**JCRT.ORG** 

ISSN: 2320-2882



# INTERNATIONAL JOURNAL OF CREATIVE **RESEARCH THOUGHTS (IJCRT)**

An International Open Access, Peer-reviewed, Refereed Journal

# ACCELERATING ECONOMIC DYNAMISM THROUGH LOCAL ECONOMIC **DEVELOPMENT AND INVESTMENT** PROMOTION IN CENTRAL LUZON, **PHILIPPINES**

A dissertation Presented to The Faculty of the College of Public Administration and Governance Tarlac State University Tarlac City

> In Partial Fulfilment of the Requirements for the 13CR Degree Doctor of Public Administration

**CHERRYLYN MANIULIT-PASCUA** January 2024

#### **ABSTRACT**

Title ACCELERATING ECONOMIC DYNAMISM

THROUGH LOCAL ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTION IN CENTRAL LUZON, PHILIPPINES

CHERRYLYN MANIULIT-PASCUA Researcher **Doctor of Public Administration** Degree Institution **Tarlac State University, Tarlac City** 

The purpose of the study is to ascertain how the involvement of the Local Economic Development and Investment Promotion Office may influence and expedite the region's economic progress. The study's conclusions, which focus on the pertinent factors that drive economic dynamism, will assist the private sector and local governments in developing and implementing plans and policies that will increase the competitiveness of the local economy, draw in investment, and ultimately lead to inclusive growth and sustainable development.

A researcher-made questionnaire was used in the study. It was based on the mandated functions of Local Economic Development and Investment Promotions as stated in the Guidelines on Promoting Local Economic Development and Investment Promotion and the establishment of LEDIP Office/Unit in all Provinces, Cities, and Municipalities, Department of the Interior and Local Government (DILG) Memorandum Circular No. 2020-167. Moreover, the researcher made use of the Cities and Municipalities Competitiveness Index (CMCI) to understand the level of economic dynamism of Central Luzon using the ten (10) indicators used by CMCI. The Economic Dynamism Indicators show that the cost of doing business is the top priority for investors, primarily due to low-cost production locations. The Local Economic Services Division's implementation is average due to issues encountered along the way. The Business Development function is used to a limited extent, and the implementation of investment services duties is partially or moderately successful due to job duplication and insufficient funds. Economic indicators such as cost of living, financial deepening, and local economy growth are crucial for business development functions. The level of implementation of Local Economic Development Investment Promotion is influenced by the Economic Dynamism. A well-designed organizational structure, budget support, updates to the Local Investment and Incentive Code, and marketing strategies are necessary for efficient operation and achieving desired economic outcomes.

To increase economic dynamism in Region 3, the research advises local lawmakers, officials, and other stakeholders to implement Local Economic Development and Investment Promotion. It recommends changing policies, doing capacity building to improve the skills of LEDIP officers and support staff, and making LGUs submit their local data capture sheets. Guidelines should have consequences for breaking them. LGUs should establish and maintain connections with NGOs, business sectors, government agencies, and academic institutions in order to foster business-friendliness and competitiveness. Hiring personnel with experience in

company growth will guarantee that divisional tasks are completed efficiently. In addition to creating the Implementing Rules and Regulations, municipalities should assess their local investment and incentive codes. Funding and institutionalization of the LEDIP Office are necessary for its efficient operation.

#### **ACKNOWLEDGMENT**

Without mentors, family, friends, and acquaintances who encouraged and supported the researcher in accomplishing her goals, the paper would not have been possible. In light of this final success, the researcher would like to sincerely thank the following people for their invaluable aid in seeing her small work through to completion.

To **Dr. Edwin T. Caoleng**, her dissertation supervisor, for his outstanding encouragement and constant support that helped the researcher finish her study. The researcher cannot express enough gratitude for the pursuit and assistance she received from her adviser;

To **Dr. Myrna Q. Mallari**, Tarlac State University panel chairwoman, for her genuine interest and whose bright mind and kind heart greatly aided this research project as well as the researcher;

To the panelists, Drs. Noel H. Mallari, Grace N. Rosete, Patricia Ann D. Estrada, and Roswald G. Fermin, as well as her statistician, Dr. Nancy Lenon-Mati, for sharing their expertise in research and for their important recommendations on how to make the study better;

To the **Honorable Municipal Mayors** and the designated **Local Economic Development and Investment Promotions Officers** of Central Luzon, for allowing and assisting the researcher to conduct the study in their respective agencies and providing her the relevant data;

To the researcher's previous employer, **former Mayor Jose Antonio T. Feliciano** and **Mr. Carlito M. Policarpio** for inspiring her to keep growing as a public servant and for his unwavering support in her professional life;

To her boss, **Municipal Mayor ALICE LEAL GUO**, and Municipal Administrator, **Mr. Alexander S. Abrenica** for their support and understanding to the researcher in pursuing her graduate studies;

To her parents, the **late Mr. Enrique Morales Maniulit** and **Mrs. Carmelita Paras Maniulit**, who served as her inspiration in achieving her dreams and in becoming a better person;

To her spouse, **Mr. Rolando Sanchez Pascua**, who unconditionally supported and helped with the data collection throughout the project and gave of all of his love, time, and understanding;

To her kids, Rae M. Pascua, Richmond M. Pascua, Beatrice Shalyn Pascua-Salenga, and Rolando M. Pascua Jr., who have always been her source of love, support, and inspiration as she has continued on her journey;

And to the **LORD GOD ALMIGHTY**, the omnipotent source of grace, love, and knowledge for all eternity. The researcher is grateful that you made her dream come true. **To GOD be the Glory**.

