |
| Number of Medical Personnel Employed by the Government per 100,000 of the Population | | 4 | 1 |
| % of Population with access to Potable Water | | | |
| Population Density | (Quality of Living Environment) | 5 | 10 |
| Cleanliness of Open Bodies of Water | | 2 | 6.3 |
| Number of Tertiary Level Educational Institutions within the City | (Presence of Tertiary Level Schools and Higher Level Training Institutions) | 1 | 10 |
| Dynamism of the Local Economy | | 9 | 4 |
| City Product per Household | (General Health of Local Economy) | 10 | 3 |
| Growth Rate in Exports | | 3 | 5 |
| Growth Rate in Investments | | 8 | 3 |
| Growth Rate in Tourist Arrivals | | 3 | 10 |
| Per Capita Exports vis-a-vis Country | (Openness/ Internationalization) | 6 | 2 |
| Exports as a % of City Product | | 7 | 1 |
| Responsiveness of the LGU to Business and Long-Term Needs | | 4 | 4.24 |
| Existence of Land Use Plans | (Capacity to Anticipate Long-Term Urban Changes) | 3 | 5 |
| Number of Days Required to Secure a Business Permit | (Responsiveness to Business Needs) | 3 | 5.9 |
| Number Of Government Employees to '000 of the Population | | 8 | 1 |
| Corruption Perception | | 1 | 6.67 |
| General Attitude of Government to Business Needs | | 1 | 7.82 |
| IRA as a % of City Government Revenue (Average of 1995 to 1998) | (LGU Fiscal Capacity and Health) | | |
| Growth of City Government Revenue | | 10 | 1 |
| Extent of IT Use in Bureaucratic Processes | Capacity for Electronic Governance | 6 | 2.5 |
| Computer to Bureaucrat Ratio | | 4 | 1 |
| Presence of Initiatives/Forums to Elicit Opinions of Constituents | Openness | 2 | 7.31 |

Analysis

The local government envisions San Fernando to be the region's center of health, education, finance and governance. This is a realistic vision, as the city has been the traditional center of La Union and the Ilocos region. San Fernando garners its strength from hosting the Poro Point Special and Economic Free Port Zone, and lying within the Northwestern Luzon Growth Quadrangle. Presently, the city benefits little from the presence of the zone. However, the development of Poro Point is prophesied to make San Fernando the business hub of Northwestern Luzon.

A little over a year old as a city, San Fernando has a largely rural economy, with agriculture, fishery and forestry accounting for 44.79 percent of those gainfully employed. The next largest industry groups in the city are services, and wholesale-retail trade, at 23.35 percent and 10.04 percent, respectively. Manufacturing takes a distant 6.55 percent of the labor force. Trade establishments account for about 48.91 percent of total registered firms in the city while service establishments make up 42.35 percent.

Noting that such an economic make-up has resulted in the relatively high prices of basic commodities, local planners have recognized this as a weakness. Indeed, the city's inflation rate is high. As a place for doing business, the city is plagued with high factor costs, stagnating building construction industry and mediocre exports. On the other hand, residents are troubled by the proliferation of illegal settlers, which make up 27.21 percent of all households in the city.

Survey results show that residents are satisfied with the quality of the city's road network. However, casual observation shows that over-reliance on MacArthur Highway as the route for all vehicle types frequently slows down the traffic flow. Worse, the city is inaccessible by air. The inadequacy of transport infrastructure could be the reason for the decline in tourist arrivals despite the attractions being promoted by the local government. Transport problems may also be raising costs in moving goods, thus contributing to rapid inflation and hampering the export effort.

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In the area of governance, city government revenue for the period of 1995 to 1998 registered negative growth. This is a grave problem if the local government is itself to finance the needed infrastructure projects.

Nevertheless, the local government of San Fernando is committed to raising its constituents' standard of living. In a visioning workshop held by the local government, participants ranked urban environmental measures, human resource development, and shelter and housing as top priority strategies. The city's annual development plan for 1999 also reveals the bureaucracy's thrusts. Social development programs were given 49.74 percent of the entire budget allocation, while infrastructure development received 47 percent.

Findings show that San Fernando has successfully provided its residents with an above-average quality of life. Its particular strengths have been in its large selection of higher educational institutions, a low infant mortality rate and a low incidence of reported theft. Having availed the assistance of the World Bank, San Fernando is ahead of most Philippine cities in upgrading its solid waste management system. Moreover, for the 10 cities sampled in this study, San Fernando registered the highest adult literacy rate.

Strengths, Weaknesses and Areas of Improvement

Strong Points

- High adult literacy rate and presence of higher educational institutions
- Proactive approach to solid waste management
- Rapid growth in investments
- Potential boon due to proximity to the Poro Point Special Economic Zone

Weak Points

- High costs of doing business
- Weak local government revenue generation
- High inflation rate
- Large squatting population
- Inadequate transport infrastructure, making the city relatively inaccessible

*TACLOBAN CITY***Table 33. Demographic Profile**

| | | |
|--|------------------------|----------|
| Population (In 1000) | 1960 | 53,551 |
| | 1970 | 76,531 |
| | 1980 | 102,523 |
| | 1990 | 136,891 |
| | 1995 | 167,310 |
| | Latest Estimate (1998) | 187,334 |
| Population Density Average | 1995 | 1,658.18 |
| Annual Growth Rate in Population | 1970-1980 | 2.93 |
| | 1980-1990 | 4.90 |
| | 1990-1995 | 3.84 |
| Age Dependency Ratio (percentage of population under 15 and over 65 divided by percentage of population between 15 and 65) | | 77.00 |
| Life Expectancy: Men (in number of years) | Latest Estimate, | 62.85 |
| Life Expectancy: Women (in number of years) | Latest Estimate | 66.78 |
| Crude Birth Rate per 1000 People | Latest Estimate | 14.20 |
| Crude Death Rate per 1000 People | Latest Estimate | 9.20 |
| Employment Rate | 1998 | 89.70 |

Table 34. Land Use Analysis

| Land Use | Existing Land Area (in square kilometers) | Existing % of Total Land Use | Proposed Land Area in Present LUP (in square kilometers) | Proposed % of Total Land Use |
|--------------------------------|---|------------------------------|--|------------------------------|
| Built-Up | 20.00 | 19.80 | 30.00 | 29.70 |
| Commercial | 8.00 | 7.90 | 10.00 | 9.90 |
| Agro-Industrial/ Industrial | 10.00 | 9.90 | 15.00 | 14.90 |
| Total Land Area of City | 100.90 | | 100.90 | |

Table 36. Economic make-up

| | | | |
|-------------------------------------|------|---|------|
| Agriculture, Fishery and Forestry | 1.38 | Wholesale and Retail Trade | 0.92 |
| Mining and Quarrying | 0.40 | Transportation, Storage and Communication | 0.70 |
| Manufacturing and Business Services | 0.58 | Financing, Insurance, Real Estate | 0.25 |
| Electricity, Gas and Water | 1.07 | | |
| Construction | 0.72 | | |

Note: Location Quotient (percentage of city employment in city-level industry grouping divided by percentage of national employment in the same industry grouping)

Table 36. Competitiveness Rankings and Scoring

| Driver/ (factor)/ Indicator | | Rank | Score |
|---|---|------|-------|
| Cost Of Doing Business | | 4 | 6.75 |
| Average Rent of Commercial Space in City Center | (Affordability of Land/ Space for Industrial/ Commercial Use) | 3 | 9.0 |
| Average Rent of Land for Industrial Use | | 5 | 10.0 |
| Average Cost of Acquiring Telephone Services for Commercial Purposes | (Affordability of Telecommunication Services) | 2 | 7.0 |
| Cost of Electricity for Industrial Use | (Cost of Power) | 4 | 1.0 |
| Human Resource Endowment | | 9 | 7.53 |
| Adult Literacy | (Presence of Skilled/ Easily Trainable Labor) | 4 | 9.0 |
| % Of Labor Force with a High School Diploma | | nd | -- |
| % Of Labor Force with a College Degree | | nd | -- |
| Ease of Training Personnel | (Ease of Interacting with Labor Force) | 10 | 6.07 |
| Infrastructure | | 6 | 5.07 |
| Growth in Building Construction for Non-Residential Use | (Access to/ Availability of Suitable Space/ Sites for Business) | 10 | 1.0 |
| Presence/ Type of Industrial Districts | | 7 | 2.5 |
| Number of Banks vis-a-vis Population Size | (Access to Finance and Business Support Services) | 3 | 2.0 |
| Net Loan-Deposit Ratio | | 6 | 1.0 |
| Presence of Business Support Services | | 8 | 6.88 |
| Road Density, in Kilometers of Road Per Square Kilometer | (Road Infrastructure) | 3 | 8.0 |
| Vehicle Density, in Number of Vehicles per Kilometer of Road | | 6 | 7.0 |
| Pavement Ratio | | 4 | 9.0 |
| Quality Of Road System | | 3 | 5.97 |
| Ease of Making Domestic and International Long Distance Calls | (Telecommunications) | 4 | 8.13 |
| Telephone Density | | 4 | 9.0 |
| Rate of Growth of Private Vehicle Stock | (Sustainability of Transport) | 7 | 4.0 |
| % of Households with access to Regular Garbage Collection | (Solid Waste Management) | 1 | 8.0 |
| Per Capita Spending on SWM | | 4 | 1.0 |
| Degree of Compliance with National Environmental Standards Governing Solid Waste Management | | 1 | 5.0 |
| Cleanliness of Community | | 9 | 5.4 |
| Electrification Coverage | (Power Supply) | 1 | 10.0 |
| Access to Internet | (Access to Media and Technology) | 4 | 1.0 |
| Access to Cable Television | | 5 | 1.0 |
| Linkages with Growth Areas | | 8 | 3.57 |
| Number of Weekly Domestic Flights | (Accessibility) | 4 | 5.0 |
| Population vis-a-vis Fast Food Chain Outlets | (Access to Domestic Markets) | 6 | 1.0 |

Table 36. Continued

| | | | |
|--|---|-------------|--------------|
| Proximity to Major Sources of Production Inputs | (Access to Production Inputs) | 8 | 5.8 |
| Proximity to International Points of Entry and Exit | (Access to International Markets) | 10 | 5.03 |
| Quality Of Life | | | |
| Infant Mortality Rate | (General Social Welfare of Society) | 10 | 4.0 |
| Squatting Population/ Total Population | | 6 | 3.0 |
| Driver/ (factor)/ Indicator | | Rank | Score |
| Incidence of Theft per 100,000 of the Population | (Peace and Order) | 7 | 7.0 |
| Incidence of Murder per 100,000 of the Population | | 9 | 1.0 |
| Local Inflation Rate | (Price Stability) | 2 | 5.0 |
| Population per Hospital Bed | (Access to Basic Services) | 4 | 9.0 |
| Number of Medical Personnel Employed by the Government per 100,000 of the Population | | 2 | 1.0 |
| % of Population with access to Potable Water | | 2 | 6.0 |
| Population Density | | 7 | 8.0 |
| Cleanliness of Open Bodies of Water | (Quality of Living Environment) | 5 | 6.07 |
| Number of Tertiary Level Educational Institutions within the City | (Presence of Tertiary Level Schools and Higher Level Training Institutions) | 2 | 10.0 |
| Dynamism of the Local Economy | | 6 | 4.25 |
| City Product per Household | (General Health of Local Economy) | 7 | 5.5 |
| Growth Rate in Exports | | 7 | 1.0 |
| Growth Rate in Investments | | 1 | 10.0 |
| Growth Rate in Tourist Arrivals | | 6 | 6.0 |
| Per Capita Exports vis-a-vis Country | (Openness/ Internationalization) | 7 | 2.0 |
| Exports as a % of City Product | | 6 | 1.0 |
| Responsiveness of the LGU to Business and Long-Term Needs | | 9 | 4.68 |
| Existence of Land Use Plans | (Capacity to Anticipate Long-Term Urban Changes) | 3 | 5.0 |
| Number of Days Required to Secure a Business Permit | (Responsiveness to Business Needs) | 10 | 4.43 |
| Number Of Government Employees to '000 of the Population | | 6 | 6.0 |
| Corruption Perception | | 9 | 4.43 |
| General Attitude of Government to Business Needs | | 10 | 6.00 |
| IRA as a % of City Government Revenue (Average of 1995 to 1998) | (LGU Fiscal Capacity and Health) | 9 | 3.0 |
| Growth of City Government Revenue | | 4 | 4.0 |
| Extent of IT Use in Bureaucratic Processes | Capacity for Electronic Governance | 3 | 7.5 |
| Computer to Bureaucrat Ratio | | 5 | 1.0 |
| Presence of Initiatives/Forums to Elicit Opinions of Constituents | (Openness) | 10 | 5.73 |

Analysis

Tacloban City is the leading urban center in Eastern Visayas. Strategically located in the geographic center of the region, it is principally a center for trade and services. Tacloban City is seen as playing a crucial role in the development of Leyte province and the region in general.

The city's central location makes it the de facto gateway to the Eastern Visayas. It is the major jump-off point for the movement of people, commodities and information for the region. Major shipping lines for travel to and from Metro Manila and Cebu serve its seaport while smaller vessels ply local routes. The Daniel Z. Romualdez Airport caters to airlines flying to and from Metro Manila. The city is also astride the Philippine-Japan Friendship Highway, making land travel to destinations in Luzon and Mindanao possible. San Juanico Bridge connects the city to neighboring Samar island. The planned expansion and improvement of airport facilities and the proposed municipality of Babatngon will only reinforce the city's role as the transportation and communication hub of the region.

The presence and proximity to several tourism and historical landmarks points to the city's potential as travel destination. In addition, the relatively large expanse of undeveloped land within the city is ideally suited for activities such as nature parks and residential resorts.

Visitors to Tacloban will find the prices of goods approximating that of Metro Manila. The city imports most of its meat from Masbate, and the lack of a steady market for agricultural commodities has lead growers from the rest of the region resorting to ship their output to Cebu instead.

Nevertheless, the city is programmed as the site of the province's second special economic zone to complement the Leyte Industrial Development Estate (LIDE) in Isabel, Leyte, the Eastern Visayas Regional Agro-Industrial Growth Center (EVRGC). The EVRGC is designed to host labor and power intensive light to medium manufacturing firms catering to domestic and foreign markets. Priority areas for investment are those that make use of the region's agricultural output or engage in further processing of output from locators in LIDE.

While Tacloban City is recognized as the region's trading center, the following section will show that its strengths point to its potential as an industrial center especially for small- and medium-sized manufacturing firms.

Strengths and Weaknesses

Strong Points

- Low cost of doing business
- Good road network
- Adequate and reliable telecommunications infrastructure
- Electrification coverage
- Access to basic services
- Quality of living environment
- Presence of tertiary-level educational institutions
- High growth rate in investments
- Use of IT in local governance

Weak Points

- High cost of living
- Weak consumer market
- Congestion in the central business district
- Relatively lack of dynamism of local economy (poor exports performance)
- LGU attitude toward business and corruption perception
- Lack of fora to solicit private sector insights
- LGU revenue generation (IRA constitutes about 70% of total city revenue)

*ZAMBOANGA CITY***Table 37. Demographic Profile**

| | | |
|--|------------------------|---------|
| Population (In 1000) | 1960 | 131,489 |
| | 1970 | 199,901 |
| | 1980 | 343,722 |
| | 1990 | 442,345 |
| | 1995 | 551,139 |
| | Latest Estimate (1998) | 549,722 |
| Population Density Average | 1995 | 361.30 |
| Annual Growth Rate in Population | 1970-1980 | 5.34 |
| | 1980-1990 | 2.55 |
| | 1990-1995 | 2.75 |
| Age Dependency Ratio (percentage of population under 15 and over 65 divided by percentage of population between 15 and 65) | 1998 | 67.9 |
| Life Expectancy: Men (in number of years) | Latest Estimate, | 63.3 |
| Life Expectancy: Women (in number of years) | Latest Estimate | 69.2 |
| Crude Birth Rate per 1000 People | Latest Estimate | 23.4 |
| Crude Death Rate per 1000 People | Latest Estimate | 4.4 |
| Employment Rate | 1998 | 89.3 |

Table 38. Land Use Analysis

| Land Use | Existing Land Area (in square kilometers) | Existing % of Total Land Use | Proposed Land Area in Present LUP (in square kilometers)* | Proposed % of Total Land Use |
|--------------------------------|---|------------------------------|---|------------------------------|
| Built-Up | 54.24 | 3.82 | 229.53 | 15.50 |
| Commercial | 0.57 | 0.04 | 15.94 | 1.07 |
| Agro-Industrial/ Industrial | 8.342 | 0.59 | 184.67 | 12.45 |
| Total Land Area of City | 1,420.90 | | 1,483.38 | |

Table 39. Economic make-up

| | | | |
|-----------------------------------|-------|---|------|
| Agriculture, Fishery and Forestry | 0.63 | Wholesale and Retail Trade | 1.22 |
| Mining and Quarrying | 0.13 | Transportation, Storage and Communication | 1.60 |
| Manufacturing | 0.818 | Financing, Insurance, Real Estate and Business Services | 2.41 |
| Electricity, Gas and Water | 1.40 | | |
| Construction | 1.18 | | |

Note: Location Quotient (percentage of city employment in city-level industry grouping divided by percentage of national employment in the same industry grouping)

* Land classification for 1993 excludes islands. This was prepared by the OCPDC for the 1993 Master Development Plan but was not accepted by the City Council.

