

Rapid Economic Appraisal in the Municipality of Tagudin, Ilocos Sur: Concepts, Methods, and Lessons Learned

Ferdinand J. Lamarca
Rolando R. Ragasa
Christopher F. Bueno

ABSTRACT

This study sought to appraise the economy of Tagudin, Ilocos Sur. It was used as a tool both in local and regional economic development particularly the rapid economic appraisal. Local economic growth has been perceived to be improving. The transfer of the public market to the national highway has been considered to be one of the main reasons for the economic growth of the place. At present agriculture is the main source of employment in Tagudin, followed by small business enterprises, trading, and manufacturing.

The top most burning issues are high cost of electricity, inadequate access to finance, need to improve agriculture and agribusiness, need to develop eco-tourism, and inadequate access to market of products. To address these problems, the interventions were formulated. First is the formulation of Five-Year Tourism and Investment Plan. Second intervention is improving tourism and investment collaterals by improving power supply and rationalizing cost. Third are the benchmarking and investment missions abroad.

As a tool, REA is effective. Being participatory, the people were consulted. They co-own the issues as well as the interventions.

Key words: Local economic development, rapid economic appraisal, participation

INTRODUCTION

Local and Regional Economic Development (LRED) is the process of mobilizing stakeholders from the government and the private sector as well as the civil society to become partners in a collaborative effort to improve the economy of a local government unit. This is a program of the Department of Trade and Industry

in partnership with the *Deutsche Gesellschaft für Technische Zusammenarbeit* (GTZ) GmbH, or the German Agency for Development Cooperation. The resource person and author of this research was sent by the DTI-Ilocos Sur Provincial Office for training by the GTZ to become the business development service provider for Region I.

LRED is an approach for local economic development which was started in Southeastern Europe and spread to Asia by the GTZ. In 2005, it was pilot tested by GTZ in the Visayas, particularly the province of Leyte.

Tagudin is the first municipality in Ilocos Sur where LRED is being implemented. Through Executive Order No. 32, series of 2012 dated June 22, 2012 signed by Mayor Roque Verzosa Jr., LRED was adopted by the Municipality of Tagudin.

Rapid Economic Appraisal (REA) is the second phase in the Local and Regional Economic Development (LRED) cycle. The purposes of REA are as follows: 1) to obtain an overview of local economy; 2) to have clues on issues preventing faster local economic development; and 3) to identify possible interventions. Through this, the local economy of Tagudin, Ilocos Sur was appraised. REA was conducted in the municipality on July 23, 2012 by a composite team from the Department of Trade and Industry-Ilocos Sur, the University of Northern Philippines (UNP), and the LGU.

The conduct of REA is anchored on the following principles: 1) participatory; 2) fast; 3) inexpensive; 4) practical; and 4) action-oriented.

On July 17, 2012, the mapping of stakeholders was done. The stakeholders came from support institutions and business sector. They constituted the respondents in the rapid economic appraisal which was conducted on July 23, 2012.

The results of the REA were presented on August 22, 2012 for validation. Some issues were clarified. After the validation, the top five burning issues were identified by the stakeholders. The stakeholders chose unanimously the promotion of eco-tourism as the main issue under which the other issues are subsumed. During the action planning, which followed immediately thereafter, interventions were formulated to address the issues.

Some of the interventions have been implemented already, among which is the formulation of the Five Year Tourism and Investment Plan.

This study sought to appraise the economy of Tagudin, Ilocos Sur. Specifically, it aimed to determine the activities relevant for economic development carried out by the institution represented by the resource persons; identify the profile of the economy as perceived by the resource persons along: trend of local economic growth and local unemployment; the most important local economic sectors for the present and future Employment Generation; and the innovative products for national and international market.

This study identified the environmental problems in the place along Owners of Business Firms. It determined the economic profile of the individual business group in terms of the following: number of employees; sales turn-over and investment; integration into supply markets; and integration into target market.

In Five Fields of Analysis it determined the status of the different fields such as: the legal and administrative environment; the support institutions; the human resources; natural resources; and Infrastructure in terms of *Problems that impede faster economic development and Interventions* to address the identified problems and lessons learned that are worth replicating in other LGUs.