#### CHERRYLYN MANIULIT-PASCUA

#### **DEDICATION**

This work is wholeheartedly dedicated to

#### **OUR ALMIGHTY GOD**

To my valued parents,

The late MR. ENRIQUE M. MANIULIT and MRS. CARMELITA P. MANIULIT

To my loving husband,

#### MR. ROLANDO S. PASCUA

To my children,

# ROLANDO S. PASCUA JR., RICHMOND M. PASCUA BEATRICE SHALYN PASCUA-SALENGA AND RAE M. PASCUA

To my adorable grandchildren

Kier, Gio, Nigel, Ralph Ralley, Sean Ailani, Sean Akela, and Kai

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#### Chapter 1

#### THE PROBLEM AND ITS BACKGROUND

#### **Background of the Study**

In response to the difficulties posed by globalization and the push for decentralization, communities, towns, and governments all over the world are increasingly relying on Local Economic Development (LED) methods. Local Economic Development denotes more than just a rise in gross domestic product (GDP). In order to improve employment opportunities and overall quality of life for both men and women, it is encouraging involvement and local conversation and tying people and their resources together (International Labor Organization, 2022).

The goal of local economic development is to increase a local area's economic potential in order to enhance both its economic future and everyone's quality of life. It is a procedure in which partners from the public, private, and non-profit sectors collaborate to improve the environment for economic growth and job creation (World Bank, 2020).

Local economic development includes enhancing urban attractiveness, promoting investment, reducing environmental harm, indirectly producing jobs, and generating tax revenue that can be used to fund local government services. Creativity, innovation, new media, and sustainable growth are the pillars of local economic development, and they also affect how cities, municipalities and provinces are viewed. Several communities, cities, and provinces today compete fiercely to draw in business. When a town, city, or province is viewed as a desirable place to conduct business, it draws fresh investment and start-ups, which can infuse the entire urban area with a new innovative force.

In recent years, a huge variety of economic development theories and methodologies have emerged. The primary objective is to encourage sustainable economic growth, or growth that takes into consideration social, environmental, and economic concerns. The main entry points for economic development include encouraging start-ups, aiding current small and medium-sized enterprises (SMEs), and recruiting new businesses to the area.

Local economic growth must take into account particular companies and important industries, the locality itself, and the region around it. It requires coordinating government areas of responsibility and facilitating communication between business, academia, and civil society in order to achieve innovative, inclusive, and ecologically sustainable economic development (Federal Ministry for Economic Cooperation and Development, 2023).

Singapore is one nation we might consider when discussing economic progress. Fifty years ago, Singapore had severe unemployment, poor infrastructure, and a housing crisis. In terms of human capital, business accessibility, and competitiveness, Singapore is the world's most competitive and prosperous business-friendly nation. Its business strategy heavily emphasizes hiring top talent, developing infrastructure, and innovating. Singapore's commitment to economic policy, willingness to accept international investment, investor-friendly legislation, and competitive market support all contribute to the country's economic success. Nearly three times the GDP of the nation is available for trade, and foreign businesses are given incentives by the government. One of the organizations that drives the openness of Singapore's economy is the Economic Development Board. The services sector, which employs people with advanced skills, employs more than 70% of the country's workforce.

Vietnam is another nation that has seen notable changes in its level of economic development. In just one generation, Vietnam's economy has gone from being among the world's poorest to becoming one of the middle-income countries thanks to economic reforms implemented since 1986 and broader global trends. Vietnam is an attractive site to make investments as it has recently become one of Southeast Asia's most sought-after destinations for foreign investment. To draw in international investment, the Vietnamese government has expanded the quantity of industrial real estate available to new developers. Additionally, it has offered numerous investment and tax incentive programs.

In an effort to strengthen its connections to the world economy, Vietnam has also lately strengthened its involvement in a number of Foreign Trade Agreements (FTAs) with other countries, either as an ASEAN member or on its own..

In the Philippines, a National Government program was modified with the goal of enhancing local competitiveness and ease of doing business in each Local Government Unit (LGU). This will allow firms to

grow, attract further investments, and maintain local economic development. This program is known as the Local Economic Development and Investment Promotion (LEDIP), wherein all provinces, cities and municipalities where mandated to form and to institutionalize the office of the Local Economic Development and Investment Promotion. With LEDIP in position, it is believe that it will help to attract more investment, which will boost overall economic activity and result in the creation of jobs for everyone.

Base on the Local Government Code of 1991 which was passed, it provided local governments more authority to provide social services and transferred some of the regulatory responsibilities previously held by the national government. (LGUs). But because these projects and programs truly require funding, it is generally known that public services like healthcare, education, environmental protection, and nutrition require not only administrative and technical expertise but also sizable fiscal resources. LGUs cannot provide services using only internal resources, thus, they must generate their own funds to pay for these services.