Table 40. Competitiveness Rankings and Scoring

| Driver/ (factor)/ Indicator | | Rank | Score |
|---|---|------|-------|
| Cost Of Doing Business | | 1 | 7.0 |
| Average Rent of Commercial Space in City Center | (Affordability of Land/ Space for Industrial/ Commercial Use) | 4 | 9.0 |
| Average Rent of Land for Industrial Use | | nd | -- |
| Average Cost of Acquiring Telephone Services for Commercial Purposes | (Affordability of Telecommunication Services) | 3 | 7.0 |
| Cost of Electricity for Industrial Use | (Cost of Power) | 2 | 5.0 |
| Human Resource Endowment | | 10 | 5.29 |
| Adult Literacy | (Presence of Skilled/ Easily Trainable Labor) | 9 | 5.0 |
| % Of Labor Force with a High School Diploma | | 7 | 1.0 |
| % Of Labor Force with a College Degree | | 3 | 9.0 |
| Ease of Training Personnel | (Ease of Interacting with Labor Force) | 9 | 6.17 |
| Infrastructure | | 9 | 4.44 |
| Growth in Building Construction for Non-Residential Use | (Access to/ Availability of Suitable Space/ Sites for Business) | 4 | 6.0 |
| Presence/ Type of Industrial Districts | | 2 | 7.5 |
| Number of Banks vis-a-vis Population Size | (Access to Finance and Business Support Services) | 7 | 1.0 |
| Net Loan-Deposit Ratio | | 7 | 1.0 |
| Presence of Business Support Services | | 10 | 6.76 |
| Road Density, in Kilometers of Road Per Square Kilometer | (Road Infrastructure) | 5 | 5.0 |
| Vehicle Density, in Number of Vehicles per Kilometer of Road | | 1 | 10.0 |
| Pavement Ratio | | 8 | 1.0 |
| Quality Of Road System | | 8 | 4.8 |
| Ease of Making Domestic and International Long Distance Calls | (Telecommunications) | 3 | 8.2 |
| Telephone Density | | 9 | 3.0 |
| Rate of Growth of Private Vehicle Stock | (Sustainability of Transport) | 6 | 5.0 |
| % of Households with access to Regular Garbage Collection | (Solid Waste Management) | 4 | 6.0 |
| Per Capita Spending on SWM | | 7 | 1.0 |
| Degree of Compliance with National Environmental Standards Governing Solid Waste Management | | nd | -- |
| Cleanliness of Community | | 6 | 5.8 |
| Electrification Coverage | (Power Supply) | 9 | 3.0 |
| Access to Internet | (Access to Media and Technology) | nd | -- |
| Access to Cable Television | | 6 | 1.0 |
| Linkages with Growth Areas | | 10 | 3.21 |
| Number of Weekly Domestic Flights | (Accessibility) | 5 | 3.0 |
| Population vis-a-vis Fast Food Chain Outlets | (Access to Domestic Markets) | 8 | 1.0 |

Table 40. Continued

| | | | |
|---|-------------------------------------|----|------|
| Proximity to Major Sources of Production Inputs | (Access to Production Inputs) | 10 | 5.73 |
| Proximity to International Points of Entry and Exit | (Access to International Markets) | 8 | 5.33 |
| Quality Of Life | | 5 | 5.52 |
| Infant Mortality Rate | (General Social Welfare of Society) | 8 | 7.0 |
| Squatting Population/ Total Population | | 2 | 10.0 |

| Driver/ (factor)/ Indicator | | Rank | Score |
|--|---|------|-------|
| Incidence of Theft per 100,000 of the Population | (Peace and Order) | 5 | 10.0 |
| Incidence of Murder per 100,000 of the Population | | 7 | 1.0 |
| Local Inflation Rate | (Price Stability) | 6 | 1.0 |
| Population per Hospital Bed | (Access to Basic Services) | 9 | 6.0 |
| Number of Medical Personnel Employed by the Government per 100,000 of the Population | | nd | -- |
| % of Population with access to Potable Water | | 6 | 2.0 |
| Population Density | (Quality of Living Environment) | 1 | 10.0 |
| Cleanliness of Open Bodies of Water | | 7 | 5.77 |
| Number of Tertiary Level Educational Institutions within the City | (Presence of Tertiary Level Schools and Higher Level Training Institutions) | 9 | 6.0 |
| Dynamism of the Local Economy | | 1 | 7.58 |
| City Product per Household | (General Health of Local Economy) | 8 | 4.5 |
| Growth Rate in Exports | | 5 | 1.0 |
| Growth Rate in Investments | | 7 | 10.0 |
| Growth Rate in Tourist Arrivals | | 1 | 10.0 |
| Per Capita Exports vis-a-vis Country | (Openness/ Internationalization) | 1 | 10.0 |
| Exports as a % of City Product | | 1 | 10.0 |
| Responsiveness of the LGU to Business and Long-Term Needs | | 3 | 5.29 |
| Existence of Land Use Plans | (Capacity to Anticipate Long-Term Urban Changes) | 3 | 5.0 |
| Number of Days Required to Secure a Business Permit | (Responsiveness to Business Needs) | 7 | 5.37 |
| Number Of Government Employees to '000 of the Population | | 1 | 9.0 |
| Corruption Perception | | 5 | 5.85 |
| General Attitude of Government to Business Needs | | 7 | 6.63 |
| IRA as a % of City Government Revenue (Average of 1995 to 1998) | (LGU Fiscal Capacity and Health) | 2 | 6.0 |
| Growth of City Government Revenue | | 3 | 5.0 |
| Extent of IT Use in Bureaucratic Processes | Capacity for Electronic Governance | nd | -- |
| Computer to Bureaucrat Ratio | | 3 | 1.0 |
| Presence of Initiatives/Forums to Elicit Opinions of Constituents | Openness | 6 | 6.57 |

Analysis

The 1997 to 2012 Medium Term Development Plan (MDP) summarizes the vision for Zamboanga City to be “[a] globally competitive, culturally enriched garden city by an empowered community with a free trade zone, balanced ecology and sustainable development.” This statement very much reflects the city’s strengths and productive capacity. The MDP envisions Zamboanga City to be a premiere trading hub in the country, particularly as a major player in the BIMP-EAGA.

The city’s role as a trading center goes back in history. From being a center of barter trade among Chinese-Malays and natives in the thirteenth to the fourteenth centuries, it became a Moro province during the Spanish era. Zamboanga City is well endowed with natural resources. Its land area is the third largest in the country. It is the major service center in Southwest Mindanao and, given the right type of investments, can become the country’s largest city in Mindanao. The city commands the sea lanes of southwestern Philippines and is the nearest urban and major gateway to Southeast Asia. The desire to transform the old city to a major economic player in the country and the region is boosted by the establishment of the Zamboanga City Special Economic Zone.

The most vibrant economic sectors of the city are those related to trade; transport, storage, and communication; and services. Indeed, the greatest competitive advantage of the city lies in its strategic and historic role as entrepot to export goods to and from the country. Based on 1989 to 1997 figures, its three major exports are processed aqua-marine products, coconut-based products and furniture/wood products.

The processed aquamarine-based industries are expected to be the greatest source of development for the city. There seems to be a major shift in production from mainly canned tuna to semi- and fully-processed carageenan. Tuna production is expected to slow down due to supply-related problems. This is manifested in the closure of two major tuna export processing companies. Coconut-based industries are also expected to slow down as production of coconut dwindles due to man-made and natural environmental disturbances. More positive developments are expected to

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come out of the production of higher value agricultural production (e.g., halal meat, high-value and fresh vegetables).

Aside from strategic location, the city can boast of a respectable infrastructure endowment led by the international airport, seaport and roads connecting to other regions, an abundant water supply, and the recently built Zambo Ecozone.

The two biggest issues constraining the full development of the city are: (a) the lack of directed development and economic stimuli; and (b) the poor image problem, partly blamed to irresponsible news-making and reporting by the media. The relatively low loan-deposit ratio shows how business environment and confidence in the city have not been picking up. Businessmen feel that there are not enough investment opportunities in the city. Although the city has crafted a master development plan, it is uncertain to what extent the document has given direction to the businesses and the city leaders.

While a lot of the bad publicity have been due to events happening outside the city, its leaders ought to exert effort in marketing the city's good traits to the rest of the country and the world.

Politically, some big local businessmen indirectly attempt to block the entry of new businesses. Also, one resource person mentioned to this study how some groups in the local business sector opposed previous plans of expanding/dispersing the city center. Another issue constraining the full development of the city is the delay in the approval of the comprehensive land-use plan.

Strengths and Weaknesses*Strong Points*

- Cost of doing business
- Availability of workers with college degrees
- Presence of Zamboanga City Ecozone
- Controlled number of illegal settlers/squatters
- Low incidence of theft
- Very active trading activity; role as major entrepot in Southern Philippines
- Improvements in local governance: presence of updated development and land-use plan, relatively lean bureaucracy, substantial growth in city revenue

Weak Points

- Infrastructure endowment, especially quality of road network and low telephone density
- Linkages with growth areas and major urban centers
- Relatively low access to huge domestic markets
- Incidence of murder
- Price stability as indicated by relatively high local inflation rate
- Relatively low access to potable water

PART 3

A TECHNICAL MANUAL FOR RESEARCHERS ON THE COMPETITIVENESS RATINGS OF EMERGING PHILIPPINE CITIES

The Project

Globalization and the decentralization of governance have emphasized the vital role of medium-sized cities in national development. The increasing attractiveness of these cities as sites for economic activity answers the need for more balanced urban development in developing countries. With local governments now exercising greater influence over the future of their cities, competitiveness is a goal and a necessity. To survive and prosper, cities must be able to nurture healthy and dynamic businesses and local communities.

Together with the Philippine APEC Study Center Network and partner institutions, the City Competitiveness Forum assesses the competitiveness of leading medium-sized cities in the country. By looking at relevant indicators, the project attempts to answer the main question: **How competitive are the country's emerging cities?** It further:

- **formulates a process and a technology that we can regularly help monitor and evaluate strides in the development of emerging medium-sized urban centers;**
- **constructs a benchmarking process that will aid individual cities in measuring their level of competitiveness in relation to neighboring cities, and cities in other parts of the globe.**

The output of the project will consist of the pilot testing of the benchmarking model, which will show how the process may be improved, and the initial competitiveness rating report, which by itself will be a useful tool in policy making. Local governments and policymakers will find the project beneficial.

- By monitoring the indicators which businesses and residents consider vital, the project identifies the strengths and weaknesses of a city and is able to highlight the areas where local governments must exert greater effort for improvement.

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- As the project is intended to be a continual exercise, looking at these indicators across time traces the development of cities and contributes to realistic and long-term planning;
 - By looking at different Philippine cities, the project attempts to identify what structural issues are weakening the competitiveness of Philippine urban areas and must be addressed by the national government.

The Model

The business competitiveness of a city ultimately lies in its productive capacity. In a large part, the dynamism of the city's economic capabilities lies in its leading industries. On the other hand, the competitiveness of a city for residents is grounded on its ability to maintain an urban environment conducive to healthy living. The task then of local governments is to ensure that the prerequisites are laid down by providing an environment wherein its businesses and residents will be better off. In the next 15 to 20 years, the main drivers of the competitiveness of emerging Philippine cities will be:

- *Cost Competitiveness.* How expensive is it to operate in the city compared to other cities? This driver is concerned with the direct costs of doing business such as those for land, labor, telecommunications and power.
- *Human Resource Endowment.* How well-equipped is the population to build and take advantage of opportunity in the locality? The education of the populace is taken to be the most significant component of human resource endowment. The driver primarily involves adult literacy and enrolment levels in a city's educational institutions.
- *Infrastructure.* Are the necessary physical, telecommunications, technological infrastructure and knowledge support services in place in the city? Transacting business requires not only the quintessential production factors, but also accompanying infrastructure and services. These include, among others, access to support services, road infrastructure, telecommunications and transport.
- *Quality of Life.* How well off are residents in terms of quality of environment and life? The quality of life factor has been increasingly considered as one of the yardsticks in determining which cities have successfully developed, and which have succumbed to the ills of urbanization. Indeed, the long-term competitiveness of the city would significantly be influ-

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enced by the degree to which its leaders have taken care of the environment and the local community. Among the relevant aspects of quality of life are the social welfare of people, peace and order, quality of living environment and locational amenities.

- *Linkages To Other Growth Nodes, Urban Centers, And Surrounding Growth Regions.* Accessibility is a significant determinant of the competitiveness of a city. Moreover, certain geographical characteristics can be advantages upon which a city can build on. The driver's aspects are accessibility, access to domestic markets and access to international markets.

The role of these drivers in urban competitiveness is apparent. They lay the foundation for the attractiveness of a city as a place to live and do business. However, there are other drivers that may not be as quantifiable or tangible but nevertheless, enhance cities' competitiveness. Such competitiveness is greatly influenced by good governance and the involvement of the private sector. These help the city continually improve urban conditions and sustain its development.

- *Dynamism Of The Local Economy.* A vibrant local economy is fundamental in attracting investments.
- *Responsiveness Of The Local Government.* The role of the local government in urban development cannot be undermined. Much of urban competitiveness is determined by the ability of the government to respond to systemic and short-lived issues with a well-grounded and focused vision.
- *Dynamism And Involvement Of Local Business Community.* Government initiatives must be reciprocated by an equally active and involved private sector.

The competitiveness of emerging cities can be scored and ranked in different ways. The first is via the ranking method,¹ and the second is the scoring method, both of which have been formulated and applied by the W. Sycip Policy Forum in its pilot benchmarking model.

Ranking Method

The ranking method aims to rank different cities' competitiveness as exhibited by indicators. The method converts raw data into a comparable standard scale that accurately reflects differences in the performance of cities. It measures the relative difference between cities' performance, and is more precise in obtaining the relative ranking of each city.

After computing for the mean of all values for a criterion, the standard deviation is calculated using the formula: $S = \{[\sum(x-\chi)^2]/N\}^{1/2}$, where x =original value; χ =arithmetic mean; and N =number of cities. Values for each criterion can then be converted into the standard scale by utilizing the formula: $z = (x-\chi)/S$; where x =original value; χ =arithmetic mean; and S =standard deviation.

With the raw data presented in the new scale, each criterion value can be consolidated to produce rankings for each driver and for each sub-index, yielding the relative strengths and weaknesses of cities.

Scoring Method

On the other hand, the objective of the scoring method is to rate the performance of cities as measured by selected socio-economic indicators. The rationale of the methodology is that globalization necessitates the equalization of standards across cities of the same tier. The dispersion of political and economic activity from traditional centers of power compels medium-sized cities to

¹ The IMD also uses this method in its world competitiveness studies.

compete with primate and capital cities outside and within the country. Thus, standards of performance are set in relation to the average performance of Philippine urban areas as well as global benchmarks.

Scores for each indicator are obtained by translating raw data using 10-point conversion tables that are constructed on the basis of national averages and global benchmarks. In ranking some factors, it is realistic to assess the performance of a medium-sized city in relation to the rest of the country. However, quality of life indicators are scored using global benchmarks because some dimensions of urban living must not be compromised by a country's level of economic development. Thus, for some indicators, national averages will take on the score of 5, while for others, global averages will assume the mid-point of the scale.