Local and Regional Economic Development

Local and Regional Economic Development (LRED) is "a process to mobilize stakeholders from the public and private sectors as well as from civil society to become partners in a joint effort to improve the economy of a defined sub-national territory and thus increase its competitiveness"(GTZ, 2006).

Likewise, the United Nation (UN) Habitat gave this meaning to LRED - "a participatory process where local people from all sectors work together to stimulate local commercial activity resulting in a resilient and sustainable economy; it is an approach to help create decent jobs and improve the quality of life for everyone, including the poor and marginalized" (UN-Habitat, 2004).

Rapid Economic Appraisal

Rapid Economic Appraisal (REA) is the second phase in the Local and Regional Economic Development (LRED) cycle. The purposes of REA are as follows: 1) to obtain an overview of local/regional economy; 2) to have clues on issues preventing faster local economic development; and 3) to identify possible interventions (Resurreccion, 2011). *Notes in Rapid Economic Appraisal: LRED Cycle Step 2.)*

The conduct of REA is anchored on the following principles, to wit: 1) participatory; 2) fast; 3) inexpensive; 4) practical; and 4) action-oriented. It is participatory because the primary stakeholders of the sector were involved. It is fast because the process was done in about two weeks. It is inexpensive because the LGU only spent for the snacks of the participants. It is practical because the real needs and concerns of the stakeholders were identified and sought to be addressed. It is action-oriented because the interventions identified will be implemented within six months to 12 months and funded out of the funds of the municipality, after which they will be evaluated in terms of effectiveness.

METHODOLOGY

This study employed the mixed quantitative and qualitative research design. The quantitative part is the descriptive portion which presents and analyzes the result of the questionnaire surfacing the perception of the respondents. The qualitative portion consists of the focused group discussion and documentary analysis.

The following were the subjects of the study:

- 17 Stakeholders in the Support Institutions (from the enabling environment, such as the municipal treasurer, accountant, budget officer, planning and development coordinator, tourism officer, engineer; representatives from financing as well educational and training agencies, representatives cooperatives and non-government organizations; and business development service providers)
- 39 Stakeholders in the Business Sector distributed among the subsectors of agriculture, manufacturing, trading, and service

The technique in gathering data to assess the economy of Tagudin was triangulation. The tools used are as follows:

- 1) Two workshops (groups of business people/farmers and resource persons from the support institutions to provide information on the dynamics of a sector/branch). In the first workshop, two questions were considered, to wit: a) What problems do you perceive as obstacles to faster local economic development?; and 2) What possible interventions can you suggest to remedy the problem?

- In the second workshop, the stakeholders voted on the top five burning issues and formulated strategies to address the issues identified;
- 2) Interview of 17 resource persons;
 - 3) Interview of 39 business owners and farmers; and
 - 4) Written documentary analysis. The following documents **were** used to triangulate the primary data from the stakeholders, to **wit: a)** economic profile of the municipality of Tagudin; and **b)** Executive and Legislative Agenda (ELA) of the LGU.

The data gathered through the interviews **were** cross-checked using the outputs of the workshop and harmonized with the flagship programs of the municipality of Tagudin as indicated in its ELA and economic profile.

RESULTS AND DISCUSSION

A. Resource Persons

- 1. Kind of activities relevant for economic development carried out by the institution represented by the resource persons.**

Enumerated below are the activities:

- 1.1. Provision of capital;
- 1.2. Conduct of capacity building and of preparing students to get necessary knowledge, skills, and attitude;
- 1.3. One stop shop for the processing of taxes, licenses, and permits;
- 1.4. Provision of technical assistance to farmers;
- 1.5. Monitoring and evaluation of programs;
- 1.6. Proper maintenance of properties of the LGU, thus, making them available to the constituents;
- 1.7. Effective procurement process; and
- 1.8. Support service to the farmers in terms of financial and inputs.

2. Profile on the Economic Situation of the LGU as Perceived by the Resource Persons

2.1. Trend of Local Economic Growth and Local Unemployment

Most of the resource persons (88.24%) believed that the local economic growth has been increasing with only about six percent claiming that it has been stagnating and another six percent claiming that it has been decreasing.