One of the strategies used by LGUs to encourage revenue-generating activities is the Local Economic Enterprises program (LEEs). One of the LEEs' initial function as LGUs' partners is delivering essential products and services to their communities and promoting overall economic growth. As the Local Economic Enterprise (LEE) evolved, the National Government have seen the importance of local economic development as well as the different scheme of investment promotion.

In Section 14 to 16 of RA No. 7160 known as the Local Government Code of the Philippines, prescribes the corporate existence of the Local Government Units and that within their respective territorial jurisdictions, they shall enhance economic prosperity and promote full employment.

The former president of the Philippines, Rodrigo Roa Duterte, stressed the importance of building a strong and resilient economy in order to achieve inclusive and long-term prosperity. The Department of the Interior and Local Government (DILG) expanded its efforts and resources to support Local Government Units' (LGUs') capacity to strengthen local economies while actively enticing investments. Also, one of the SGLG's indicators under the crucial category of business friendliness and competitiveness has been identified as the presence of a local economic and investment promotion office. Thus, it is thought important to designate LEDIPO in all Provinces, Cities, and Municipalities and to establish its corresponding office or unit in order to promote

increased investment and competitiveness in the area and support economic development (DILG Memorandum Circular 2020-167).

The Duterte administration pledges to keep the Philippines at the top of the global competitiveness rankings. Therefore, the Philippines rose 29 places from 124th to 95th out of 190 economies in the World Bank's Doing Business 2020 Report. According to the World Bank's analysis of ten (10) variables, the nation did well in terms of obtaining a business license, managing building permits, and safeguarding minority investors. The goal of the World Bank economic report is to evaluate each economy's business environment and measure restrictions. It also tries to inspire governments to implement commercial reforms in order to support long-term economic growth.

The same is true of President Bongbong Marcos, who announces a 10-point strategy for economic revival and long-term growth that will bring wealth back to all Filipinos. He included immediate measures to restart the economy in his strategy. Infrastructure development and public private partnerships were on President Bongbong Marcos' agenda. He promotes private sector involvement and investment, emphasizing the importance of serving the general population. Support public-private collaborations via legal and regulatory guidance. In order to enhance digital connectivity throughout the Philippines and strengthen vital infrastructure, President Bongbong will also introduce the Build Better More program.

The national government seeks to support a sustainable local economic development by involving a multistakeholder and participatory process as we continue to make our mark in the global economy. This will motivate the general public, private industry, and non-governmental organizations to solve economic issues and improve the environment for investment, which will promote economic growth and development.

The National Government included in its instructions how each LGU can propose programs, projects, and activities that can be supported by the government or other entities in order to assure the success of this program and that all Local Government Units were on board. In order to help the LGUs implement the government's Public-Private Partnership for the People Program for Local Government, which would heavily rely on Public-Private Partnerships (PPPs), the DILG released Memorandum Circular No. 2016-120. (LGU P4). In order to give LGUs more guidance on the modalities described under Section 5.3 of DILG MC No. 2016-120 and to provide a model LGU Code for Joint Ventures that LGUs may adopt, the DILG and the PPP

Center jointly released Joint Memorandum Circular No. 2019-01. Moreover, Section 14.3 of the BOT Law Implementing Rules and Regulations stipulates that LGUs may establish a PPP Unit that will be in charge of organizing, managing, and keeping track of these LGUs' PPP Projects.

In adherence to the Memorandum Circular No. 2020-167 of the Department of the Interior and Local Government, all Local Government Units designated their own Local Economic Development and Investment Promotions Officer (LEDIPO) and established or created their Local Economic Development and Investment Promotion Office/Unit and other similar structures.

All LGU investment facilitation and promotion activities, local enterprise development, establishment of support mechanisms for the growth of Micro, Small and Medium Enterprises (MSMEs), provision of mechanisms for business retention and expansion, and other business and economic activities to attract investments and create jobs will fall under the purview of the LEDIP Office/Unit.

In Region 3, there were seven (7) provinces that it covers, namely, Aurora, Bataan, Bulacan, Nueva Ecija, Pampanga, Tarlac and Zambales. It composed of twelve (12) cities, one hundred sixteen (116) municipalities and three thousand one hundred two (3,102) barangays, (PSA 2020 Census).

All seven Provinces of Region 3 were compliant as to the establishment of LEDIP Office/Unit and same with the twelve (12) highly cities, and one hundred sixteen (116) municipalities.

Each Provinces, cities and municipalities were mandated to established their Local Economic Development Office/Unit with a designated or plantilla position officer. Each LEDIPO were to advise to have a close coordination with the Local Planning and Development Coordinator in identifying revenue generating and enterprise development project for their respective LGUs. Identified projects, programs and activities can be implemented by the private sector through Public-Private-Partnership (PPP).