Gradients of the 10-point scale will translate into qualitative categories that are consistent with the bracketing of the utilized conversion tables. The initial CCF benchmarking model used the following scale to assess urban competitiveness.

| Score | Qualitative Meaning |
|-------|---|
| 0-2 | Very Low Competitiveness (area of improvement) |
| 3-4 | Below Average Competitiveness (area of improvement) |
| 5 | Average |
| 6-7 | Above Average Competitiveness (enhance) |
| 8-10 | High Competitiveness (sustain) |

With each indicator scaled uniformly from 1 to 10, it becomes possible to compute for the average score of a city for each driver, and possibly, for overall urban competitiveness.

The strength of the scoring method is that it rates the performance of a city in relation to known national and global standards, and identifies in what areas a city needs improvement. On the other hand, the standard deviation method is designed to yield the precise ranking of cities. While the scoring method can also be used to rank cities, it is of little use when there is little variance among the scores of each city. The standard deviation method

can also be used to rate aspects of urban living, but these ratings will be significant only in relation to the sample of cities being studied, and not in relation to external standards. Using both methods in complementarity will yield useful information for policy-makers and businesses alike.

Questions for Analysis

The aim of the data collection process is to answer the following questions that are crucial to the objectives of the project. Researchers must be able to submit answers to these questions along with the template of survey data to be prescribed later.

- What is the vision for the city according to local/regional development plans? Does the vision reflect the strengths and productive capacity of the city?
- Are there any political obstacles in the city's development (i.e., red tape, unbalanced distribution of power, lack of direction)?
- How has the economy of the city changed during the past two decades?
- Which industries dominate the economy of the city today?
- In the next 10 to 15 years, what industries show the greatest potential in leading the city's development?
- What are the major issues confronting the bid to make major industries more competitive in light of a more globalized economy?
- What are the strengths and weaknesses of the city? That is, how is the city performing according to the different drivers of competitiveness (i.e., cost of doing business, human resource endowment, infrastructure, linkages with growth areas, quality of life, dynamism of the local economy, responsiveness of the local government to business and long-term needs, dynamism and involvement of the local business community)?
- From what areas can the city derive a competitive advantage over neighboring cities, and cities of the same size and economic make-up?
- What is the present image of the city? Is this image desirable? What type of image can the city promote or sell to boost its competitiveness?
- What major environmental and social threats confront the city's communities and natural environment?
- What major issues present themselves as stumbling blocks for the city's development?

Data on People

Before studying competitiveness, it is necessary to look at the society and economy of the city. Data on population is crucial as the population constitutes the labor force and the citizenry of a city.

| Code | Data | Unit | Formula to Derive Data | Required Time Period | Frequency of Updating |
|------|-------------------------------------|---------------------------|---|---|-----------------------|
| 1.01 | Population | # of people | | 1960, 1970, 1980, 1990, 1995 and latest estimates | 5 years |
| 1.02 | Population Density | # of people per square km | Population/land area | 1980, 1990, 1995 | 5 years |
| 1.03 | Average Annual Growth in Population | % | | From 1970 to 1980; 1980 to 1990, 1990 to 1995 | 5 years |
| 1.04 | Population Under 15 | % | Pop under 15/total pop | 1995 and latest estimate | 5 years |
| 1.05 | Population Over 65 | % | Pop over 65/total pop | 1995 and latest estimate | 5 years |
| 1.06 | Age Dependency Ratio | (+) number | Pop under 15+pop over 65/pop in between 15 and 65 | 1995 and latest estimate | 5 years |
| 1.07 | Number of Men Per 100 Women | # | # of men/# of women x 100 | 1995 and latest estimate | 5 years |
| 1.08 | Life Expectancy: Men | Ave # of years | | 1995 and latest estimate | 5 years |
| 1.09 | Life Expectancy: Women | Ave # of years | | 1995 and latest estimate | 5 years |
| 1.10 | Crude Birth Rate per 1000 Pop | # of births per 1000 pop | | 1995 and latest estimate | 5 years |
| 1.11 | Crude Death Rate per 1000 Pop | # of deaths per 1000 pop | | 1995 and latest estimate | 5 years |
| 1.12 | Employment Rates | % of pop employed | # of employed/total labor force; or 100-known unemployment rate | 1998 | Yearly |
| 1.13 | Major Languages/Dialects Spoken | Descriptive | | Present | 5 years |
| 1.14 | Indigenous Cultural Communities | Descriptive | | Present | 5 years |

All these data may be obtained from socio-economic profiles released by local government offices such as the City Information Office and the City Planning and Development Office. These data can also be obtained from the National Statistics Office while data on employment can be obtained from the National Economic Development Authority.

Recognizing the uniqueness of each city, the study incorporates the different peculiarities of cities that have a hand in their development. The data on geographical information must include special location characteristics that could be a source or loss of competitiveness.

These data need be taken only once:

| Code | Data to be Collected | | Possible Source of Data |
|------|--|-------------|------------------------------|
| 1.15 | Location | Descriptive | City publications, CPDO, CIO |
| 1.16 | Special Land Features (i.e., mountains, valleys, etc.) | Descriptive | City publications, CPDO, CIO |

The following must also be known, although not exhaustively. Again, these data may be obtained from local government offices such as the CPDO, CIO and from discussions with local government officials and members of the local academe.

| Code | Data to be Collected | Frequency of Updating |
|------|---|--|
| 1.17 | The highlights of the existing land use plan, which is available from the city engineer's office. This is a description of the land use plan and is relevant only if the plan is relatively new (i.e., either it has been approved within the past 5 to 8 years, or it has just been approved, or is about to be approved). If no recent land use plan exists, researchers may just state so. | Upon the enactment or amendment of a land use plan |

If the city has a recently updated land use plan or if a draft land use plan is on its way, it will be helpful to construct this table:

Table of Land Use Analysis

| Land use | Existing Land area (in square kilometers) | Existing % of Total Land Use | Proposed Land Area (in square kilometers) | Proposed % of Total Land Use |
|--------------------------------|---|------------------------------|---|------------------------------|
| Built-up | | | | |
| Commercial | | | | |
| Agro-industrial/ Industrial | | | | |
| Total land area of city | | | | |

| Code | Data to be Collected | Frequency of Updating |
|------|---|---|
| 1.18 | Land area of the city's central business district, which again is available from the city engineer's office. This should be expressed in square kilometers. | Every five to eight years |
| 1.19 | A brief history of the city, including its founding year, early settlers, prominent city figures, and significance in national history | Every 10 years |
| 1.20 | The political parties present in the city, with a brief background on the incumbent political party | After every election |
| 1.21 | If there are any, leading families in the past and present which controlled the political and economic life of the city | Every 10 years or so |
| 1.22 | The vision of the incumbent party for the development of the city | After every election |
| 1.23 | The vision for the city according to development plans | Upon the enactment of or amendment of development plans |
| 1.24 | Brief analysis on the continuity of policies in the city | After every election |
| 1.25 | A descriptive list of major urban amenities such as churches, major shopping malls, cinemas, theaters, parks, museums and other recreational centers | Yearly |
| 1.26 | A descriptive list of major universities and other tertiary educational institutions in the city | Yearly |

Economic Make-up

It is crucial to understand the constitution of the urban economy to be able to identify the growth potentials of the city. This involves knowing how productive resources are allocated, which industries dominate the economy, and which industries are bound to lead the city's development in the future.

A common method of studying the economic make-up of a city is finding the location quotient of an industry. The location quotient of an industry is given by:

$$L = \frac{\text{City's employment in an industry/city's total employment}}{\text{Nation's employment in an industry/nation's total employment}}$$

A quotient of 1.0 indicate that all of the city's production is consumed within the city; none of the workers in an industry produce for export. The location quotient is also a good measure of how agglomerated industry is in the city. In this project, it will be necessary to find the employment and location quotients of the following industries:

| Code | Data to be collected | Formula to be used | Required time period |
|------|---|---|----------------------|
| 2.01 | Employment in Agriculture, Fishery and Forestry | # of employed persons in agriculture, fishery and forestry/ total employment | July 1998 or 1998 |
| 2.02 | L for Agriculture, Fishery and Forestry | % of city employment in agriculture, fishery and forestry/ %of national employment in agriculture, fishery and forestry (which was 39.5% for July 1998) | July 1998 or 1998 |
| 2.03 | Employment in Mining and Quarrying | # of employed persons in mining and quarrying/total employment | July 1998 or 1998 |
| 2.04 | L for Mining and Quarrying | % of city employment in mining and quarrying/ % of national employment in mining and quarrying (which was .5% for July 1998) | July 1998 or 1998 |
| 2.05 | Employment in Manufacturing | # of employed persons in manufacturing/total employment | July 1998 or 1998 |
| 2.06 | L for Manufacturing | % of city employment in manufacturing/ % of national employment in manufacturing (which was 9.5% for July 1998) | July 1998 or 1998 |
| 2.07 | Employment in Electricity, Gas and Water Industries | #of employed persons in electricity, gas and water industries/total employment | July 1998 or 1998 |

| | | | |
|------|---|--|-------------------|
| 2.08 | L for Electricity, Gas and Water Industries | % of city employment in electricity, gas and water/ % of national employment in electricity, gas and water (which was .5% for July 1998) | July 1998 or 1998 |
| 2.09 | Employment in Construction | # of employed persons in construction/total employment | July 1998 or 1998 |
| 2.10 | L for Construction | % of city employment in construction/ % of national employment in construction (which was 5.7% for 1998) | July 1998 or 1998 |
| 2.11 | Employment in Wholesale and Retail Trade | # of employed persons in wholesale and retail trade/total employment | July 1998 or 1998 |
| 2.12 | L for Wholesale and Retail Trade | % of city employment in wholesale and retail trade/ % of national employment in wholesale and retail trade (which was 15.2% for 1998) | July 1998 or 1998 |
| 2.13 | Employment in Transportation, Storage and Communication | # of employed persons in transportation, storage and communication/total employment | July 1998 or 1998 |
| 2.14 | L for Transportation, Storage and Communication | % of city employment in trans, storage and comm/ % of national employment in trans, storage and comm (which was 6.6% for 1998) | July 1998 or 1998 |
| 2.15 | Employment in Financing, Insurance, Real Estate and Business Services | # of employed persons in FIRE/ total employment | July 1998 or 1998 |
| 2.16 | L for Financing, Insurance, Real Estate and Business Services | % of city employment in FIRE/ % of national employment in FIRE (which was 2.4% for July 1998) | July 1998 or 1998 |
| 2.17 | Employment in Community, Social and Personal Services | # of employed persons in comm, social and personal services/ total employment | July 1998 or 1998 |
| 2.18 | L for C and Personal Services | % of city employment in CSP services/ % of national employment in CSP services (which was 20% for July 1998) | July 1998 or 1998 |

These data must be updated every two years. If a city does not have data for employment disaggregated into the desired categories, it will suffice for researchers to submit whatever data are available.

| Code | Data to be Collected | Formula to be Used | Required Time Period |
|------|---|--|----------------------|
| 2.19 | % of Establishments in Food Processing | # establishments in food processing/total # of establishments | 1998 or latest |
| 2.20 | % Establishments in Garments and Textiles | # of establishments in garments and textiles/ total # of establishments | 1998 or latest |
| 2.21 | % Establishments in Electronics | # of establishments in electronics/ total # of establishments | 1998 or latest |
| 2.22 | % Establishments in FIRE | # of establishments in FIRE/ total # of establishments | 1998 or latest |
| 2.23 | % Establishments in wholesaling and retailing | # of establishments in wholesaling and retailing/total # of establishments | 1998 or latest |
| 2.24 | Major export products and each products' % of total exports | Descriptive, export earnings from a product type/total earnings from exports | 1998 or latest |
| 2.25 | Major industries and corresponding output | Descriptive | 1998 or latest |

Data on the composition of firms and establishments registered in the city must be updated every two years. Researchers must also be able to identify the major industries of a city, and their corresponding output in absolute terms as well as a percentage of total exports. Many cities will have this for provincial or regional levels only. Information may also have to be updated every two years.

2.26² Researchers must be able to analyze the change in the economic make-up of the city. This will be clear when data for each industry's percentage of total employment is presented as shown below. This table must be updated every five years.

| Industry | 1970 | 1975 | 1980 | 1985 | 1990 | 1995 |
|---|------|------|------|------|------|------|
| Agriculture, Fishery and Forestry | | | | | | |
| Mining and Quarrying | | | | | | |
| Manufacturing | | | | | | |
| Electricity, gas and water industries | | | | | | |
| Construction | | | | | | |
| Wholesale and Retail Trade | | | | | | |
| Transportation, Storage and Communication | | | | | | |
| Finance, Insurance, Real Estate and Business Services | | | | | | |
| Community, Social and Personal Services | | | | | | |

Based on the data gathered for this section, researchers will be in the position to answer the following:

- 2.27** What has the historical role of the city been in the wider economy (i.e., the national economy)?
- 2.28** What has the function of the city been in the 'global urban hierarchy'?
- 2.29** What is the potential role of the city in the national and global economy?

This analysis must be reviewed every three to four years.

² This item is optional.

Cost of Doing Business

This stage constitutes the benchmarking process of the project. Data for this portion of the study must be collated in the form of the template specified in the appendix. The template also specifies in which time periods the data must be collected.

All indicators in this section pertain to the prices of different factors of production obtained in the city. It is imperative that the data to be collected are the latest available. These data are usually collated by the regional Department of Trade and Industry (DTI), or the local Trade and Investment Promotion Office (TIPO). However, if these offices' figures are outdated, it may be necessary to approach the suppliers of the given factors of production. If no data for 1999 are available, 1998 figures may suffice. Update all indicators for cost of doing business yearly.

| Code | Data to be Collected | Description |
|------|--|--|
| 3.01 | Average rent of commercial space in city center | Given in pesos per square meter per month |
| 3.02 | Average rent of land for industrial use | This could also be the average rent of land in industrial estates located in the city. Given in pesos per square meter per year |
| 3.03 | Cost of labor for non-agricultural sectors | Defined as the daily minimum wage rates, in pesos, in the city, and is legislated at the regional level |
| 3.04 | Average cost of acquiring telephone services for commercial purposes | Cost of the acquisition and installation of a telephone line, including the phone set, for commercial purposes. |
| 3.05 | Cost of electricity for industrial use. | Defined as the average final monthly bill of an industrial firm located within the city. The data can be obtained from the local power supplier for industrial firms and must be updated yearly. The fixed consumption level for which the data must be obtained is 37,000 kilowatt hours per month. This figure was derived by rounding off the quotient of the average total monthly electricity consumption of industrial firms and the total number of industrial firms connected to Meralco. Indicate what pricing scheme the local electricity supplier adopts for industrial clients. When applicable, supply the unit cost of electricity. |

3.06 *Adult literacy.* This is defined as the percentage of the population aged 21 and above that is able to read and write. This is readily available at the city level in any socio-economic profile of the city or region such as those from the National Economic Development Authority (NEDA) Regional Development Report or reports prepared by local government offices such as the CIO or CPDO.

Update every 5
years or after
census

3.07 & 3.08 *Percentage of labor force with a high school diploma and percentage of labor force with a college degree.* These two indicators are defined as the percentage of the population aged 15 and above whose highest level of education completed was high school and college. This may be available as part of the socio-economic profile of the city released by local government information offices. Data may also be obtained at the national level for all cities being studied. However, if such data are not available, the present level of enrollment in high schools and colleges in the city may be used as proxy indicators.

Update every 5
years or after
census

3.09 *Ease of training personnel.* Data will be obtained from a survey of business representatives. In the survey, there is one question pertaining to this facet of competitiveness. To convert the six-point rating scale into a 10-point rating scale, the average survey score for this item must be multiplied by 5/3. Researchers need only supply the average six-point rating for this item.

Update yearly

3.10 *Growth in building construction for non-residential use.* This is the change in the number of private nonresidential buildings as a result of private building construction. Data can be obtained at the national level from the National Statistics Office for the most recent four years. Researchers must be able to obtain data for growth in private building construction in terms of quantity, floor area and value of construction. The following table is a guide for the kind of data that must be collected for this indicator.