The transfer of the public market to the national highway has been considered to be one of the main reasons for the economic growth of the place.

Almost half of the resource persons (47.06%) claimed that the local unemployment is falling, that is, employment rate is rising. On the other hand, about one-third (29.41%) stated that the regional unemployment is increasing, while about one-fourth (23.53%) believed it is stable, that is, not rising or falling.

2.2. The Most Important Local Economic Sectors for the Present and Future Employment Generation

The resource persons claimed that at present agriculture is the main source of employment in Tagudin (70.59%), followed by small business enterprises (35.29%), trading (11.76%), and manufacturing (11.76%).

During the workshop, the following agricultural products were identified, to wit: (1) *calamansi*; (2) onion; (3) fishery products; (4) forestry products; and (5) other agricultural products.

The findings in the REA are very much aligned with the roadmap of the LGU from 2004-2007 which was *Ruangan ti 1/ocandia* and from 2007-2010 which was *agricultural diversification and modernization*. Such programs have impacted on agriculture as the main source of employment in the municipality.

The resource persons believed that in the future employment opportunities will be found in agriculture and agribusiness (52.94%), followed by eco-tourism (35.29%).

The resource persons suggested the following to further generate employment: (1) Bagsakan Agri-business Center which includes the potential market for vegetables, cattle, goat, poultry, hogs, and other agricultural products; and

(2) Eco-Tourism Advocacy Development Program which includes rehabilitation of the five rivers; putting up of river ferry boats; river resort development; and other eco-tourism packages.

The findings in the REA are very much in harmony with the identified flagship programs of Tagudin as found in the Executive Legislative Agenda. Along agriculture and agri-business, agri-buzz is the intervention, the components of which are as follows: production of hybrid rice and corn as well as high value commercial crops such as coconut, mango, *malunggay*, bamboo and calamansi.

With respect to eco-tourism, the LGU has as its flagship program Tour-Isem, the components of which are as follows: 1) tourism infrastructure such as the Tagudin Hollywood where a boardwalk from Farola to Filmag with *dampa*, jogging lane, bicycle lane, and hotels will be constructed; 2) culture and arts to include the Tikanlu Festival; 3) trade, commerce, and industry to promote bamboo and woodcraft, *kankanen*, *basí*, *abel*, among others; 4) marketing and promotion to include tour packages, zip line, etc; and 5) medico eco-tourism to cater to enthusiasts in traditional medicine.

2.3. Innovative Products for National and International Market

The resource persons identified at least five products which through technical and financial support from the government, local and national, may become profitable and competitive in the global market. They are as follows: 1) *calamansi*; 2) onion; 3) woodcraft; 4) other high value crops such as *malunggay*, bamboo; and 5) processed agricultural products.

Validation:

Onion is identified by the resource persons. It is found in the Socio-Economic Profile of Tagudin, particularly on High Value Commercial Crops. However, it is not among the crops identified in the LEA along agri-buzz from 2010-2013.

As a consensus of the group during the validation, it will be included in the LEA.

3. Environmental Problems

The resource persons agreed that there are environmental problems that may affect the business operations. It is identified in the workshop that proper waste management should be done with respect to landfill (52.94%); rehabilitation of

irrigation canal to address supply of water; drainage control reduce the problem on flood(5.88%) and pollution(5.88 %).

A. Owners of Business Firms

There were 39 owners of business enterprises, farmers and representatives of financial and commercial institutions. They are divided into sub-sectors along services (40%), trading (30%), manufacturing (20%) and agriculture (10%).

The business firms include banks, cooperatives, gasoline station, optical and dental clinic, drugstore, resort owners, and beauty parlor, computer shops, bamboo craft, automotive shops, among others.

4. Economic Profile of the Individual Business Group

On Number of Employees

Table 1. Number of employees of the individual business group.