This research is significant and vital to the researcher for as a government employee and a concerned resident of our community because it will help me understand the many initiatives, projects, and activities that each LGU has started since the publication of the memorandum circular. It will also assist us in determining the true score when discussing the degree of its execution. The findings of this research will also be used to examine and explain the many difficulties, problems, and concerns that were identified, as well as to develop a thorough and factual plan of action to address those issues. And as an officer under the Tourism Department,

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this study will assist me in encouraging existing and potential investors by making them feel the presence of the government's helping hand

In this sense, the study's goal is to determine how the Local Economic Development and Investment Promotion Office's role might affect and accelerate the area's economic growth. The study's conclusions, which center on the relevant elements that propel economic dynamism, will help local governments and the private sector create and carry out plans and policies that will boost the local economy's competitiveness, attract investment, and eventually result in inclusive growth and sustainable development.

#### **Statement of the Problem**

The study of Accelerating Economic Dynamism through Local Economic Development and Investment Promotion in Central Luzon, Philippines aims to understand the rate and direction of change in an economy of every provinces of Central Luzon.

Specifically, this paper sought to answer the following questions:

- 1. Based on the CMC Index, how is the economic dynamism of Central Luzon be described and analysed in terms of:
- 1.1. Local Economy Size
- 1.2. Establishments in the Locality
- 1.3. Local Economy Growth
- 1.4. Safety Compliant Businesses
- 1.5. Employment Generation
- 1.6. Cost of Living
- 1.7. Cost of doing business
- 1.8. Financial Deepening
- 1.9. Productivity
- 1.10. Presence of business and professional organizations
- 2. How is the level of implementation of the Local Economic Development and Investment Promotions be described and evaluated in terms of?

- 2.1. LEDIPO Specific Functions
- 2.2. Economic Enterprise
- 2.3. Business Development
- 2.4. Investment Services
- 3. Is there a significant relationship between economic dynamism and level of implementation of Local Economic Development and Investment Promotion?
- 4. What are the problems encountered in the implementation of Local Economic Development and investment Promotion?
- 5. What measures can be proposed to boost economic development and investment?
- 6. What is the implication of the study in Public Administration?

# Significance of the Study

The findings of the study analyzed how well is the performance level of the Local Economic Development and Investment Promotion Office of every Provinces in terms of their projects, programs and activities. The level of implementation of the DILG Memorandum Circular No. 2020-167 among these Provinces. The difficulties and reasons that Investors and LGU encountered in the implementation of the aforementioned Memorandum Circular will then be addressed in this study. After which, a propose plan of action to support and boost economic development and investment among Provinces in Region 3 will then be drawn.

The result of this study were intended to be useful to the following:

To the **Investors**, the study will give them an overview on the different investment policies and programs of an LGU and how it can help them succeed in their line of business.

To the **Local Government Units**, the study may provide facts, views and insights that will help improve their level of implementation of the Local Economic Development and Investment Promotion directives.

To the **Department of the Interior and Local Government**, the study may offer information to the department by further enhancing local governments' capacity to carry out their corporate existence and promote economic success in their respective jurisdictions.

To the **Policy-Making Body**, the results of this study may be utilized as a basis for the respondents' assessments to help them choose a specific proposed course of action to deal with the concerns, challenges, and problems.

To the **Academe**, The findings of this analysis can be used by school administrators, as curriculum developers, to expand and upgrade the course in Public Administration. Expanding the study will be very beneficial for others.

For **Future Researchers**, this paper may be useful to other scholars who would like to explore further the level of performance and effectiveness of the Local Economic Development and Investment Promotion Office in other Cities, Municipalities and Regions.

## Scope and Delimitation of the Study

The study is focused on analysing the economic dynamism of Provinces in Central Luzon, Philippines in terms of Local Economy Size, Establishments in the Locality, Local Economy Growth, Safety Compliant Businesses, Employment Generation, Cost of Living, Cost of Doing Business, Financial Deepening, Productivity and Presence of Business and Professional Organization.

The study will also discussed the level of implementation of the Local Economic Development and Investment Promotions in terms of Economic Enterprise, Business Development and Investment services.

The degree to which these Provinces have implemented DILG Memorandum Circular No. 2020-167. The challenges and causes that LGU faced in putting the aforementioned Memorandum Circular into effect will then be covered in this study.

A plan of action addressing the difficulties and issues faced by the LGUs and Investors will also be provided, along with corrective actions and recommendations.

The subject of the study was limited to the different Provinces in Central Luzon, Philippines with their respective Local Economic Development and Investment Promotion Officer (LEDIPO), Local Chief Executive (LCE), from first class municipalities, as well as the focal person or LEDIPO of the Province.

The study covered the year from 2020-2022.

#### **Literature Review and Related Studies**

#### The Concept and Importance of Local Economic Development

Local economic development serves as a platform for putting "all hands on deck" to identify workable solutions to the unemployment issue because its advantages are associated with the creation of jobs. As stressed by the Department of the Interior and Local Government on every seminars and trainings they initiated, the local initiatives are the poor and marginalized's last chance at survival. Hence, local control over resources and activities is essential if economic growth is to have a significant local impact.

Local economic development encourages citizen engagement and entrepreneurial endeavors, mobilizes the populace around a shared goal and sense of purpose, ensures acceptable circumstances for long-term employment, and fosters an environment that is conducive to human growth. It was also stated that the purpose of any local economic development effort is to enhance the amount of employment that are accessible to the various communities by fostering or encouraging entrepreneurial activity. It's crucial to mobilize local entrepreneurial resources in order to do this (D.F. Meyer, 2014).