Update yearly

Table of Number, Floor Area and Value of Private Building Construction

| | Number | Floor area (sq m) | Value (in Pesos) |
|---------------------------|--------|-------------------|------------------|
| Year 1 | | | |
| Year 2 | | | |
| Year 3 | | | |
| Year 4 (latest available) | | | |

3.11 *Presence/type of industrial districts.* This requires an evaluation of the presence and quality of industrial districts within the city. For this item, the following questions must be answered:

- What kind of infrastructure is present in the city's industrial districts? Are the infrastructure and utilities adequate to meet the needs of industrial clients located in the districts?
- What firms have located within these districts? Are they domestic or multinational firms? Do they cater to domestic or international markets? Under what category would these firms fall (i.e., light manufacturing or heavy manufacturing)?
- Does the industrial district have any specialized infrastructure that meets the needs of most industrial firms located within?
- Have these industrial districts directly or indirectly contributed to greater employment of the city's residents?

Update yearly

3.12 *Number of banks vis-à-vis population size.* This indicator is a measure of the city population's access to finance. This is defined as the number of commercial banks per 100 people and is obtained by dividing the total number of banks by population of the city in hundreds. The data may be found in any profile of the city released by the DTI, or the CPDO, or its counterpart. It may also be obtained at the national level from the Bangko Sentral ng Pilipinas.

Update yearly

3.13 *Loans available for local use vis-à-vis level of deposits.* Another measure of access to credit, this is defined as the amount of loans issued by local banks divided by the level of deposits in the city. The indicator takes into consideration that access to finance is a double-edged sword that hinges on both the level of deposits and the ease of obtaining credit. The data are difficult to find at the local level, and if none is available, will be obtained at the national level from the Bangko Sentral ng Pilipinas.

Update yearly

3.14 *Presence of business support services.* Four questions from the City Competitiveness Survey are related to the presence of business support services in a city. Support services in the area of consultancy, law, insurance and marketing are taken to be part of the infrastructure that must be set up for business firms in the city to function optimally. Each average score per item under "Presence of Business Support Services" must be multiplied by 5/12, and each product will be summed up to yield the final score for this indicator. Researchers need only give the average score per question in the six-point scale.

Update yearly

3.15 *Road density.* This is derived by dividing the total length of roads in kilometers by the total area of the city in square kilometers. Road density is taken to

Update yearly

be a measure of the adequacy of road infrastructure in the city. Data are available in infrastructure and utilities profiles released by the DTI or the TIPO, or local government offices such as the CPDO, CIO or their counterparts.

3.16 *Vehicle density.* This measures the population's access to motorized transportation as well as congestion in city streets. This is defined as the total number of registered motor vehicles per kilometer of road. Motor vehicles include private vehicles, government vehicles and vehicles for hire, excluding tricycles. The indicator is usually printed in city or regional profiles released by the DTI, the TIPO, the CPDO, the CIO and their counterparts. The Land Transportation Office(LTO) also has information on yearly motor vehicle registration.

Update yearly

3.17 *Quality of road system: pavement ratio.* The pavement ratio is defined by the total length of paved roads divided by the total length of roads in the city. Again, this is included in city or regional infrastructure and utilities profiles.

Update yearly

3.18 *Quality of road system: Quality of road network.* This indicator is a measure of whether the design of the road network lends to the efficiency and ease of moving around the city. The data will be gleaned from the yearly City Competitiveness Survey, under Quality of Road Network. Researchers need only give the average score for this item.

Update yearly

3.19 *Ease of making domestic and international long distance calls.* This indicator considers the fact that the ease of placing calls in different areas varies. This is due to the service provided by local telephone operators, quality of telecommunications infrastructure, and problems of interconnectivity

Update yearly

among different operators. The indicator is based on these three items in the survey. To get the final score for this indicator, the average score for each item must be multiplied by 5/9 and summed up. This indicator must be updated yearly.

3.20 & 3.21 Telephone density and Cellular phone density.

Telephone density is defined as the number of telephone lines per 100 people (i.e., total number of telephone lines/city population in hundreds). It will be helpful if data are disaggregated into lines per telephone service provider or narrowed into the number of functional lines.

Update yearly

Telephone Density and Lines per Service Provider

| Service Provider | Number of Lines | Number of Working Lines |
|---------------------------|-----------------|-------------------------|
| Service Provider 1 | | |
| Service Provider 2 | | |
| Service Provider <i>n</i> | | |
| Total | | |
| Telephone Density | | |

Likewise, cellular phone density is defined as the number of cellular phone lines per 100 people. The two indicators measure the population's access to telecommunications. Telephone density is usually included in infrastructure and utilities profiles released by the DTI, the TIPO, the CPDO or the CIO. On the other hand, data on the number of cellular phone subscribers in the city must be obtained from cellular phone companies' local offices.

3.22 Rate of growth of private vehicle stock. The rate of growth of the private vehicle stock is computed by dividing the difference of two consecutive years' number of registered private vehicles by the preceding year's number of registered private vehicles. This indicator, taken with

Update yearly

the next indicator in this list, is a measure of the sustainability of urban transport. A characteristic of a sustainable urban transport system is

low dependence on private vehicles. Figures for the number of private vehicle stock are available in reports released by the CPDO or the CIO. Otherwise, the data available for the last five years can be obtained from the local Land Transportation Office.

Table for Growth of Private Vehicle Stock

| | Absolute Number of Registered Private Vehicles | Growth in Private Vehicle Stock (%) |
|----------------------|--|-------------------------------------|
| Year 1 | | -- |
| Year 2 | | |
| Year 3 | | |
| Year 4 | | |
| Year 5 (latest data) | | |

3.23 Investment in public transport as a percentage of city product. Reduced dependency on private transport vehicles must be accompanied by the development of the public transport system. A measure of the city's dedication to developing public transport would be its investment in the area as a percentage of city product. This is computed by dividing its expenditures on public transport and "pedestrianization" by its city product, whose formula will be discussed here later. Public transport expenditure items include the construction and improvement of sidewalks, pedestrian signs, overpasses, walkways, terminals, bus and jeepney stops, and expenses incurred in the implementation of city-wide public transport schemes (e.g., color-coding schemes for jeepneys and buses, bus and jeepney lanes). This does not include expenditures on roads and highways. Available data for the last three years must be obtained.

Update yearly

Table for Investment in Public Transport

| | Investment in Public Transport (Absolute Amount) | As a % of City Product |
|----------------------|--|------------------------|
| Year 1 | | |
| Year 2 | | |
| Year 3 (latest data) | | |
| Average | | |

3.24 *Percentage of households with access to regular garbage collection.* This is a measure of the effectiveness of the city's solid waste management program. The data can be obtained from the CIO or its counterparts.

Update yearly

3.25 *Per capita spending on solid waste management* is taken to be a measure of the city's efforts in maintaining environmental quality. Data on the local government's spending on solid waste management must be gathered from the City Information Office or Treasury division, and the total amount of expenditures must be divided by the total population. Expenditure items on solid waste management include the purchase, maintenance and operation of garbage trucks, bins, expenditures incurred in operating dumpsites, the wages of sanitary engineers, etc.

Update yearly

3.26 *Degree of compliance with national environmental standards governing solid waste management.* Environmental standards for municipal solid waste management are given by the Department of Environment and Natural Resources Administrative Order No. 49, which first acknowledges that municipal solid waste throughout the country is disposed primarily in open dumps and then sets forth a schedule for upgrading methods of waste disposal.

Update yearly

This item requires an evaluation of the city's means of municipal solid waste disposal. It is necessary to answer the following questions:

- What facilities does the city have for municipal solid waste disposal? Does the city use open dumpsites, controlled dumpsites or sanitary landfills? How many of each does the city have?
- The more important question is: if the city makes use of only open dumpsites, what steps have been taken to upgrade dis-

posal methods to controlled dumping (i.e., local legislation to upgrade open dumpsites, allocation of budget, relocation of facilities to more suitable sites, construction of controlled dumpsites)?

Researchers will be able to identify the level of solid waste disposal methods by the key characteristics of each:

| Type | Key Characteristics |
|---------------------------|--|
| Open Dump | <ul style="list-style-type: none"> • Unplanned, poorly sited and often of small capacity • No site preparation and no cell planning – waste deposited across large part of the site • Thin layers of waste – relatively rapid aerobic decomposition • No leachate or landfill gas management • Contamination of surface water and groundwater • No or only occasional cover and with no or intermittent compaction of waste • Litter blow within and beyond site boundary – no fence • No record keeping and no control over waste inputs • Uncontrolled presence of vermin, pests and scavenging animals • Waste picking and trading • Significant potential for environmental impacts |
| Controlled Dump | <ul style="list-style-type: none"> • May be hydrogeologically sited, but generally not • No cell planning but waste deposition restricted to small working areas • Anaerobic and aerobic decomposition • Peripheral site drainage and surface water control • No leachate or landfill gas management • Regular, but not necessarily daily, inert cover, with compaction in some cases • Fence, including provision for litter control • Basic record keeping but no control over waste inputs • Provision of maintained access road • Controlled waste picking and trading • Site covered and replanted following completion of waste deposition |
| Sanitary Landfill Level 1 | <ul style="list-style-type: none"> • Site design based on hydrogeological considerations • Planned capacity with phased cell development • Site preparation including surface water control and containment engineering where necessary • Primarily anaerobic decomposition • Leachate management with leachate abstraction and simple treatment • Landfill gas management with passive landfill gas measures • Application of cover materials • Compaction of waste to minimum specified target densities • Specified operational procedures to protect local amenity, including vector control • Fence, gate and other site infrastructure with surfaced primary access road • Full record of waste volumes, types and source • Special provisions and procedures for dealing with special wastes • Fully trained labor force and experienced site management • Provision for aftercare following site restoration and closure • No waste picking |

| | |
|---------------------------------|---|
| Sanitary Landfill Level 2 | <ul style="list-style-type: none"> • Site design based on environmental risk assessment • Key factors in site design are often hydrogeological site conditions • Planned capacity with phased cell development • Extensive site preparation and containment engineering • Primarily anaerobic decomposition • Full leachate management with leachate abstraction and treatment • Full gas management with active landfill gas abstraction where necessary • Application of daily, intermediate and final cover • Compaction of waste to minimum specified target densities • Specified operational procedures to protect local amenity, including vector control • Fence, gate and other site infrastructure • Surfaced primary access road and maintained secondary and tertiary haul roads • Full record of waste volumes, types and source • Special provisions and procedures for dealing with special wastes, including on-site laboratory • Fully trained labor force and experienced site management • Extended lifetime • Provision for aftercare following site restoration and closure • No waste picking |
|---------------------------------|---|

3.27 *Perceived cleanliness of community will be obtained from the City Competitiveness Survey.* Converting the six-point scale into a 10-point scale requires multiplying the average score for the

item "Cleanliness of Surroundings" by 5/3. Researchers need only submit the average score for this item in the six-point scale.

Update yearly

3.28 *Electrification coverage.* This is the percentage of households with access to electricity. Data are available in infrastructure and utilities reports issued by the CPDO or the CIO.

Update yearly

3.29 *Access to Internet.* This indicator is a measure of access to media and technology and is obtained by dividing the total number of Internet subscribers in the city by the total number of households. Data on the number of Internet

subscribers must be obtained directly from local Internet Service Providers. This excludes access from Internet cafes but provides a crude measure of the percentage of the population with access to Internet resources.

Update yearly

3.30 *The number of cable television subscribers vis-à-vis population is also a measure of access to media.* Data on the total number of cable television subscribers must be gathered

from local cable television operators. The total number must be divided by the total number of households in the city.

Update yearly

3.31 & 3.32 *Number of weekly domestic flights and number of weekly international flights.* The two indicators measure the accessibility of the city by air travel. Data on total number of weekly and domestic flights can be gathered from the local airport authority or local travel agencies. The data must distinguish between arriving and departing flights.

Update yearly

Table of Weekly Domestic and International Flights

| | Incoming | Outgoing |
|---------------|----------|----------|
| Domestic | | |
| International | | |

3.33 *Population size vis-à-vis number of fast food chain outlets.* This indicator attempts to measure the proximity of the city to domestic consumer markets. The total population must be divided by the total number of fast food chain outlets in the city and linked areas. Moreover, data must be presented in the following form:

Update yearly

| Fast Food Chain | Number of Outlets |
|---|-------------------|
| McDonald's | |
| Jollibee | |
| Pizza Hut | |
| Greenwich | |
| Shakey's | |
| Dairy Queen | |
| Dunkin' Donuts | |
| Mister Donut | |
| Domino's | |
| Other major fast food chains (name each) | |

3.34 *Proximity to major sources of production inputs.* Data for this indicator will be derived from the City Competitiveness Survey. Two items in the survey fall under this indicator, and the final score will be computed by multiplying the average score for each item by 5/6 and summing the products. Researchers need only submit the average score per item in the six-point scale.

Update
yearly

3.35 *Proximity to international points of entry and exit.* Data for this indicator will come from the City Competitiveness Survey. Three items are pertinent to this indicator, and the final score is computed by multiplying the average score for each item by 5/9 and summing the products. Researchers need only submit the average score per item in the six-point scale.

Update
yearly

3.36 *Infant mortality rate.* This is defined as the number of deaths among children between birth and one year of age per 1,000 live births. This is available from socio-economic profiles of the city from the CPDO or NSO.

Update every
5 years or
after census

3.37 *Poverty level.* The poverty level is the magnitude and incidence of families falling below the city's poverty line. This indicator requires the latest data for the absolute number of families falling below the poverty line. This is given in the socio-economic reports collated by NEDA, and local government offices such as the CPDO. This data set can also be collected at the national level from the NSO.

Update every
5 years or
after census
yearly

3.38 & 3.39 *Incidence of theft per 100,000 of the population and incidence of murder per 100,000 of the population.*

These two indicators attempt to reflect the peace and order situation in the city and are believed to be the most accurately reported crimes. The data can be obtained from the CPDO or from local police stations. The incidence of theft and murder can be obtained by dividing the absolute number of reported thefts and murders by the city population per hundred thousands.

Update
yearly

3.40 *Local inflation rate.* This measure of price stability can be obtained at the local level from regional NEDA or NSO offices, and from the national office of the NSO.

Update
yearly

3.41 *Price of a basket of goods.* Instrumental to measuring the standard of urban living is the measure of the cost of living in the city. Because of the sampling limitations of the NSO's consumer price index, another method of measuring standard of living was devised. This necessitates obtaining from leading supermarkets or retail outlets the prices of the following:

Update
yearly

| Good | Retail Outlet 1 | Retail Outlet 2 | Average |
|---|-----------------|-----------------|---------|
| 1. Rice, ordinary, NFA, kg | | | |
| 2. Bear Brand powdered milk, 200 gms box | | | |
| 3. Anchor Butter, 225 gms box | | | |
| 4. Fresh eggs, one dozen | | | |
| 5. Dried fish, dilis, small, kg | | | |
| 6. Fresh fish, bangus, kg | | | |
| 7. Potatoes, med, pc | | | |
| 8. Purefoods corned Beef, 220 gms | | | |
| 9. Fresh Beef, meat with bones, kg | | | |
| 10. Fresh Chicken, dressed, broiler, kg | | | |
| 11. Fresh Pork, meat with bones | | | |
| 12. Nescafe instant coffee, 50 gms pack | | | |
| 13. Salt, iodized, kg | | | |
| 14. Silver Swan patis, 375 mL bottle | | | |
| 15. Garlic, kg | | | |
| 16. Sugar, refined, kg | | | |
| 17. Vinegar, local, 750 mL bottle | | | |
| 18. San Miguel Beer, Pale Pilsen, 320 mL bottle | | | |
| 19. Coca-Cola softdrink, 12 oz bottle | | | |
| 20. Marlboro, short, pack | | | |
| 21. Superwheel detergent bar | | | |
| 22. Johnson baby powder, 50 gms plastic container | | | |
| 23. Palmolive hair shampoo, 100 mL bottle | | | |
| 24. Safeguard toilet soap, 90 gms cake | | | |
| 25. Colgate toothpaste, 50 mL tube | | | |

This list of goods was taken from the more comprehensive basket of goods that the NSO looks at to determine the consumer price index. If the stipulated brands are not available, a competing brand may be substituted as long as these modifications are disclosed.

3.42 *Housing price ratio to income.* This indicator is a measure of the affordability of housing in the city. It is derived by dividing the median housing price by the average household income of the city. This figure is difficult to obtain but a possible source for the data could be the local real estate developers.