Classification	Five years ago		Two years ago		Actual Number	
	No.	%	No.	%	No.	%
Permanently Employed	19	58	18	60	80	75
Part-time/ seasonal	6	18	6	20	6	5
Family Labor	8	24	5	20	21	20
Total	33	100	29	100	107	100

Of the total employees of the business sector, 75 percent are permanently employed. Twenty percent are composed of family labor, or members of the family working for the business. Five percent consist of part time and seasonal employees.

On Sales Turnover and Investment

Table 2 presents the sales turnover of the business sector for the last five years. More than half of the stakeholders (58.9%) claimed that their sales turn-over has been increasing while 10.3 percent declared that their turn-over has been falling. One-third (30.8%) stated that it has been stagnating.

Table 2. Sales turnover and investment of the individual business group.

Description	No.	Percent
A. Sales Turnover		
Increasing	23	58.9
Stagnating	12	30.8
Falling	4	10.3
Total	39	100.0
8. Investment		
Expansion of capacity installed	12	30.8
Replacement of machinery	8	20.5
Upgrading/Expansion of premises	19	48.7
Total	39	100.0

With respect to investment, almost half of the stakeholders (48.7%) in the business sector claimed that they have upgraded and expanded their premises, about one-fifth (20.5%) stated that they have replaced the machineries, and about one-third (30.8%) claimed that they have expanded their capacity for business.

On **Integration into Supply Markets**

One-fourth (25%) of the stakeholders claimed that they have purchased 81 to 100 percent of their raw materials within the local area, five percent from the province, and 25 percent from the region.

Ten percent stated that they have purchased 61 to 80 percent of their raw materials within the local area while another 10 percent from the region.

Only five percent declared that they have purchased one to 20 percent of their raw materials from other countries.

With respect to purchase of pre-fabricated materials, 15 percent claimed that they bought 81 to 100 percent of the same from the region while five percent declared that they have obtained the same from other countries.

On **Integration into Target Market**

Table 3 shows that the market of *abet* and metalcraft products is other provinces. The clients of resorts come from the municipality (70%), province (10%)

and other provinces (20%). Hair care products are sold in the local market (50%) and within the province (50%).

Table 3. integration into target market.

Business Sector	Target Market (In percent)
1. Cooperative	100 local market
2. Bamboo Craft	100 local market
3. Eatery/Catering	100 local market
4. Commercial Bank	100 local market
5. Automotive/Electrical	100 local market
6. Hair Care Products	50 local market 50 province
7. Resort	70 local market 10 province 20 other provinces
8. Video/Photo	5 local market 10 province 20 other provinces
9. Abel Products	100 other provinces
10. Metal Craft	100 other provinces

However, the cooperatives, commercial banks, catering services, auto repair shops, and bamboo craft cater within the local market.

Validation

Is the market of bamboo craft only local? The stakeholders claimed that indeed the products are only sold locally.

B. Five Fields of Analysis

5. Status of the Five Fields in terms of the Following:

Legal and Administrative Environment

Business Sector. On the whole, the legal and administrative environment of the business sector is good. Taken singly, it is the act of securing of business licenses which is rated excellent. They say it is rather efficient and easy to secure a license. The amount of taxes paid is assessed as good. Likewise, their relationship with tax officers, the provision of information by the LGU and the dialogue conducted between the LGU and the sector are rated good.

Area Validated. Amount of taxes paid, relationship with tax officers are rated good and nearly excellent. However, during the workshop, the trading sub-sector identified the taxing system as a problem. Likewise, the computer shop owners belonging to the service sub-sector pointed out as a problem the Bureau of Internal Revenue.

Table 4. Legal and administrative environment of the business sector.

Item	Mean Rating	Descriptive Equivalent
1. Amount of taxes paid	4.00	Good
2. Relationship with tax officers	4.13	Good
3. Business licenses, difficult or easy to get?	4.20	Excellent
4. Provision of information by local government, adequate and accurate?	4.00	Good
5. Building permits, difficult or easy to get?	4.14	Good
6. Sufficient dialogue between public and private sector?	3.86	Good
Overall	4.06	Good

It was clarified that what was problematic has been national taxation or the imposition of taxes by the BIR and not the levy of local taxes, fees, and charges. As a matter of fact, local taxation was rated good and nearly excellent.