The study of D.F. Meyer (2014), is deemed important in this study for it supports the mandate issued by the Department of the Interior and Local Government in terms of the need for the private sectors or citizen's participation in entrepreneurship. Unemployed and underemployed individual will then have a good opportunity to land for a job should a private sector decided to established their business in a particular area. Moreover, in the aforementioned study, it gives us one important aspect as to the importance of the engagement of the general populace of a specific region or locality for the success of a program. If the general populace fully understand the goal or the objective of the government in setting or encouraging locals to invest and pursue economic activity locally, as well as the different incentives extended to every entrepreneur, then the program will be successful and well appreciated.

The municipal officials assert that LED initiatives are the tool for job creating opportunities and means of income generation through establishment of entrepreneurship. This is supported by Sienkiewicz (2014) who stipulated that the LED determine the importance of the public sector in creating enabling conditions for

economic development, particularly the development of entrepreneurship where local people were encouraged to formulate social and economic projects based on the utilization of local resources to meet their basic needs. The study of D.F. Meyer (2014) and Sienkiewicz (2014) are similar with this study, for stated in 6.2.1.3.2 of the Department of the Interior and Local Government Memorandum Circular No. 2020-167 is the Local Economic Development and Investment Promotion Officer is responsible in coordinating with Small-Medium Enterprises (SMEs) with regards to the development and promotion of their businesses. In doing so, all local entrepreneur will be encouraged to be more competitive in their chosen line of business, this is because they can feel the presence of the government who are willing to extend hand and assistance to them. Moreover, the success of these SMEs will ensure the increase of job openings to potential individuals in the locality. Furthermore, the success of every SMEs will result to economic growth and development.

Local economic development aims to foster economic growth and private sector success through twelve elements: public-private partnerships, clear policies, strong local leadership, poverty alleviation, social development initiatives, infrastructure development, human resource development, entrepreneurial development, and transportation. Improved local government is crucial for maximizing growth and competitiveness (Organization for Economic Co-operation and Development, 2023).

What was reported by the Organization for Economic Co-operation and Development (OECD) is very much true and same in the application of local economic development in the Philippines which is being analyzed in this paper. The twelve elements stated in the said study is really important in the implementation of DILG MC 2020-167. Said elements should co-exist in order to achieve real development and progress. And in doing so, the government should identify the different workable polices and incentives that they can extend to potential investors. In this way, the government can entice more investors to do business. While doing all these policies and development program, the different departments of every LGUs should also draw the path where does they want to go, their vision and mission should be clear. Once they all agreed on this vision and mission, then they can start to draw the line towards the path they would like to achieve. They can now start identifying the different infrastructure projects to prioritize and how it can be realized, which if achieved, will attract more locators and investors. Aside from infrastructure, one crucial area to consider is the database of its people resources; they need to know what the general population's talents, competencies, and degrees are.

They can then make plans for the various human capital management assistance they can offer, which will address the issue of mismatch or underemployment. The government can also provide support for entrepreneurial development as part of its human capital management initiatives. By doing this, these private sectors will have the chance to improve their business acumen, which will help their companies succeed. They will also notice the government's presence and concern. A true development may then arise from these parties' coordinated actions, including those of the government, business, and civil society.

Any regional economic development initiative must place a high priority on expanding the area's population and job options. The local government works to enhance the welfare of the community, particularly in developing regions, by examining and developing the region's potential to spur regional growth. Local economic development is the ability of a region to expand its economy and enhance living standards in the future (Wiyono etal, 2022).

The conducted study of Wiyono etal, (2022) is relevant to this study for it acknowledge the fact that to increase economic growth and job creation, society, business, and government should work together. And by fostering innovation in their local potential, local governments, communities, and businesses will have the chance to collaborate in order to strengthen the local economy. Furthermore, if all of our players—the government, businesspeople, civil society organizations, etc.—work together to maintain the nation's competitiveness, it would undoubtedly help solve our economic woes and improve the environment for investment that fosters economic growth and development.

According to the report of OECD, 2014, building a region's potential to enhance both its economic future and its residents' quality of life is the goal of local development. With rising global competitiveness, population mobility, technological advancements, and resulting spatial imbalances and inequalities, local development plays a significant role in the performance of the national economy and has assumed greater importance. Effective local development can improve information flows with investors and developers, decrease disparities between rich and poor areas, increase the stock of locally generated jobs and businesses, increase overall private sector investment, and increase the coherence and confidence with which local economic strategy is pursued. Also, it can result in a more accurate diagnostic evaluation of the unique advantages and economic assets of the local economy and strengthen strategy evaluation.

The information shared by OECD is comparable to this study, for we understand that the leaders of our country has been asking all local government officials to work hand in hand with the national government specially in terms of development. Thus, there is this drive that every regions in the country are encouraged to seek their potentials and work on it so that they can become self reliance and in return the quality of life of their locals will become better. As a matter of fact there were several legal bases issued by our national government to ensure that all local government units are guided in their endeavor. In fact, in Section 18 of the Republic Act 7160 known as the Local Government Code of the Philippines clearly states that every Local Government Unit has the power to generate and apply resources. That Local government units shall have the power and authority to create an organization that will be in charge of carrying out their development plans, program objectives, and priorities in an efficient and effective manner; to develop their own sources of income; and to levy taxes, fees, and charges that will accrue exclusively for their use and disposition and that they will keep. That this authority was given to every LGU to ensure their development into self-reliant communities and active participants in the attainment of national goals. That with the Local Economic Development programs of every region or locality in placed, it can help all existing and prospective investors succeed and sustain the growth of their line of business which in the end will result to a continued increased in number of job vacancies with at least minimum or even higher wages for them. As such, poverty will then minimized if not totally eradicated.