Update yearly

3.43 *Squatting population/total population.* Again, this is a measure of affordability of and access to housing. The indicator reflects the percentage of the population with no legal shelter. Data for this indicator may be gathered from socio-economic reports issued by local government offices or from special bodies created at the local level to tend to urban housing problems (e.g., the Urban Poor Affairs Office).

Update yearly

3.44 & 3.45 *Number of hospital beds per 1,000 people and Number of medical personnel employed by the government per 1,000 people.* The two indicators reflect the access of people to health services. While the former measures the capacity of existing health facilities to accommodate people, the latter measures the ability of the government-employed medical staff to tend to people's needs. Data are available at the CPDO or CIO.

Update yearly

3.46 *Percentage of population with access to potable water.* Water is potable when it is safe to drink without further treatment. Philippine National Standards for Drinking Water require that total coliform or fecal coliform not be present for water to be deemed potable. The Environmental Management Bureau takes five 100mL test tube samples of water and declare potability only if the maximum probable number (mpn) of total coliform does not exceed 2.2.

Update yearly

This indicator is defined as the number of households with access to potable water, divided by the total number of households. Again, the CPDO or CIO monitors the data needed. If not

available at the CPDO or CIO, local water supply companies may be approached.

3.47 *Population density can be a measure of congestion in urban areas.* This is derived by dividing the total population by the total area of the city in square kilometers. Population density figures are readily available in socioeconomic reports on the city. Otherwise, population figures can be gathered from the NSO while the total area of the city can be found in general literature about the city.

Update every 5 years or after census yearly

Additional data whereby collection is optional include the population density of the most populated barangays in the city. This information may not be available for some cities, but others may have this monitored by their CPDO.

3.48 *Density of total suspended particulates (TSP) during peak hours.* The most commonly sampled indicator is the density of total suspended particulates in the air. The TSP has been recognized as the primary problem in urban airsheds owing to the large consumption of diesel fuel oil in the road transport sector and the dust along poorly paved roads. This indicator is expressed in micrograms per cubic meter and can be updated yearly. Sample to be used must be for the period during which the city's competitiveness study is being conducted.

Update yearly

3.49 *Cleanliness of open bodies of water.* This is based on the City Competitiveness Survey. To convert the six-point rating scale into a 10-point scale, multiply the average score for the item by 5/3.

Update
yearly

3.50 *Number of urban amenities.* This is a listing of the amenities that residents enjoy by living in the city. Data for this listing may be obtained through local tourism offices.

Update
yearly

| Facilities/Service | Frequency |
|--------------------------------------|-----------|
| Cinemas | |
| Museums | |
| Parks | |
| Churches | |
| Recreational Centers (i.e., casinos) | |
| Total | |

3.51 *Number of tertiary level educational institutions within the city.* This is a listing of the city's tertiary level educational institutions. These include colleges, universities, and technical and professional schools. Figures should be disaggregated according to type of institution (i.e., classifications given by the Commission on Higher Education).

3.52 *City product per person* is a measure of the productivity of the city's labor force. Using average household income to estimate this figure assumes that the ratio of GNP to household income is the same at the national and city levels. The formula for city product per household is as follows:

Update
yearly

$$\text{city product per household} = \text{GNP} \times \frac{\text{average city household income}}{\text{total national household income}}$$

Data for GNP and average household income can be obtained from the NSO.

3.53, 3.54 & 3.55 *Growth rate in exports; growth rate in investments and growth rate in tourist arrivals.* These indicators must be obtained for the most recent five-year period for which data are available. Data can be gathered from the NSO at the national level.

Update
yearly

| Year | Exports, in Pesos | Growth in Exports | Investments, in Pesos | Growth in Investments | Tourist Arrivals | Growth in Tourist Arrivals |
|--------|-------------------|-------------------|-----------------------|-----------------------|------------------|----------------------------|
| Year 1 | | - | | - | | - |
| Year 2 | | | | | | |
| Year 3 | | | | | | |
| Year 4 | | | | | | |
| Year 5 | | | | | | |

3.56 & 3.57 *Per capita export earnings of city vis-a-vis country and export earnings as a percentage of city product.* These two export indicators measure the openness of the urban economy. The former measures the openness of a city's economy in relation to the rest of the world, while the latter measures the degree of orientation of a city's economy toward exporting. Per capita export earnings of a city vis-à-vis the country is computed by dividing the quotient of the total city export earnings and total city population by the quotient of national export earnings and the national population. On the other hand, export earnings as a percentage of city product is computed by dividing total export earnings of the city by the city product, whose manner of estimation was previously discussed.

LGU Responsiveness

3.58 *Existence of land use plans.* The existence of a land use plan reflects the local government's will to coordinate the spatial development of the city. This indicator must always be viewed in the light of the next indicator, which is the enforcement of zoning ordinances. The following questions need to be answered:

Update
yearly

- Does the city have an existing, approved land use plan? If yes, how recent is the plan? Have zoning ordinances been enacted to implement the plan?
- If not, is there a plan being drafted? If a plan has been drafted, what obstacles hinder its approval? In what step in the process of approval is it suspended?

3.59 *Degree of enforcement of zoning ordinances.* This indicator is the average number of filed applications for variance from zoning ordinances per year. The numerator of the indicator is the average number of filed variance applications ever since the enactment of the latest land use plan (i.e., if the plan was enacted in 1996, the average number of applications for variances since that year must be known). The same must be done for the average number of approved applications for variance from zoning ordinances. Data on the number of filed and approved variance applications can be gathered from the CPDO.

Update
yearly

Table for Degree of Enforcement of Zoning Ordinances

| | Variance from Residential, Filed | Variance from Residential, Approved | Variance from Commercial, Filed | Variance from Commercial, Approved | Variance from Industrial, Filed | Variance from Industrial, Approved |
|-----------|----------------------------------|-------------------------------------|---------------------------------|------------------------------------|---------------------------------|------------------------------------|
| Year 1... | | | | | | |
| Year n | | | | | | |
| Average | | | | | | |

3.60 Number of days required to secure a business permit. This reflects the efficiency of the local government in carrying out its regulatory functions. The data will be obtained from the City Competitiveness Survey, which asks for the average time required to secure a permit, as well as the opinion of businesspeople on whether this length of

Update
yearly

time is reasonable or not. Researchers must submit both the average score of this item in the six-point scale as well as the average number of days required to secure a business permit.

3.61 *Number of government employees to 1000 of the population.* Again, this is a measure of the efficiency of the local government bureaucracy. Data on the number of workers employed by the local government can be requested from the CIO. The total number of government employees is divided by the city population as expressed in thousands. This figure must be updated yearly.

Update
yearly

3.62 & 3.63 *Corruption perception and general attitude of government to business needs.* The two indicators measure the responsiveness of the government to business needs and are to be gleaned from the City Competitiveness Survey. While the corruption perception indicator focuses on transparency and honesty in government transactions, attitude to business needs refers to the accommodation afforded to businesses. Researchers need only submit the average score per item in the six-point rating scale.

Update
yearly

3.64 *Business taxes for manufacturing can be known from the Local Revenue Code of a city.* Taxes must be kept at a reasonable level to avoid stifling business activity in the city and at the same time, meet the fiscal requirements for the provision of public goods. The following table must be filled.

Update upon
enactment or
amendment of
Local Revenue
Code

| Gross Receipts of Preceding Calendar Year | Resulting Business Tax, for Manufacturing |
|---|---|
| P 100,000 | |
| P 500,000 | |
| P 1,000,000 | |
| P 3,000,000 | |
| P 5,000,000 | |
| P10,000,000 | |

3.65 & 3.66 *Internal Revenue Allotment (IRA) as a percentage of city government revenue and growth of city government revenue.* These two indicators measure the fiscal capacity of the local government. The IRA as a percentage of city government revenue is computed by dividing the city's internal revenue allotment by its total revenue. Growth in city government revenue is computed by dividing the difference between two consecutive years' revenue by the first year's revenue. It will be necessary to study total revenue for the most recent four years wherein data are available.

Update
yearly

Data must be tabulated in this way:

| Year | Total Revenue And Receipts | Internal Revenue Allotment | IRA As % Of Total Revenue | Growth Rate In Total Revenue Per Year | Growth Rate In Total Revenue, 4 Yr Period |
|--------|----------------------------|----------------------------|---------------------------|---------------------------------------|---|
| Year 1 | | | | -- | -- |
| Year 2 | | | | | -- |
| Year 3 | | | | | -- |
| Year 4 | | | | | |

3.67 *Presence of an electronic database/monitoring system.*

Computerization of operations has been recognized as instrumental in increasing efficiency and meeting citizens' rising expectations of government performance. The following must be known:

Update
yearly

- What efforts has the local government made to computerize its operations (e.g., has it planned a schedule for computerization, acquired the necessary computer units, or allocated the necessary budget)?
- Which of the following has the local government accomplished?
 - Computerization of issuance of business permits and licenses
 - Computerization of tax assessment and billing
 - Computerization of payments and collection
 - Computerization of assessment and billing of fees and charges
 - Computerization of budget monitoring and creation of financial statements

-
- ❑ Creation of a local government website
 - ❑ Creation of an electronic database of employment records
 - ❑ Provision of electronic public employment services
 - Does the local government make use of a Geographic Information System?
 - Does the local government have a barangay residence registration system?

Researchers must enumerate which of the aforementioned components are already in place in their respective cities.

3.68 *Computer-to-bureaucrat ratio.* This attempts to measure the local government's capacity for electronic governance. This is computed by dividing the total number of computer units recently acquired or to be acquired as a result of the computerization of operations by the total number of local government employees. Data can be requested from the CIO.

Update
yearly

3.69 *Presence of initiatives/forums to elicit opinions of constituents.* This is to be obtained from the City Competitiveness Survey. Researchers must submit the average score for this item in the six-point rating scale, and conversion to the 10-point score will be done by the W. Sycip Policy Forum.

Update
yearly

Involvement of Business Sector

3.70 *Percentage of business community involved in professional organizations.* The total number of affiliated establishments in the two largest business organizations in the city must be divided by the total number of establishments in the city. The inadequacy of this method is that some establishments may be members of both organizations. Nonetheless, having the total number of establishments as a denominator partially controls distortionary effects of having many firms located in the city.

3.71 *Responsiveness of business community to social, egalitarian needs.* Trends in governance reflect the realization that the private sector has a role to play in community development. This indicator attempts to measure how constructive a force the business sector has been in improving urban conditions for everyone. This is based on the City Competitiveness Survey. Supply the average score for this item in the six-point rating scale.

Appendix A

Summary of City Competitiveness Indicators

| Drivers | Factor | Indicator |
|--------------------------|---|---|
| Cost of Doing Business | Affordability of Land/Space for Industrial or Commercial Use | 1. Average rent of commercial space in city center (<i>Poblacion</i> area) 2. Average rent of land for industrial use (e.g., in industrial-zoned land or industrial estate) |
| | Cost of Labor | 3. Cost of labor for non-agricultural sectors |
| | Affordability of Telecommunications | 4. Average cost of acquiring telephone services for commercial purposes |
| | Cost of Power | 5. Cost of electricity for industrial use |
| Human Resource Endowment | Presence of Skilled/Easily-Trainable Labor | 6. Adult literacy 7. Percentage of labor force with a high school diploma; a proxy indicator would be enrolment in high schools 8. Percentage of labor force with a college degree; a proxy indicator would be enrolment in colleges |
| | Ease of Interacting with Labor Force | 9. Ease of training personnel |
| Infrastructure | Access to/Availability of Suitable Space and Sites for Business | 10. Growth in building construction for non-residential use 11. Presence/type of industrial districts |
| | Access to Finance and Support Services | 12. Number of banks vis-à-vis population size 13. Loans available for local use vis-à-vis level of deposits 14. Presence of business-support services (providing services for consultancy, legislative, insurance, marketing and other needs) |

| Drivers | Factor | Indicator |
|----------------------------|--|--|
| | Road Infrastructure | 15. Road density 16. Vehicle density 17. Quality of road system: pavement ratio 18. Quality of road system: quality of road network |
| | Telecommunications | 19. Ease of making domestic and international long distance calls 20. Telephone density 21. Cellular phone density |
| | Sustainability of Transport | 22. Rate of growth of private vehicle stock 23. Investment in public transport system as a percentage of city product |
| | Solid Waste Management | 24. Percentage of households with access to regular garbage collection 25. Per capita spending on solid waste management 26. Degree of compliance with national environmental standards governing solid waste management 27. Perceived cleanliness of community |
| | Power Supply | 28. Electrification Coverage |
| | Access to Media and Technology | 29. Access to Internet 30. Number of cable television subscribers vis-à-vis population |
| Linkages with Growth Areas | Accessibility | 31. Number of weekly domestic flights 32. Number of weekly international flights |
| | Access to Domestic Markets for Consumer Goods and Services | 33. Population size vis-à-vis number of fast food chain outlets |
| | Access to Production Inputs | 34. Proximity to major sources of production inputs |
| | Access to International Market | 35. Proximity to international points of entry and exit (i.e., ports, airports, other international transshipment points) |
| Linkages with Growth Areas | General Social Welfare of Society | 36. Infant mortality rate 37. Poverty level |

| Drivers | Factor | Indicator |
|---------------------------|---|---|
| | Peace and order | 38. Incidence of theft per 1000 of population 39. Incidence of murder per 1000 of population |
| | Price Stability | 40. Local inflation rate |
| | Cost of Living | 41. Price of a fixed basket of goods |
| | Availability and Affordability of Housing | 42. Housing price ratio to income 43. Squatting population/total population |
| | Access to Basic Services (i.e., Medical Services, Basic Education, Potable Water) | 44. Number of hospital beds per 1000 people 45. Number of medical personnel employed by the government per 1000 people 46. % of population with access to potable water |
| | Quality of Living Environment | 47. Population density 48. Density of total suspended particulates during peak hours 49. Cleanliness of natural bodies of water |
| | Access to Public Space and Urban Amenities | 50. Number of parks, churches, museums and other recreational/cultural centers |
| | Presence of Tertiary Level Schools and Higher Level Training Institutions | 51. Number of tertiary level educational institutions within the city |
| Dynamism of Local Economy | General Health of the Local Economy | 52. City product per household 53. Growth rate in exports 54. Growth rate in investments 55. Growth rate in tourist arrivals |

| Drivers | Factor | Indicator |
|--|--|---|
| | Openness/Internationalization | 56. Per capita export earnings of city vis-à-vis country 57. Earnings from exports as a percentage of city product |
| Responsiveness of the Local Government Unit to Business and Long-Term Need | Capacity to Anticipate Long Term Urban Changes | 58. Existence of development and land use plans 59. Degree of enforcement of zoning ordinances, in average number of applications for variance per year, for the past five years |
| | Responsiveness to Business Needs | 60. Number of days required to secure a business permit 61. Corruption perception 62. General attitude of government to business needs 63. Business taxes for manufacturing 64. Number of government employees to 1000 of the population |
| | Fiscal Capacity and Health | 65. Internal Revenue Allotment as a % of city revenue 66. Growth of city revenue |
| | Capacity for Electronic Governance | 67. Presence of an electronic database/monitoring system 68. Computer-to-bureaucrat ratio |
| | Openness | 69. Presence of initiatives/forums to elicit opinions of constituents |
| Dynamism and Involvement of Local Business Community | Involvement | 70. Percentage of business community involved in professional organizations (i.e., number of members in selected professional organizations/ total number of establishments) 71. Responsiveness of business community to social, egalitarian needs |

Appendix B

Competitiveness Ratings of Emerging Philippine Cities Conversion Tables for Scoring

Average Rent of Commercial Space in City Center

Five-country Benchmark

Benchmark data was obtained from the *1999 World Competitiveness Yearbook*. The upper boundary of the second class is the average occupation cost of office space (≈ 748.3194) in major cities of the Philippines, Thailand, China, Indonesia and Malaysia. Computations assumed an exchange rate of $P41.5733 = \$1$.

| Value | Score | Qualitative Meaning |
|---------------|-------|---|
| 751 and above | 1 | |
| 666 - 750 | 2 | Very Low Competitiveness (improve) |
| 581 - 665 | 3 | |
| 496 - 580 | 4 | Below Average Competitiveness (improve) |
| 411 - 495 | 5 | Average Competitiveness |
| 326 - 410 | 6 | Above Average Competitiveness (enhance) |
| 241 - 325 | 7 | |
| 156 - 240 | 8 | High Competitiveness (sustain) |
| 71 - 155 | 9 | |
| 70 and below | 10 | |