Resource Persons. On the whole, the legal and administrative environment as perceived by the support institutions appears to be good. The amount of local fees and taxes being levied appear to be reasonable. The on-going cooperation between the LGU and the private sector is adequate and constructive. The presence of policies for economic and/or private sector development and the way they are stated were assessed as good. And the manner by which these policies are implemented was also rated to be good. There seems to be no problem with respect to bureaucratic red tape because the assessment is good. There is no delay in getting building permits, in making payments and in procurement of supplies and materials.

The resource persons found as good the situation in the municipality because of the presence of policies concerning sustainable resource management.

Support Institutions

Business Sector and Resource Persons. Table 5 shows that as a whole, the access of the business sector to support institutions like DTI, DOLE, and others

appears to be good as shown by the mean of 3.57. Taken singly, access to financial institutions, while rated good, appears to have the highest mean (3.67). This is followed by access to training institutions, like TESDA. The least mean rating (3.50) is found in access to technical and scientific institutions as well as access to consulting services.

Likewise, access to support institutions as perceived by the resource persons appears to be good (mean=3.67). Taken singly, it is the access to training institutions which is rated the highest with the mean rating of 3.94, followed by access to consulting services (mean=3.82). It must be noted that many of the resource persons belong to support the institutions. However, access to finance is fair **only** (mean=3.18).

Table S. Support institutions as perceived by the business sector and resource persons.

Item	Business Sector		Resource Persons	
	Mean Rating	Descriptive Equivalent	Mean Rating	Descriptive Equivalent
1. Access to training institutions	3.58	Good	3.94	Good
2. Access to technical/scientific support institutions	3.50	Good	3.76	Good
3. Access to consulting services	3.50	Good	3.82	Good
4. Access to finance	3.67	Good	3.18	<i>Fair</i>
2. Performance of business associations			3.65	Good
Overall	3.57	Good	3.67	Good

Area Validated

Access to finance is rated good by the business sector. However, in the workshop, the manufacturing sub-sector identified as a problem lack of financial assistance. Likewise, the trading sub-sector pointed out lack of commercial banks as a related problem.

When this finding was presented to the stakeholders on August 22, 2012, the stakeholders agreed that access to finance is rather an issue. As a matter of fact, this is the second most burning issue identified in the validation, prior to action planning.

Human Resources

Business Sector and Resource Persons. The owners of business firms found the cost and quality of the work of the skilled workers excellent. On the other hand, they rated the cost and quality of the work of unskilled workers good. The finding implies that the business sector seems to prefer hiring skilled workers because the wages they pay them are more worth it than when they hire unskilled workers.

Area Validated

The business sector rated as excellent the cost and quality of skilled workers and as good the cost and quality of unskilled workers. However, during the workshop, the manufacturing sub-sector identified manpower as a problem. Likewise, the services sub-sector, particularly, resorts, identified lack of high quality of work and high rate of employee turn-over as problems.

Table 6. Support institutions of the business sector.

Item	Business Sector		Resource Persons	
	Mean Rating	Descriptive Equivalent	Mean Rating	Descriptive Equivalent
1. Cost and quality of unskilled	4.00	Good	2.80	Fair
2. Cost and quality of skilled workers	4.25	Excellent	2.73	Fair
Average				

During the validation, there was a consensus that indeed there is a dearth of manpower with quality skills and attitude.

Natural Resources

Resource Persons

Areas Validated

The following findings were presented for validation on August 22, 2012 by the stakeholders:

1. Natural resources as being managed in a sustainable way are rated as good. However, in the workshop, the services sub-sector identified the misuse and pollution of Bimmanga River creek as a problem; and
2. Availability of natural resources is also rated good. However, in the open ended questions, water supply is identified as a problem.

The stakeholders agreed that indeed the findings are true.

Table 7. Natural resources.