The framework circumstances, institutional capabilities, intelligence, leadership interventions, and development tools that come together in the creation and implementation of local government initiatives are crucial to the success of local developments. Mayors, elected officials, and appointed officers in charge of various local agencies and public organizations can have an impact on how public policy and collaborative initiatives turn out, especially if they devote time and effort to planning local development and utilizing the skills and interests of the private and civic sectors (O'Neil, 2014).

The information stated by O'Neil (2014) is true and well said. In this study, wherein we give emphasis on the issued DILG Memorandum Circular No. 2020-167 that require all local government units to promote local economic development in their respective jurisdiction, it is important that all elected officials should use their time wisely in performing their duties and responsibilities specially in planning for their local

development. And the participation of every Civil Society Organization must be utilized. The voice, knowledge and skills of all Local Development Council members should be heard in the regular meetings, planning and workshop specially when crafting the Annual Investment Plan and Local Development Investment Plan.

Moreover, it is also important to note that LED actors/players should undergo capability building and trainings. It is believed that through training, it will help improve a person's performance in any type of economic activity. For example, training can increase productivity by reducing spoiled work, machine abuse, and physical risks. Also, it might impart the knowledge, abilities, and abilities required to complete the crucial task correctly. Training and development participants will be more productive and better equipped to spot new opportunities in their community.

Government officials play an important role in the success of the Local Economic Development in their jurisdiction. They are the key player in the issuance of legislation as well as to the execution of all laws and policies as to promoting investment as well as enticing prospective investors to establish their business in their jurisdiction.

Eftekhari et al. (2013) state that a considerable benefit of the Community-based Development Approach is propensity to encourage community empowerment, particularly in low- and middle-income nations, is its main strength. Community-based Development Approach is inclined to support the localization of sustainable socioeconomic development. The community's engagement and capacity to make decisions and take action collectively in resolving local problems provide the rationale for this strategy. Community-based participatory method was developed as a result of the requirement for participation in CBDA.

This study of Eftekhari et al. (2013), is similar to this study although his statement is focused on the community participation while this study is not just about the community participation but also of the strategies on enticing investors both local and international. But the important part of his study is the important role of the community in the success of a local economic development in a region. The promotion of sustainable socioeconomic growth at the local level is a common goal of community-based development in order to encourage community participation in local administration. The ability of locals to recognize and support initiatives that benefit their neighborhoods is also important to note. Community involvement in

community-based approaches, and in particular community economic development, aims to empower and inform local government representatives, community organizations, stakeholders, regular citizens, and the private sector to take charge of local government activities that affect our actors. That participating in problems, recognizing them, and creating plans and methods that promote community cohesion are ways to do this.

# Programs, Projects and Activities

Local economic development aims to foster economic growth and private sector success through twelve elements: public-private partnerships, clear policies, strong local leadership, poverty alleviation, social development initiatives, infrastructure development, human resource development, entrepreneurial development, and transportation. Improved local government is crucial for maximizing growth and competitiveness, as per the Organization for Economic Co-operation and Development. (Balbacal, 2021).

The statement made by Balbacal (2021) on the LGUs' required corporate existence serves as an illustration of how local government representatives must abide by the law, which was the same commitment they made when they took their oath of office. A local economic venture may be conducted by a local government unit as a first step toward independence. It is also true that before local economic development was formed, all local government units were pushed to be autonomous through the Local Economic Enterprise program. These local economic enterprise (LEE) should be self-sustaining, and its profit can be then use to other social services programs and development projects.

Ramos (2022) identifies three main factors driving the growth of local economic enterprises (LEEs): primarily to increase revenue, act as a catalyst for social and development, and provide LGUs with a means to cover personal service expenses exceeding the 1991 Government Code cap.

LGUs are permitted to levy and collect fees in order to cover the costs of running the organization and the activities. They exercise their authority to carry out a range of duties and provide a range of authority when it is required, suitable, or coincidental to the efficient and successful operation of the key offices and government organizations, due to the Local Government Units' (LGUs') significant contribution to the economical,

environmental, and public economic growth of the local area. By offering services and creating chances for employment, LEE assist LGUs in establishing a connection with the general population (DBM, 2016).

The information provided by Ramos (2022) and so with the details and features mentioned by the DBM (2016) in its manual on the setting up and operating of Local Economic Enterprise were important to this study for they can attest to the importance of studying and planning carefully thee establishment and implementation of a certain projects, programs or activities (PPAs). This action will ensure the viability of a PPAs and definitely serve its purpose which is to create more employment, contribute to the increase of LGU's income and enough funds for development. Moreover, as we go deeper in this study, we can understand the different circumstances the every LGUs experienced that made them successful in their endeavour while some LGUs failed.