Average Rent of Land for Industrial Use

Global Benchmark

The benchmark was based on the average lease rates of industrial land located outside the US Central business Districts (e.g., Atlanta, Dallas, Chicago, Orange County LA, Nashville, Las Vegas, Houston, Long Island NY). This amounts to $P1,413.44/\text{sq m}$. per month ($\approx P1,400$), which constitutes the upper boundary of the second class.

| Value | Score | Qualitative Meaning |
|-------------------|-------|---|
| 1401 and above | 1 | |
| 1244.46 - 1400 | 2 | Very Low Competitiveness (improve) |
| 1088.91 - 1244.45 | 3 | |
| 933.36 - 1088.90 | 4 | Below Average Competitiveness (improve) |
| 777.81 - 933.35 | 5 | Average Competitiveness |
| 622.26 - 777.8 | 6 | Above Average Competitiveness (enhance) |
| 466.71 - 622.25 | 7 | |
| 311.16 - 466.70 | 8 | High Competitiveness (sustain) |
| 155.61 - 311.15 | 9 | |
| 155.60 and below | 10 | |

Average Cost of Acquiring Telephone Services for Commercial Purposes

RP-City Benchmark

Installation costs of PLDT commercial lines total P5,300 in Metro Manila, and this is the upper boundary of the second class.

| Value | Score | Qualitative Meaning |
|-------------------|-------|---|
| 5301 and above | 1 | |
| 4968.76 - 5300 | 2 | Very Low Competitiveness (improve) |
| 4637.51 - 4968.75 | 3 | |
| 4306.26 - 4637.50 | 4 | Below Average Competitiveness (improve) |
| 3975.01 - 4306.25 | 5 | Average Competitiveness |
| 3643.76 - 3975 | 6 | Above Average Competitiveness (enhance) |
| 3312.51 - 3643.75 | 7 | |
| 2981.26 - 3312.50 | 8 | High Competitiveness (sustain) |
| 2650.01 - 2981.25 | 9 | |
| 2650 and below | 10 | |

Cost of Electricity for Industrial Use

Five - Country Benchmark

Assume a constant exchange rate of P38.85 = \$1. Data for this schedule were derived from the *1999 World Competitiveness Yearbook*. The electricity cost for industrial clients was averaged for the Philippines and its five closest competitors. The resulting average, for a consumption of 37,000 kwh, was P94,152.00. Midpoints of the upper and lower classes of the distribution are one standard deviation away from the mean.

| Value | Score | Qualitative Meaning |
|-------------------------|-------|---|
| X < 67398.18 - 73343.46 | 10 | |
| 73343.47 - 79288.76 | 9 | |
| 79288.77 - 85234.05 | 8 | High Competitiveness (sustain) |
| 85234.06 - 91179.35 | 7 | |
| 91179.36 - 97124.64 | 6 | Above Average Competitiveness |
| 97124.65 - 10306.90 | 5 | Average Competitiveness |
| 10306.91 - 109015.23 | 4 | Below Average Competitiveness (improve) |
| 109015.24 - 114960.52 | 3 | |
| 114960.53 - 120905.81 | 2 | Very Low Competitiveness (improve) |
| 120905.82 - 126851.11 + | 1 | |

Adult Literacy Rate

Global Benchmark

Midpoint of the average class is 78, the average adult literacy rate of countries in the medium human development category. Data obtained from the *1995 World Development Report*.

| Value | Score | Qualitative Meaning |
|----------------|-------|---|
| 58.2 and below | 1 | |
| 62.6 - 66.9 | 2 | Very Low Competitiveness (improve) |
| 67 - 71.39 | 3 | |
| 71.4 - 75.79 | 4 | Below Average Competitiveness (improve) |
| 75.8 - 80.19 | 5 | Average Competitiveness |
| 80.2 - 84.59 | 6 | Above Average Competitiveness (enhance) |
| 84.6 - 88.99 | 7 | |
| 89 - 93.39 | 8 | High Competitiveness (sustain) |
| 93.4 - 97.79 | 9 | |
| 97.8 - 1000 | 10 | |

Percentage of Labor Force with a High School Diploma

RP-Benchmark

On average, 24.32 percent of the labor force in Philippine urban areas has completed high school. Given that secondary education is basic education, this constitutes the lower boundary of the second class.

| Value | Score | Qualitative Meaning |
|------------------|-------|---|
| 23.99% and below | 1 | |
| 24 - 32.499 | 2 | Very Low Competitiveness (improve) |
| 32.5 - 40.99 | 3 | |
| 41 - 49.499 | 4 | Below Average Competitiveness (improve) |
| 49.5 - 57.99 | 5 | Average Competitiveness |
| 58 - 66.499 | 6 | Above Average Competitiveness (enhance) |
| 66.5 - 72.99 | 7 | |
| 75 - 83.499 | 8 | High Competitiveness (sustain) |
| 83.5 - 91.99 | 9 | |
| 92 to 100 | 10 | |

Percentage of Labor Force with a College Degree

RP-Benchmark

Midpoint of the average class is the percentage of the RP labor force (15 years old and over) in urban areas with a college degree. The lower boundary of the highest class is the known value for the Cordillera Administrative Region.

| Value | Score | Qualitative Meaning |
|-----------------|-------|---|
| 9.689 and below | 1 | |
| 9.69 - 10.979 | 2 | Very Low Competitiveness (improve) |
| 10.98 - 12.269 | 3 | |
| 12.27 - 13.559 | 4 | Below Average Competitiveness (improve) |
| 13.56 - 14.849 | 5 | Average Competitiveness |
| 14.85 - 16.129 | 6 | Above Average Competitiveness (enhance) |
| 16.13 - 17.419 | 7 | |
| 17.42 - 18.719 | 8 | High Competitiveness (sustain) |
| 18.72 - 19.99 | 9 | |
| 20 and above | 10 | |

Ease of Training Personnel

Convert score in six-point scale to a score in the 10-point scale

| Score | Qualitative Meaning |
|--------|---|
| 0 - 2 | Very Low Competitiveness (area of improvement) |
| 3 - 4 | Below Average Competitiveness (area of improvement) |
| 5 | Average |
| 6 - 7 | Above Average Competitiveness (enhance) |
| 8 - 10 | High Competitiveness (sustain) |

Growth in Building Construction for Non-Residential Use

RP-City Benchmark (all cities)

| Value | Score | Qualitative Meaning |
|--|-------|---|
| All negative growth ratios, due to a negative city growth rate | 1 | |
| $r < 0.2499$ | 2 | Very Low Competitiveness (improve) |
| 0.25 - 0.49 | 3 | |
| 0.50 - 0.74 | 4 | Below Average Competitiveness (improve) |
| 0.75 - 1.24 | 5 | Average Competitiveness |
| 1.25 - 1.49 | 6 | Above Average Competitiveness (enhance) |
| 1.50 - 1.74 | 7 | |
| 1.75 - 1.99 | 8 | High Competitiveness (sustain) |
| 2.00 - 2.24 | 9 | |
| 2.25 + | 10 | |

Presence/Type of Industrial Districts

Qualitative Scoring

| Criteria | Score | Qualitative Meaning |
|--|-------|---|
| No Industrial District/ Park | 1 | Very low competitiveness (area of improvement) |
| Industrial District Present Inadequate Infrastructure or No Locators | 2.5 | Below average competitiveness (area of improvement) |
| Industrial District Present Locators are Domestic Firms Adequate Infrastructure | 5 | Average |
| Industrial District Present Locators Include Multinational Corporations Adequate Basic Infrastructure | 7.5 | Above average competitiveness (enhance) |
| Industrial District Present Locators Include Multinational Corporations Basic Infrastructure is Adequate Specialized Infrastructure Present | 10 | High competitiveness (sustain). |

Number of Banks vis-à-vis Population Size

Old Scale

| Value | Score | Qualitative Meaning |
|----------------|-------|---|
| 1000 and below | 1 | |
| 0.2 -0.2999 | 2 | Very Low Competitiveness (improve) |
| 0.3 -0.3999 | 3 | |
| 0.4 -0.4999 | 4 | Below Average Competitiveness (improve) |
| 0.5 -0.5999 | 5 | Average Competitiveness |
| 0.6 -0.6999 | 6 | Above Average Competitiveness (enhance) |
| 0.7 - 0.7999 | 7 | |
| 0.8 - 0.8999 | 8 | High Competitiveness (sustain) |
| 0.9 - 0.9999 | 9 | |
| 1 and above | 10 | |

Loan-Deposit Ratio

RP-Benchmark

The country's loan-deposit ratio is 1.05013. For the national capital region, the ratio is 1.17. The midpoint of the average class is 1.05.

| Value | Score | Qualitative Meaning |
|-----------------------|-------|---|
| .6 and below - 0.6999 | 1 | |
| 0.7 - 799 | 2 | Very Low Competitiveness (improve) |
| 0.8 - 0.8999 | 3 | |
| 0.9 - 0.999 | 4 | Below Average Competitiveness (improve) |
| 1 - 1.09 | 5 | Average Competitiveness |
| 1.1 - 1.19 | 6 | Above Average Competitiveness (enhance) |
| 1.2 - 1.29 | 7 | |
| 1.3 - 1.39 | 8 | High Competitiveness (sustain) |
| 1.4 - 1.49 | 9 | |
| 1.5 and above | 10 | |

Presence of Business Support Services

Convert score in six-point scale to a score in the 10-point scale

| Score | Qualitative Meaning |
|--------|---|
| 0 - 2 | Very Low Competitiveness (area of improvement) |
| 3 - 4 | Below Average Competitiveness (area of improvement) |
| 5 | Average |
| 6 - 7 | Above Average Competitiveness (enhance) |
| 8 - 10 | High Competitiveness (sustain) |

Road Density, in km per square km.

Global Benchmark

| Value | Score | Qualitative Meaning |
|------------------------|-------|---|
| Below 0.099 and over 5 | 1 | |
| 0.1 - 0.399 | 2 | Very Low Competitiveness (improve) |
| 0.4 - 0.699 | 3 | |
| 0.7 - 0.99 | 4 | Below Average Competitiveness (improve) |
| 1 - 1.299 | 5 | Average Competitiveness |
| 1.3 - 1.599 | 6 | Above Average Competitiveness (enhance) |
| 1.6 - 1.899 | 7 | |
| 1.9 - 2.199 | 8 | High Competitiveness (sustain) |
| 2.2 - 2.499 | 9 | |
| 2.5 - 4.99 | 10 | |

Vehicle Density

Old Scale

| Value | Score | Qualitative Meaning |
|---------------|-------|---|
| 200 and above | 1 | |
| 180 - 199 | 2 | Very Low Competitiveness (improve) |
| 160 - 179 | 3 | |
| 140 - 159 | 4 | Below Average Competitiveness (improve) |
| 120 - 139 | 5 | Average Competitiveness |
| 100 - 119 | 6 | Above Average Competitiveness (enhance) |
| 80 - 99 | 7 | |
| 60 - 79 | 8 | High Competitiveness (sustain) |
| 40 - 59 | 9 | |
| 20 - 39 | 10 | |

Pavement Ratio

According to the *World Development Report*, 46 percent of the world's roads are paved. This constitutes the lower boundary of the second class.

| Value | Score | Qualitative Meaning |
|--------------|-------|---|
| 45 and below | 1 | |
| 46 - 51 | 2 | Very Low Competitiveness (improve) |
| 52 - 57 | 3 | |
| 58 - 63 | 4 | Below Average Competitiveness (improve) |
| 64 - 69 | 5 | Average Competitiveness |
| 70 - 75 | 6 | Above Average Competitiveness (enhance) |
| 76 - 81 | 7 | |
| 82 - 87 | 8 | High Competitiveness (sustain) |
| 88 - 93 | 9 | |
| 94 and above | 10 | |

Quality of Road Network

Convert score in six-point scale to a score in the 10-point scale

| Score | Qualitative Meaning |
|--------|---|
| 0 - 2 | Very Low Competitiveness (area of improvement) |
| 3 - 4 | Below Average Competitiveness (area of improvement) |
| 5 | Average |
| 6 - 7 | Above Average Competitiveness (enhance) |
| 8 - 10 | High Competitiveness (sustain) |

Ease of Making Domestic and International Long Distance Calls

Convert score in six-point scale to a score in the 10-point scale

| Score | Qualitative Meaning |
|--------|---|
| 0 - 2 | Very Low Competitiveness (area of improvement) |
| 3 - 4 | Below Average Competitiveness (area of improvement) |
| 5 | Average |
| 6 - 7 | Above Average Competitiveness (enhance) |
| 8 - 10 | High Competitiveness (sustain) |

Telephone Density, in lines per '000 of the population

Five-country Benchmark

Benchmarks obtained from the 1999 *World Competitiveness Yearbook*. The midpoint of the average class (83.82) is the 1998 average telephone density of the Philippines and four close competitors (i.e., Malaysia, Thailand, China and Indonesia). The lower boundary of the highest class (204.7) is the telephone density of Malaysia, which is the highest among the five countries.

| Value | Score | Qualitative Meaning |
|-----------------|-------|---|
| 16.66 and below | 1 | Very Low Competitiveness (improve) |
| 16.67 - 43.52 | 3 | |
| 43.53 - 70.38 | 4 | Below Average Competitiveness (improve) |
| 70.39 - 97.24 | 5 | Average Competitiveness |
| 97.25 - 124.109 | 6 | Above Average Competitiveness (enhance) |
| 124.11 - 150.96 | 7 | |
| 150.97 - 177.7 | 8 | High Competitiveness (sustain) |
| 177.8 - 204.6 | 9 | |
| 204.7 and above | 10 | |

Rate of Growth of Private Vehicle Stock

RP-City Benchmark (all cities)

| Value | Score | Qualitative Meaning |
|------------------------|-------|---|
| 0.2 and below | 10 | |
| -.21 - 0.36 | 9 | |
| 0.35 - 0.52 | 8 | High Competitiveness (sustain) |
| 0.51 - 0.68 | 7 | |
| 0.67 - 0.84 | 6 | Above Average Competitiveness (enhance) |
| 0.83 - 0.92 | 5 | Average Competitiveness |
| 0.91 - 1.08 | 4 | Below Average Competitiveness (improve) |
| 1.07 - 1.24 | 3 | |
| 1.23 - 1.40 | 2 | Low Competitiveness (improve) |
| 1.39 to 1.56 and above | 1 | |

Percentage of Households with Access to Regular Garbage Collection

Average percentage of population with access to this service is 0.95 for countries of high human development. Otherwise, there are no established world averages on access to municipal waste services.

| Value | Score | Qualitative Meaning |
|---------------|-------|---|
| 0 - 0.39 | 1 | |
| 0.4 - 0.465 | 2 | Very Low Competitiveness (improve) |
| 0.466 - 0.52 | 3 | |
| 0.53 - 0.58 | 4 | Below Average Competitiveness (improve) |
| 0.599 - 0.665 | 5 | Average Competitiveness |
| 0.666 - 0.72 | 6 | Above Average Competitiveness (enhance) |
| 0.7333 - 0.78 | 7 | |
| 0.799 - 0.85 | 8 | High Competitiveness (sustain) |
| 0.8666 - 0.92 | 9 | |
| 0.9333 - 1.00 | 10 | |

Per Capita Spending on Solid Waste Management

RP-City Benchmark

Data were obtained from five cities in the PASCN sample, supplemented by data on three cities from the solid waste management fax survey. The mid-point of the second class is the average of all eight cities (P23.884≈P24.00).

| Value | Score | Qualitative Meaning |
|--------------|-------|---|
| 19 and below | 1 | |
| 20 - 27 | 2 | Very Low Competitiveness (improve) |
| 28 - 35 | 3 | |
| 36 - 41 | 4 | Below Average Competitiveness (improve) |
| 42 - 49 | 5 | Average Competitiveness |
| 50 - 57 | 6 | Above Average Competitiveness (enhance) |
| 58 - 65 | 7 | |
| 66 - 73 | 8 | High Competitiveness (sustain) |
| 74 - 81 | 9 | |
| 82 and above | 10 | |

Degree of Compliance with National Environmental Standards Governing Solid Waste Management