Item	Mean Rating	Descriptive Rating
1. Availability of natural resources (e.g. land, minerals, tourists attractions)	3.64	Good
2. Legal accessibility of these resources	3.64	Good
3. Cost of access to these resources	3.57	Good
4. Natural resources: Managed in a sustainable way or degrading fast?	3.71	Good
Overall		

4.1. Infrastructure

The findings show that cost and reliability of power supplies were rated good. However, during the workshop, computer shops pointed out as problems the occurrence of brown out and the high cost of electricity. Likewise, owners of gasoline stations and representatives of coops identified brown out as a problem.

During the validation, the stakeholders agreed that the finding is true. As matter of fact, this is the top burning issue identified.

C. Problems that Impede Faster Local Development

Below are the issues collated from the workshop, interviews **and** documentary analysis. The stakeholders choose from among these issues top **five** burning ones for whom interventions would be formulated.

Future Employment

1. Agriculture and agri-business as the most important sub-sector for future employment generation
 - o Low level of acceptance of organic farming by farmers
 - o High cost of farm inputs
 - o Low farm price gates of products
 - o Lack of storage facilities
 - o Low demand for agricultural products
 - o Inadequate water supply
 - o Need to further engage in high value commercial crops
2. Eco-tourism as the second most important sub-sector for future employment generation
 - Poor accessibility/ inadequate signages/inadequate promotion of resorts
 - Proliferation of firearms within the area undermining the tourism industry
 - Need to promote bamboo and woodcraft industry
 - Need to promote eco-tourism in general

Legal and Administrative Environment

3. Apparently burdensome national taxation system

Support institution

4. Inadequate access to finance (inadequate capital, inadequate source of credit)
5. Insufficient access to market (inadequate demand for products; inadequate market)

Human Resources

6. High rate of turn-over of manpower because of low quality of knowledge, skills and attitudes

Natural Resources

7. Pollution of *Bimmanga* Creek
8. Inadequate water supply

Infrastructure

9. High cost of electricity and low level of reliability of supply (brown-outs)

10. Inadequate irrigation facilities

11. Inadequate parking space because of undisciplined drivers

During the validation and action planning, the top five burning issues identified were as follows:

1. high cost of electricity
2. inadequate access to finance;
3. need to improve agriculture and agribusiness
4. need to improve eco-tourism
5. inadequate access to market for products

The top two burning issues were rated "good" in the questionnaire. But in the workshop, they were considered as problems. In the validation, they were indeed confirmed as problems. And in the identification of the top five burning issues, they ranked as the first and second top burning issues, respectively.

Table 8. Five burning issues.

Burning Issues	Frequency	Rank
● high cost of electricity	16	1
● Inadequate access to finance	15	2.5
● need to improve agriculture and agribusiness	14	2.5
● need to develop eco-tourism	14	4
● inadequate access to market of products	12	5

The stakeholders decided unanimously to address eco-tourism. Through effective steering in the action planning, all the other issues were subsumed in the interventions formulated.

D. Interventions for Faster Economic Development

Since REA is participatory, the interventions must be derived from the REA as these were identified by the people. Since REA is also action-oriented, the programs must be done within six months to 12 months, implementable with local resources, relevant for the local economy, and directly or indirectly contributing to employment and income generation.

With the aforesaid criteria as guide, the interventions were formulated.

First is the formulation of Five-Year Tourism and Investment Plan. There are already three tour packages developed by the tourism council of the municipality. These will be integrated in the Plan. Part of *Tour-Isem*, one of the 12 flagship programs of the place found in the Executive Legislative Agenda is the putting of zip lines.

Second intervention is improving tourism and investment collaterals by improving power supply and rationalizing cost; improving access to finance and market; enhancing the capacity of manpower through training on tour guiding, food presentation as well as handling and personality development; and creation of account on tourism that is interactive.

Third are the benchmarking and investment missions abroad.

Table 9. List of interventions.

Number	Interventions
1	Formulation of Five Year Tourism and Investment Plan
2	Improving tourism and investment collaterals by improving power supply and rationalizing cost; improving access to finance and market; enhancing the capacity of manpower through training on tour guiding, food presentation as well as handling and personality development; and creation of account on tourism that is interactive.
3	Benchmarking and investment missions abroad
4	Development of tourism sites, to include 1) desilting of Bimmanga Creek and placing of floating <i>bancas</i> ; 3) putting up fuschia flags in strategic points; and 3) rehabilitation of Tagudin Information and <i>Pasalubong</i> Center and Cafe.
5	Other interventions include manufacture of magnets featuring miniature products or <i>curios</i> ; and non-use of plastic materials in the market to protect and promote the local products made of <i>huri</i> .