Based on the results of the 2021 List of Establishments (LE) survey, the Philippine Statistics Authority (PSA) Bataan observes a resurgence of the local economy. There are now 10,683 listed businesses open in the province. Services, with 9,090 establishments, manufacturing, with 1,478 establishments, and agriculture, with 114 establishments, are the three main economic sectors that contribute to the recovery of the province, according to PSA Bataan Chief Statistical Specialist Francisco Corpuz. Approximately 84,237 people work for them. In Central Luzon, Bataan accounts for 10% of all employment and business establishments. In contrast, the top three industry sectors in the province with the highest percentage of LE are manufacturing with 13%, lodging and food services with 13.1%, and wholesale and retail trade with 48.9% (De Leon, 2022).

The many National and Local programs included in this research demonstrated how seriously the government takes its pursuit of growth and development. Each area is required to provide a unique contribution to the development and expansion of the nation. The several articles discussing the various initiatives aimed at increasing a region's economy demonstrated the significance of each local government. They should encourage the expanded role of the private sector in promoting the economy and make sure the local investment climate is conducive for enterprises. Moreover, the data showed by Bartolome (2022) as to the current business climate in Bataan, can be used in relation to this study for it shows how local economic development can attribute to the economic recovery of a certain region.

In the study of Galleto (2021), he stated that one of the good example of an LGU that set up and operate a Local Economic Enterprise is Braulio E. Dujali, a fourth-class citizen in Davao del Norte, has established a Local Economic Enterprise (LEE) to align with the city's development framework and Philippine Medium Term Development Plan. LEEs aim to strengthen the local economy by fostering stronger commercial ties and attracting investors, ultimately improving the socio-economic situation of the local population. Establishing management procedures is crucial for LEE growth.

The effort showed by the Local Government Unit of Braulio E. Dujali in establishing and operating a Local Economic Enterprise (LEE) like the public market, slaughterhouse, and public transport terminal is one good example that we can look into. The challenges and setback they experienced and the different strategies they utilized in order to succeed or even survived can be noted and can be studied further so that the government can infer them when they draw the policies intended for local economic development and investment promotions.

The Trans-Mindanao High Speed Railway was the original name for the proposed intercity rail system in Mindanao, the Philippines' southernmost major island. With 2,278 kilometres (1,415 mi) of track, the system will be built as a network that is currently 1,544 km (959 mi) long, with the circumferential mainline serving as its focal point and connecting some of the island's largest cities. A number of other radial lines will be used as branch lines, and an east-west radial mainline must be built to the Zamboanga Peninsula. Similar to other Philippine National Railways projects, the Mindanao Railway will be built in stages, with different length segments. The Tagum-Digos stretch of the circumferential mainline will be built first, constituting the first phase (M. Camus, 2021).

The Trans-Mindanano High Speed Railway is a national government initiative project that aim to reduce the travel time from Davao del Norte to Davao del Sur from 3.5 hours to just 1.3 hours. This Mindanao Railway System, if realized will be the biggest infrastructure project to ever constructed in the Southernmost part of the Philippines. This transport system will not just help the commuting public to get to their destinations but will also brought revenue to the government eventually, and will attract more locators and investors to locate their business in the said region.

The Department of Transportation (DOTr) declared on Monday that it plans to finish airport development projects outside of Metro Manila worth P1 trillion by 2023. The government is working to complete nine regional airports across the nation to increase aviation connectivity, according to Transportation Secretary Jaime J. Bautista, who was speaking at a session organized by the Economic Journalists Association of the Philippines (Ejap). They are as follows: Tuguegarao Airport, San Vicente Airport, Tacloban Airport, Antique Airport, Bacolod-Silay Airport, Catbalogan Airport, Davao International Airport, M'Lang Airport, Sanga-Sanga Airport in Tawi-Tawi, and Ozamis Airport. Former Philippine Airlines CEO Bautista emphasized the significance of creating and developing gateways to promote trade and tourism (Marasigan, 2022).

According to a statement released by the Department of Transportation (DOTr) Secretary Jaime Bautista on Friday, November 4, work on the P488.4 billion Metro Manila Subway Project (MMSP) is well underway with the signing of contracts for stations and tunnels. At a ceremony held at Malacan

ang Palace yesterday, Bautista and the MMSP contractors signed the contracts for the subway's stations and tunnels. Developing essential infrastructure will accelerate development and social change, as well as interconnectivity, traffic flow, and travel time (Abadilla, 2022).

While the government pushes up infrastructure projects and the private sector continues to invest substantially in the province, Pampanga is on its way to becoming a megalopolis and the next economic corridor. The transformation of Pampanga into the nation's next major economic corridor would largely depend on the cooperation of the business sector and the government. The mega project also seeks to establish Pampanga as a significant regional investment centre. Infrastructure initiatives including the Clark International Airport, North Luzon Expressway, Subic-Clark-Tarlac Expressway, and Manila-Clark Railway will support it in the present and in the future (Philippine Star, 2021).

Bulacan is set to experience significant growth due to infrastructure projects like the Central Luzon Link Expressway, North-South Commuter Train, and North-Luzon Expressway. The New Manila International Airport and Clark International Airport will further enhance connectivity. Township developments, such as Megaworld's Northwin Global City and Rockwell Land's Nepo Center, are also underway (Rosales, 2022).