Qualitative Analysis

| Criteria | Score | Qualitative Meaning |
|---|-------|---|
| Waste Disposed Largely Through Open Dumping No Plans for Upgrading | 1 | Very Low Competitiveness (area of improvement) |
| Waste Disposed Largely Through Controlled Dumping No Plans for Upgrading or Plans for Upgrading Very Flimsy (I.E., Not Substantiated by Budget, No Tangible Commitments) | 3 | Below Average Competitiveness (area of improvement) |
| Waste Disposed Largely Through Open or Controlled Dumping Plans for Upgrading Already Drafted | 5 | Average |
| Construction of Sanitary Landfill Planned and Budgeted Sanitary Landfill Near Completion | 7 | Above Average Competitiveness (enhance) |
| Sanitary Landfill Already in Place | 10 | High Competitiveness (sustain) |

Perceived Cleanliness of Community

Convert score in six-point scale to a score in the 10-point scale.

| Score | Qualitative Meaning |
|--------|---|
| 0 - 2 | Very Low Competitiveness (area of improvement) |
| 3 - 4 | Below Average Competitiveness (area of improvement) |
| 5 | Average |
| 6 - 7 | Above Average Competitiveness (enhance) |
| 8 - 10 | High Competitiveness (sustain) |

Electrification Coverage

| Value | Score | Qualitative Meaning |
|---------------|-------|---|
| 0 - 0.39 | 1 | |
| 0.4 - 0.465 | 2 | Very Low Competitiveness (improve) |
| 0.466 - 0.52 | 3 | |
| 0.53 - 0.58 | 4 | Below Average Competitiveness (improve) |
| 0.599 - 0.665 | 5 | Average Competitiveness |
| 0.666 - 0.72 | 6 | Above Average Competitiveness (enhance) |
| 0.7333 - 0.78 | 7 | |
| 0.799 - 0.85 | 8 | High Competitiveness (sustain) |
| 0.8666 - 0.92 | 9 | |
| 0.9333 - 1.0 | 10 | |

Access to Internet

| Value | Score | Qualitative Meaning |
|--------------------|-------|---|
| 0 - 0.05 | 1 | |
| 0.06 - 0.10 | 2 | Very Low Competitiveness (improve) |
| 0.11 - 0.15 | 3 | |
| 0.16 - 0.20 | 4 | Below Average Competitiveness (improve) |
| 0.21 - 0.25 | 5 | Average Competitiveness |
| 0.26 - 0.30 | 6 | Above Average Competitiveness (enhance) |
| 0.31 - 0.35 | 7 | |
| 0.36 - 0.40 | 8 | High Competitiveness (sustain) |
| 0.41 - 0.45 | 9 | |
| 0.46 - 0.5 & above | 10 | |

Number of Cable Television Subscribers vis-à-vis Population

| Value | Score | Qualitative Meaning |
|--------------------|-------|---|
| 0 - 0.05 | 1 | |
| 0.06 - 0.10 | 2 | Very Low Competitiveness (improve) |
| 0.11 - 0.15 | 3 | |
| 0.16 - 0.20 | 4 | Below Average Competitiveness (improve) |
| 0.21 - 0.25 | 5 | Average Competitiveness |
| 0.26 - 0.30 | 6 | Above Average Competitiveness (enhance) |
| 0.31 - 0.35 | 7 | |
| 0.36 - 0.40 | 8 | High Competitiveness (sustain) |
| 0.41 - 0.45 | 9 | |
| 0.46 - 0.5 & above | 10 | |

Number of Weekly Domestic Flights

11-city Benchmark

The average Philippine city has 65 incoming and outgoing weekly domestic flights.

| Value | Score | Qualitative Meaning |
|----------------|-------|---|
| 5 and below-19 | 1 | |
| 20 - 34 | 2 | Very Low Competitiveness (improve) |
| 35 - 49 | 3 | |
| 50 - 64 | 4 | Below Average Competitiveness (improve) |
| 65 - 72 | 5 | Average Competitiveness |
| 73 - 87 | 6 | Above Average Competitiveness (enhance) |
| 88 - 102 | 7 | |
| 103 - 117 | 8 | High Competitiveness (sustain) |
| 118 - 132 | 9 | |
| 133 and above | 10 | |

Number of Weekly International Flights

11-city Benchmark

Most emerging Philippine cities do not have any international flights.

| Value | Score | Qualitative Meaning |
|--------------|-------|---|
| 0 | 1 | |
| - | 2 | Very Low Competitiveness (improve) |
| 1 | 3 | |
| - | 4 | Below Average Competitiveness (improve) |
| 2 | 5 | Average Competitiveness |
| - | 6 | Above Average Competitiveness (enhance) |
| - | 7 | |
| 29 - 44 | 8 | High Competitiveness (sustain) |
| 45 - 59 | 9 | |
| 60 and above | 10 | |

Population vis-à-vis Number of Fast Food Chain Outlets, in Population vis-à-vis Number of Fast Food Chain Outlets, in Population per Fast Food Chain Outlet

11-city Benchmark

The number of fast food chain outlets was aggregated per city, and the population was divided by this sum. This is taken to be the number of customers a fast food chain outlet can potentially serve. The benchmark for this indicator is the value for Cebu, which is 12,840.

| Value | Score | Qualitative Meaning |
|-----------------|-------|---|
| 21840 and above | 1 | |
| 20840 - 21839 | 2 | Very Low Competitiveness (improve) |
| 19840 - 20839 | 3 | |
| 18840 - 19839 | 4 | Below Average Competitiveness (improve) |
| 17840 - 18839 | 5 | Average Competitiveness |
| 16840 - 17839 | 6 | Above Average Competitiveness (enhance) |
| 15840 - 16839 | 7 | |
| 14840 - 15839 | 8 | High Competitiveness (sustain) |
| 13840 - 14839 | 9 | |
| 12840 and below | 10 | |

Proximity to Major Sources of Production Inputs

Survey Indicator

Convert score in six-point scale to a score in the 10 - point scale.

| Score | Qualitative Meaning |
|--------|---|
| 0 - 2 | Very Low Competitiveness (area of improvement) |
| 3 - 4 | Below Average Competitiveness (area of improvement) |
| 5 | Average |
| 6 - 7 | Above Average Competitiveness (enhance) |
| 8 - 10 | High Competitiveness (sustain) |

Proximity to International Points of Entry and Exit

Survey Indicator

Convert score in six - point scale to a score in the 10 - point scale.

| Score | Qualitative Meaning |
|--------|---|
| 0 - 2 | Very Low Competitiveness (area of improvement) |
| 3 - 4 | Below Average Competitiveness (area of improvement) |
| 5 | Average |
| 6 - 7 | Above Average Competitiveness (enhance) |
| 8 - 10 | High Competitiveness (sustain) |

Infant Mortality Rate

Global Benchmark

Midpoint of the average class is 36, the observed infant mortality rate for countries of both high and medium human development. Data were from the *1995 World Development Report*.

| Value | Score | Qualitative Meaning |
|------------------|-------|---|
| 58.926 and above | 1 | |
| 52.376 - 58.925 | 2 | Very Low Competitiveness (improve) |
| 45.826 - 52.375 | 3 | |
| 39.276 - 45.825 | 4 | Below Average Competitiveness (improve) |
| 32.726 - 39.275 | 5 | Average Competitiveness |
| 26.176 - 32.725 | 6 | Above Average Competitiveness (enhance) |
| 19.626 - 26.175 | 7 | |
| 13.076 - 19.625 | 8 | High Competitiveness (sustain) |
| 6.526 - 13.075 | 9 | |
| 6.525 and below | 10 | |

Thefts per 100,000 of the Population

Global Benchmark

Data were obtained from the website of the U.S. Department of Justice (*url: <http://www.ojp.usdoj.gov/bjs/abstract/wfcj.html#P>*). Theft rates for several countries were averaged, yielding a result of 119.5885 per 100,000 people. This is the midpoint of the average class. The countries included in the sample were Australia, Canada, Cuba, Ghana, Kenya, Singapore and China.

| Value | Score | Qualitative Meaning |
|---------------------------|-------|---|
| 184.62 - 203.07 and above | 1 | |
| 166.16 - 184.61 | 2 | Very Low Competitiveness (improve) |
| 147.7 - 166.15 | 3 | |
| 129.24 - 147.69 | 4 | Below Average Competitiveness (improve) |
| 110.78 - 129.23 | 5 | Average Competitiveness |
| 92.32 - 110.77 | 6 | Above Average Competitiveness (enhance) |
| 73.86 - 92.31 | 7 | |
| 55.40 - 73.85 | 8 | High Competitiveness (sustain) |
| 36.93 - 55.39 | 9 | |
| 36.92 and below | 10 | |

Murder per 100,000 of the Population

Global Benchmark

Data were obtained from the website of the U.S. Department of Justice (*url: <http://www.ojp.usdoj.gov/bjs/abstract/wfcj.html#P>*). Murder rates for several countries were averaged, yielding a result of 2.85 per 100,000 people. This is the midpoint of the average class. The countries in the sample were Australia, Canada, Denmark, Germany, Ghana, Kenya, New Zealand, Singapore, China, and Ukraine.

| Value | Score | Qualitative Meaning |
|-----------------------|-------|---|
| 4.68 - 5.19 and above | 1 | |
| 4.16 - 4.67 | 2 | Very Low Competitiveness (improve) |
| 3.64 - 4.15 | 3 | |
| 3.12 - 3.63 | 4 | Below Average Competitiveness (improve) |
| 2.60 - 3.11 | 5 | Average Competitiveness |
| 2.08 - 2.59 | 6 | Above Average Competitiveness (enhance) |
| 1.56 - 2.07 | 7 | |
| 1.04 - 1.55 | 8 | High Competitiveness (sustain) |
| .52 - 1.03 | 9 | |
| .51 and below | 10 | |

Local Inflation Rate

five-country Benchmark

The benchmark for this indicator is the 1998 average inflation rate of the Philippines and its four closest competitors. The 6 percent figure constitutes the midpoint of the average class. The inflation rate of Indonesia, which is 57.2 percent, was dropped.

| Value | Score | Qualitative Meaning |
|--------------------|-------|---|
| 10.5 and above | 1 | |
| 9.5 - 10.49 | 2 | Very Low Competitiveness (improve) |
| 8.5 - 9.49 | 3 | |
| 7.5 - 8.49 | 4 | Below Average Competitiveness (improve) |
| 6.5 - 7.49 | 5 | Average Competitiveness |
| 5.5 - 6.49 | 6 | Above Average Competitiveness (enhance) |
| 4.5 - 5.49 | 7 | |
| 3.5 - 4.49 | 8 | High Competitiveness (sustain) |
| 2.5 - 3.49 | 9 | |
| 1.5 and below-2.49 | 10 | |

Squatting Population/Total Population (for % only)

RP-City Benchmark

Average percentage of households, for cities in the PASCN sample, is 15.6 percent.

| Value | Score | Qualitative Meaning |
|-------------------|-------|---|
| 18.3526 and above | 1 | |
| 16.5176 - 18.3525 | 2 | Very Low Competitiveness (improve) |
| 14.6824 - 16.5175 | 3 | |
| 12.8474 - 14.6823 | 4 | Below Average Competitiveness (improve) |
| 11.0124 - 12.8473 | 5 | Average Competitiveness |
| 9.1774 - 11.0123 | 6 | Above Average Competitiveness (enhance) |
| 7.3424 - 9.1773 | 7 | |
| 5.5074 - 7.3423 | 8 | High Competitiveness (sustain) |
| 3.6724 - 5.5073 | 9 | |
| 1.835 - 3.6723 | 10 | |

Population per Hospital Bed

Global Benchmark

The midpoint of the average class is 612, which is the number of persons

per hospital bed in East Asia. The highest class is based on the value for Singapore, which is one of the lowest in the region.

| Value | Score | Qualitative Meaning |
|--------------------------|-------|---|
| 915.3 - 847.89 | 1 | |
| 847.9 - 780.49 | 2 | Very Low Competitiveness (improve) |
| 780.5 - 713 | 3 | |
| 713.1 - 645.69 | 4 | Below Average Competitiveness (improve) |
| 645.7 - 578.29 | 5 | Average Competitiveness |
| 578.3 - 510.89 | 6 | Above Average Competitiveness (enhance) |
| 510.9 - 443.49 | 7 | |
| 443.5 - 376 | 8 | High Competitiveness (sustain) |
| 376.1 - 308.69 | 9 | |
| 308.7 - 241.29 and below | 10 | |

Number of Medical Personnel Employed by the Government per 100,000 People

Global Benchmark

The benchmark is the rate of general practitioners and registered nurses employed in Canada, which is 856 per 100,000 of the population. This is the lower boundary of the highest class. Data obtained from <http://www.cihi.ca/facts/canhr.htm>.

| Value | Score | Qualitative Meaning |
|------------------------|-------|---|
| 85.6 and below - 171.1 | 1 | |
| 171.2 - 256.79 | 2 | Very Low Competitiveness (improve) |
| 256.80 - 342.39 | 3 | |
| 342.40 - 427.90 | 4 | Below Average Competitiveness (improve) |
| 428 - 513.59 | 5 | Average Competitiveness |
| 513.60 - 599.19 | 6 | Above Average Competitiveness (enhance) |
| 599.20 - 684.79 | 7 | |
| 684.8 - 770.39 | 8 | High Competitiveness (sustain) |
| 770.4 - 855.99 | 9 | |
| 856 and above | 10 | |

Percentage of Population with Access to Potable Drinking Water

Global Benchmark

The midpoint of the average class is 68. This is the percentage of populations in the medium human development category, to which the Philippines belongs, with access to safe drinking water. Data were obtained from the *1995 World Development Report*.

| Value | Score | Qualitative Meaning |
|----------------|-------|---|
| 39.2 and below | 1 | |
| 45.6 - 51.9 | 2 | Very Low Competitiveness (improve) |
| 52 - 58.3 | 3 | |
| 58.4 - 64.7 | 4 | Below Average Competitiveness (improve) |
| 64.8 - 71.1 | 5 | Average Competitiveness |
| 71.2 - 77.5 | 6 | Above Average Competitiveness (enhance) |
| 77.6 - 83.9 | 7 | |
| 84 - 90.3 | 8 | High Competitiveness (sustain) |
| 90.4 - 96.7 | 9 | |
| 96.8 and above | 10 | |

Population Density, in persons per square kilometer
Global Benchmark, Old Scale

| Value | Score | Qualitative Meaning |
|-------------|-------|---|
| 5000 | 1 | |
| 4500 - 4999 | 2 | Very Low Competitiveness (improve) |
| 4000 - 4499 | 3 | |
| 3500 - 3999 | 4 | Below Average Competitiveness (improve) |
| 3000 - 3499 | 5 | Average Competitiveness |
| 2500 - 2999 | 6 | Above Average Competitiveness (enhance) |
| 2000 - 2499 | 7 | |
| 1500 - 1999 | 8 | High Competitiveness (sustain) |
| 1000 - 1499 | 9 | |
| 999 below | 10 | |

Cleanliness of Open Bodies of Water
Survey Indicator

Convert score in six-point scale to a score in the 10-point scale.

| Score | Qualitative Meaning |
|--------|---|
| 0 - 2 | Very Low Competitiveness (area of improvement) |
| 3 - 4 | Below Average Competitiveness (area of improvement) |
| 5 | Average |
| 6 - 7 | Above Average Competitiveness (enhance) |
| 8 - 10 | High Competitiveness (sustain) |

Number of Tertiary Level Educational Institutions within the City
(in number of tertiary schools per 100,000 of the population)

Global Benchmark, Old Scale

| Value | Score | Qualitative Meaning |
|---------------|-------|---|
| .89 and below | 1 | |
| .9 - 1.19 | 2 | Very Low Competitiveness (improve) |
| 1.2 - 1.49 | 3 | |
| 1.5 - 1.79 | 4 | Below Average Competitiveness (improve) |
| 1.8 - 2.0 | 5 | Average Competitiveness |
| 2.1 - 2.39 | 6 | Above Average Competitiveness (enhance) |
| 2.4 - 2.69 | 7 | |
| 2.7 - 2.99 | 8 | High Competitiveness (sustain) |
| 3.0 - 3.29 | 9 | |
| 3.3 and above | 10 | |

City Product Per Household, in 1994 Prices
RP-Benchmark

The midpoint of the 2.5th class is P140,000 (i.e., P139,846 rounded off to the nearest ten thousands), the 1997 figure per household GNP of the country in 1994 prices.