Fourth is the development of tourism sites, to include: 1) desilting of Bimmanga Creek and placing of floating *bancas*; 3) putting up fuschia flags in strategic points; and 3) rehabilitation of Tagudin Information and *Pasalubong* Center and Cafe.

Other interventions include manufacture of magnets featuring miniature products or *curios*; and non-use of plastic materials in the market to protect and promote the local products made of *huri*.

E. Lessons learned

Discussed below are the lessons culled out from the LRED experience.

If an LGU wants its program to be successful, it should let the people own it. It is only when the people co-own an endeavour that they commit themselves to support the same, thus, ensuring its success.

External resource persons and facilitators depoliticize the process. Local governance is still heavily politicized. The fact that external facilitators spearhead the conduct of LRED process through rapid economic appraisal and action plan workshops contributes to viewing economic constraints in a technical, facts based and impartial way. This is important for winning broad based support locally and for addressing the real issues.

Development oriented LCE and supportive, not subservient, council is the **key to success**. Local officials who put the welfare of the people above anything believe in the program as participatory and people-oriented. Conversely, traditional politicians who put their personal ambitions above anything else insist on what they implement without consulting the people.

Complementation among the LRI, DTI, and the LGU is important. These three agencies have expertise of their own. The DTI, as the agency providing technical support for the previous years, knows the economy of the place. The LGU, as the beneficiary, has the stakeholders who know best their concerns and the documentary data such as the economic profile and the ELA and the focal person who could articulate the local situation. The UNP as the trained business development service provider, has the resource persons. Thus, complementing them is necessary for the success of the process.

CONCLUSIONS

As a tool, REA is effective. Being participatory, the people were consulted. They co-own the issues as well as the interventions. Being action-oriented, the interventions formulated are doable and implementable within six to 12 **months**, internally funded and contribute directly or indirectly to employment generation.

As a methodology, triangulation is effective in generating data to assess the economy of the place. Questionable findings which surfaced in the questionnaire

were cross checked using documentary analysis and the results of the workshop. And these were later validated when the research team went back for the validation and action planning.

RECOMMENDATION

The mechanism of involving people in the planning, implementation as well monitoring and evaluation of programs should be institutionalized so that all other undertakings of the LGU should go through the same process.

If this is done, even if there is a change in leadership, program administration, which is the essence of public administration, should be along collaborative governance.

LRED should be replicated in other municipalities.

LITERATURE CITED

- GTZ (2006). *Local and regional economic development (LRED), Experiences from Asia.* November 2006
- Hague, C., Hague, E. and Breitbach, C. Regional and local economic development
- Hocker, U. "Local/regional economic development (LRED) – Short Description of the Approach Using the Example of Schwabisch Hall." In Will, Margret (September 2006). *Local/Regional Economic Development in South-Eastern Europe: Concepts, instruments, and lessons learned.* Postfach, Germany: Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH
- Resurreccion, A. (2011). *Notes in rapid economic appraisal: LRED Cycle Step 2.*
- Municipality of Tagudin, Ilocos Sur. *Executive Legislative Agenda, 2010-2013.*
- Municipality of Tagudin, Ilocos Sur. *Socio-Economic Profile.*
- UN-Habitat (June 2004), *"The quick guide, strategic planning for local economic development."*

Rapid Economic Appraisal In the Municipality of Tagudin, Ilocos Sur

Will, Margret (September 2006). *Local/Regional economic development In South-Eastern Europe: Concepts, instruments, and lessons learned*. Postfach, Germany: Deutsche Gesellschaft fur Technische Zusammenarbeit (GTZ) GmbH.



A Refereed and Indexed Multidisciplinary Research Journal
Of the University of Northern Philippines
Vigan City, Ilocos Sur
2700 Philippines