| Value | Score | Qualitative Meaning |
|----------------------------|-------|---|
| 95,000 and below - 104,999 | 5 | |
| 105,000 - 114,999 | 1 | |
| 115,000 - 124,999 | 1.5 | |
| 125,000 - 134,999 | 2 | Very Low Competitiveness (improve) |
| 135,000 - 144,999 | 2.5 | |
| 145,000 - 154,999 | 3 | |
| 155,000 - 164,999 | 3.5 | |
| 165,000 - 174,999 | 4 | Below Average Competitiveness (improve) |
| 175,000 - 184,999 | 4.5 | |
| 185,000 - 194,999 | 5 | |
| 195,000 - 204,999 | 5.5 | |
| 205,000 - 214,999 | 6 | Above Average Competitiveness (enhance) |
| 215,000 - 224,999 | 6.5 | |
| 225,000 - 234,999 | 7 | |
| 235,000 - 244,999 | 7.5 | |
| 245,000 - 254,999 | 8 | High Competitiveness (sustain) |
| 255,000 - 264,999 | 8.5 | |
| 265,000 - 274,999 | 9 | |
| 275,000 - 284,999 | 9.5 | |
| 285,000 and above | 10 | High Competitiveness (sustain) |

Growth Rate in Exports

RP-Benchmark

In the period of 1995 to 1998, exports grew at an average annual rate of 19.16 percent. Divide the average growth rate in investments of the city by the country's average growth rate.

| Value | Score | Qualitative Meaning |
|--|-------|---|
| All negative growth ratios, due to a negative city growth rate | 1 | |
| $r < 0.2499$ | 2 | Very Low Competitiveness (improve) |
| .25 - 0.49 | 3 | |
| .50 - 0.74 | 4 | Below Average Competitiveness (improve) |
| .75 - 1.24 | 5 | Average Competitiveness |
| 1.25 - 1.49 | 6 | Above Average Competitiveness (enhance) |
| 1.50 - 1.74 | 7 | |
| 1.75 - 1.99 | 8 | High Competitiveness (sustain) |
| 2.00 - 2.24 | 9 | |
| 2.25 + | 10 | |

Growth Rate in Investments

RP-Benchmark

In the period 1995 to 1998, investments recorded by the Board Of Investments grew at an average annual rate of 20.11 percent (23.51%, 37.34%, - 0.53%). Divide the average growth rate in investments of the city by the country's average growth rate.

| Value | Score | Qualitative Meaning |
|--|-------|---|
| All negative growth ratios, due to a negative city growth rate | 1 | |
| $r < 0.2499$ | 2 | Very Low Competitiveness (improve) |
| .25 - 0.49 | 3 | |
| .50 - 0.74 | 4 | Below Average Competitiveness (improve) |
| .75 - 1.24 | 5 | Average Competitiveness |
| 1.25 - 1.49 | 6 | Above Average Competitiveness (enhance) |
| 1.50 - 1.74 | 7 | |
| 1.75 - 1.99 | 8 | High Competitiveness (sustain) |
| 2.00 - 2.24 | 9 | |
| 2.25 + | 10 | |

Growth Rate in Tourist Arrivals

RP-Benchmark

In the period 1994 to 1998, tourist arrivals in the country grew an average annual rate of 8.36 percent (11.84%, 16.43%, 8.45%, 3.29%). Divide the average growth rate of tourist arrivals in the city by the country's average growth rate.

| Value | Score | Qualitative Meaning |
|--|-------|---|
| All negative growth ratios, due to a negative city growth rate | 1 | |
| $r < 0.2499$ | 2 | Very Low Competitiveness (improve) |
| .25 - 0.49 | 3 | |
| .50 - 0.74 | 4 | Below Average Competitiveness (improve) |
| .75 - 1.24 | 5 | Average Competitiveness |
| 1.25 - 1.49 | 6 | Above Average Competitiveness (enhance) |
| 1.50 - 1.74 | 7 | |
| 1.75 - 1.99 | 8 | High Competitiveness (sustain) |
| 2.00 - 2.24 | 9 | |
| 2.25 + | 10 | |

Per Capita Exports vis-a-vis National Average

RP-Benchmark, based on old scale

In 1998, per capita exports at the national level was P6,251.92.

| Value | Score | Qualitative Meaning |
|-----------------|-------|---|
| .2499 and below | 1 | |
| .25 - 0.499 | 2 | Very Low Competitiveness (improve) |
| .5 - 0.7499 | 3 | |
| .75 - 0.99 | 4 | Below Average Competitiveness (improve) |
| 1 - 1.2499 | 5 | Average Competitiveness |
| 1.25 - 1.499 | 6 | Above Average Competitiveness (enhance) |
| 1.5 - 1.7499 | 7 | |
| 1.75 - 1.99 | 8 | High Competitiveness (sustain) |
| 2.0 - 2.2499 | 9 | |
| 2.5 and above | 10 | |

Exports as a Percentage of City Product

RP-Benchmark

In 1997, the value of Philippine exports was 50.14 percent ($\approx 50\%$) the value of GNP.

| Value | Score | Qualitative Meaning |
|------------|-------|---|
| 0 - 0.14 | 1 | |
| .15 - 0.24 | 2 | Very Low Competitiveness (improve) |
| .25 - 0.34 | 3 | |
| .35 - 0.44 | 4 | Below Average Competitiveness (improve) |
| .45 - 0.54 | 5 | Average Competitiveness |
| .55 - 0.64 | 6 | Above Average Competitiveness (enhance) |
| .65 - 0.74 | 7 | |
| .75 - 0.84 | 8 | High Competitiveness (sustain) |
| .85 - 0.94 | 9 | |
| .95 - 1.00 | 10 | |

Existence of Land Use Plans

Qualitative Analysis

| Criterion | Score | Qualitative Meaning |
|---|-------|---|
| No land use plan updated after 1991. No efforts to update land use plan | 1 | Very low competitiveness (improve) |
| Land use plan currently being drafted by concerned local bodies | 2.5 | Below average competitiveness (improve) |
| Land use plan pending approval by external authorities, such as the HLURB, or the regional development council for component cities | 5 | Average competitiveness |
| Land use plan updated and approved by all concerned bodies | | |
| No zoning ordinances enacted, or in the process of enacting zoning ordinances | 7.5 | Above average competitiveness (enhance) |
| Land use plan updated and approved by all concerned bodies | | |
| Zoning ordinances enacted | 10 | High competitiveness (sustain) |

Number of Days Required to Secure a Business Permit

Survey Indicator

Convert score in six-point scale to a score in the 10-point scale

| Score | Qualitative Meaning |
|--------|---|
| 0 - 2 | Very Low Competitiveness (area of improvement) |
| 3 - 4 | Below Average Competitiveness (area of improvement) |
| 5 | Average |
| 6 - 7 | Above Average Competitiveness (enhance) |
| 8 - 10 | High Competitiveness (sustain) |

Number of Government Employees to '000 of Population

RP-City Benchmark (11 cities)

On average, five (5.43) local government employees attend to every '000 of the population in Philippine cities. This serves as the midpoint of the average class.

| Value | Score | Qualitative Meaning |
|---------------|-------|---|
| 6.4 and above | 1 | |
| 6.2 - 5.38 | 2 | Very Low Competitiveness (improve) |
| 5.8 - 6.19 | 3 | |
| 5.4 - 4.79 | 4 | Below Average Competitiveness (improve) |
| 5 - 5.39 | 5 | Average Competitiveness |
| 4.6 - 5.49 | 6 | Above Average Competitiveness (enhance) |
| 4.2 - 4.59 | 7 | |
| 3.8 - 4.19 | 8 | High Competitiveness (sustain) |
| 3.4 - 3.79 | 9 | |
| 3.00 - 3.39 | 10 | |

Corruption Perception

Survey Indicator

Convert score in six-point scale to a score in the 10-point scale.

| Score | Qualitative Meaning |
|--------|---|
| 0 - 2 | Very Low Competitiveness (area of improvement) |
| 3 - 4 | Below Average Competitiveness (area of improvement) |
| 5 | Average |
| 6 - 7 | Above Average Competitiveness (enhance) |
| 8 - 10 | High Competitiveness (sustain) |

General Attitude of Government To Business Needs Survey Indicator

Convert score in six-point scale to a score in the 10-point scale.

| Score | Qualitative Meaning |
|--------|---|
| 0 - 2 | Very Low Competitiveness (area of improvement) |
| 3 - 4 | Below Average Competitiveness (area of improvement) |
| 5 | Average |
| 6 - 7 | Above Average Competitiveness (enhance) |
| 8 - 10 | High Competitiveness (sustain) |

Internal Revenue Allotment as a Percentage of City Government Revenue

RP-City Benchmark (all cities)

For the period of 1996 to 1998, the Internal Allotment Revenue share of city governments' total receipts averaged 45 percentage (44.78%). This serves as the midpoint of the average class.

| Value | Score | Qualitative Meaning |
|-------------------|-------|---|
| 81 and above | 1 | |
| 73 - 80 | 2 | Very Low Competitiveness (improve) |
| 65 - 72 | 3 | |
| 57 - 64 | 4 | Below Average Competitiveness (improve) |
| 49 - 56 | 5 | Average Competitiveness |
| 41 - 48 | 6 | Above Average Competitiveness (enhance) |
| 33 - 40 | 7 | |
| 28 - 32 | 8 | High Competitiveness (sustain) |
| 20 - 27 | 9 | |
| 19 - 12 and below | 10 | |

Growth of City Government Revenue

RP-City Benchmark (all cities)

Average annual growth for the period of 1996 to 1998 was 18.34 percent.

| Value | Score | Qualitative Meaning |
|--|-------|---|
| All negative growth ratios, due to a negative city growth rate | 1 | |
| $r < 0.2499$ | 2 | Very Low Competitiveness (improve) |
| 0.25- .49 | 3 | |
| 0.50- .74 | 4 | Below Average Competitiveness (improve) |
| 0.75-1 .24 | 5 | Average Competitiveness |
| 1.25-1.49 | 6 | Above Average Competitiveness (enhance) |
| 1.50-1.74 | 7 | |
| 1.75-1.99 | 8 | High Competitiveness (sustain) |
| 2.00-2.24 | 9 | |
| 2.25 and above | 10 | |

Presence of an Electronic Database/Monitoring System

Qualitative Analysis

| Criteria | Score | Qualitative Meaning |
|---|-------|---|
| Minimal use of computers in local government operations No effort to computerize operations | 1 | Very low competitiveness (improve) |
| Computerization of some operations being planned; Budget already planned to acquire the necessary equipment. Any three of the following being implemented: | 2.5 | Below average competitiveness (improve) |
| 1. Computerization of issuance of business permits and licenses 2. Computerization of tax assessment and billing 3. Computerization of payments and collection 4. Computerization of assessment and billing of fees and charges 5. Computerization of budget monitoring and creation of financial statements 6. Creation of a local government website 7. Creation of an electronic database of employment records 8. Provision of electronic public employment services Or the use of G.I.S. | 5 | Average competitiveness |
| Any six of the aforementioned being implemented Or any of three of the aforementioned, with G.I.S. or L.A.N. | 7.5 | Above average competitiveness (enhance) |
| Any six or more of the aforementioned being implemented Utilization of Geographic Information System | 10 | High competitiveness (sustain) |

Computer to Bureaucrat Ratio

| Value | Score | Qualitative Meaning |
|--------------------------------|-------|---|
| 0-14 (1:10) | 1 | |
| 0.15-24 (1:5) | 2 | Very Low Competitiveness (improve) |
| 0.25-34 (1:4) | 3 | |
| 0.35-44 (2:5) | 4 | Below Average Competitiveness (improve) |
| 0.45-54 (1:2) | 5 | Average Competitiveness |
| 0.55-64 (3:5) | 6 | Above Average Competitiveness (enhance) |
| 0.65-74 (7:10) | 7 | |
| 0.75-84 (4:5) | 8 | High Competitiveness (sustain) |
| 0.85-94 (9:10) | 9 | |
| 0.95-1.00 & above (1:1 & more) | 10 | |

Presence of Initiatives/Forums to Elicit Opinions of Constituents

Survey Indicator

Convert score in six-point scale to a score in the 10-point scale.

| Score | Qualitative Meaning |
|-------|---|
| 0-2 | Very Low Competitiveness (area of improvement) |
| 3-4 | Below Average Competitiveness (area of improvement) |
| 5 | Average |
| 6-7 | Above Average Competitiveness (enhance) |
| 8-10 | High Competitiveness (sustain) |

4. EASE OF MAKING TELEPHONE CALLS

Making calls to telephone lines from other telephone service providers within the city is

| | | | | | |
|-----------|---|---|---|------|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| difficult | | | | easy | |

Making domestic long distance calls is

| | | | | | |
|-----------|---|---|---|------|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| difficult | | | | easy | |

and a long distance call to Manila would take, on average, _____ minutes just to be connected through an operator.

Making international long distance calls is

| | | | | | |
|-----------|---|---|---|------|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| difficult | | | | easy | |

and a long distance call to the United States would take, on average, _____ minutes just to be connected through an operator.

5. CLEANLINESS OF SURROUNDINGS

The cleanliness of the urban environment is

| | | | | | |
|---|---|---|---|-----------------|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| not maintained by the city government and citizens. | | | | well maintained | |

6. PROXIMITY TO MAJOR SOURCES OF PRODUCTION INPUTS

The city is located

| | | | | | |
|----------|---|---|---|------|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| far from | | | | near | |

the major sources of production inputs for my industry.

The length of time required to transport raw materials from domestic sources to the city is

| | | | | | |
|----------|---|---|-------------------|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| too long | | | reasonably short. | | |

7. Proximity to international entry and exit points

The city is located

| | | | | | |
|----------|---|---|---|------|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| far from | | | | near | |

international points of entry and exit, such as ports, airports, and other transshipment points that lead to international ports and airports.

Regardless of proximity, the process of moving raw materials or finished goods from and to international destinations is

| | | | | | |
|-------------------------------------|---|---|---|----------------------|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| slow, bureaucratic and inefficient. | | | | fast, and efficient. | |

The length of time required to move raw materials or finished products to and from international markets to the city is

1 2 3 4 5 6

too long.

reasonably
short.

8. CLEANLINESS OF NATURAL BODIES OF WATER

Natural and open bodies of water in the city are

1 2 3 4 5 6

dirty and hazardous to citizens' health

clean and aesthetically pleasing

9. RESPONSIVENESS OF THE GOVERNMENT TO BUSINESS NEEDS

The length of time required to secure a business permit nowadays, which is ____ days, is

1 2 3 4 5 6

too long.

reasonably
short.

The local government bureaucracy is

1 2 3 4 5 6
riddled with corruption. transparent and honest in its dealings.

In general, the current city government is

1 2 3 4 5 6
hostile and restrictive receptive and accommodating.

10. OPENNESS

The local government

1 2 3 4 5 6
does not hold forums to elicit the opinions of constituents.

11. PRIVATE SECTOR INVOLVEMENT

The business community

1 2 3 4 5 6

has not actively sought the social desirability of economic development in the city. has

Name of respondent: _____

Name of business: _____

Type of business:

- Light Manufacturing, _____
- Heavy Manufacturing, _____
- Wholesale/Retail
- Others, please specify _____

Market:

- Domestic – Angeles City, Pampanga
- Domestic – Pampanga and areas outside Pampanga
- International

Estimated Number of Employees _____

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Ms. Erlinda C. Sanchez, Assistant Department Head of Human Resource Management

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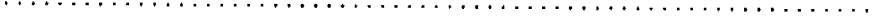
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About the PASCN

The Philippine APEC Study Center Network (PASCN) was established on November 23, 1996 by virtue of Administrative Order No. 303, as the Philippines' response to the APEC Leaders' Education Initiative. Among the goals of the PASCN are to promote collaborative research on APEC-related issues; facilitate the exchange of information between or among government and nongovernment organizations, academic or research institutions, business sector and the public in general; encourage faculty and students of higher education to undertake studies, theses and dissertation on APEC issues; undertake capacity-building programs for government agencies on matters related to APEC; and provide technical assistance to government agencies and private organizations on APEC-related initiatives.

The Network is composed of the Asian Institute of Management, Ateneo de Manila University, Central Luzon State University, De La Salle University, Foreign Service Institute, Mindanao State University, Silliman University, University of Asia and the Pacific, University of the Philippines, University of San Carlos, Xavier University, and the Philippine Institute for Development Studies as Lead Agency and Secretariat.

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