These reports from Philippine Star (2021), Marasigan (2022), Abadilla (2022), and Rosales (2022) on the different infrastructure projects of the National and Local Government provides vital economic benefits.

Aviation is the only global transportation network, making it crucial for international trade and tourism. It is essential for promoting economic progress, especially in emerging nations. The expansion of people's recreational and cultural opportunities thanks to air travel enhances their quality of life. Additionally, these airports offer a variety of economical ways to travel to faraway family members and friends as well as substantial social advantages. Through tourism, for example, air travel aids in lowering poverty and raising living standards. In distant places, air travel could be the sole available mode of transportation, fostering social inclusion. The use of air travel supports sustainable development. It promotes trade and tourism, which boosts the economy, creates jobs, and raises tax collections. The air transportation network also makes it possible to send emergency and humanitarian aid anywhere on the planet, as well as to quickly transfer medical supplies and organs for transplant.

The national government's subway transit project plays also vital importance in the economy and in supporting local economic development. A nation's ability to move economically and socially is becoming increasingly dependent on efficient mass transit. Better transportation systems, like the Mega Manila Subway, have stronger effects on the Philippine economy and urbanity as the government invests heavily in infrastructure under the Build, Build program. The benefits of having a subway system go beyond lowering commute times and metropolitan traffic congestion. It is proving to be crucial for the citizens' economic and social quality of life. According to the study, nations with subway systems gain more in terms of technology, economy, and health in 21st-century society.

Effective modes of transportation can boost business prospects since higher capital expenditures on public transportation result in improved business sales. Investments in public transit have a positive impact on returns, the preservation of jobs, and economic output. Passengers gain from efficient mass transit, which also boosts employment in all facets of the economy. As a result, there will be an increase in jobs in manufacturing, finance, insurance, retail, trade, construction, and real estate. Your home will be valued higher if it is located near public transportation. Inhabitants, visitors, shoppers, and other employers increase in numbers in districts near public transportation, which enhances the area and promotes higher returns. In these advantageous places, residential properties are routinely valued higher. Individual savings considerably increase when public

transportation is reliable. Since there is no need to pay for taxi services, personal automobiles that need gas, or regular maintenance, people who use these modes of transportation save money.

The restrictions on national movement are also eliminated by a competent public transit infrastructure. It is a more convenient way to carry goods and services. Additionally, employees can now enjoy the comfort of public transportation, which is a key element in choosing or deciding on positions in cities. Today, most subways and other rail networks are powered by electricity. This decreases oil reliance brought on by cars and the usage of non-renewable energy sources. This is a nod to environmental protection because it reduces pollutants in densely populated areas like Metro Manila. Railway systems appear to be an essential risk reduction or response strategy due to its capacity to carry many passengers at once. commuting.

Because to the Philippines' strong economy, continued demand for services, and high level of investor confidence, new growth centres are emerging all around the nation. Despite the pandemic, the economy is still booming, and locations that are accessible and connected have a strong chance of becoming into growth centres.

In terms of potential, Tarlac City is the most promising of the emerging business clusters in the Philippines. As the "Gateway to the North," Tarlac City is ready to benefit from the expansion of Metro Manila's businesses and is anticipated to attract more investors soon. The Cresendo Estate will takes Tarlac to new heights. (Remo, 2023).

This new investor of the Province of Tarlac will provide a variety of chances for business and investment activity, which is thought to boost the province's economy through adding jobs. And in order to capitalize on the potential of growth areas around the nation, the investor, a pioneer in the development of master-planned estates, keeps creating mixed-use communities.

Mixed-use development can contribute for a faster and sustainable development for regional economies. The synergy that mixed-use developments offer can also be advantageous to nearby businesses. Employers can highlight their handy location for potential workers, clients, and business travelers by being close to neighboring attractions like restaurants and fitness centers. Additionally, mixed-use complexes give local governments much more money in the form of property and sales taxes which is good for the economic development of an area.

Another project that is community led in Region 3 is the Moringa project in the Province of Zambales. The project is run by the San Antonio Moringga Processing Association (SAMPA). The San Antonio Municipal Agriculture Office provided assistance to the One-Town One-Product (OTOP) Project of the DTI when it began the SAMPA's Moringa Processing Project in 2012. Their initial product offers include cookies, tarts, polvoron, and moringa yema. Through its Grant-In Aid (GIA) Program, DOST provided project support in 2013 and 2014 in the form of equipment. Due to a restriction on the production capacity, DTI distributed a second set of equipment under its Share Service Facility (SSF) Program (DTI, 2022).

Growing revenue and sales are two metrics that can be used to assess an entrepreneurial venture's performance. In the case of the Samahang Kababaihang Pangkabuhayan ng Dulong Ilog (SKPDI), an all-women association situated in Sitio #4 of Barangay Dulong Ilog in Paligue ARC, Candaba Pampanga, the acquisition of additional machinery and equipment to support their continuously expanding production are the most obvious indicators of their progress. The main objective of the group is to get all idle women involved in their GDH business.

Within the first three months of operation, the Shared Service Facility (SSF) Project allowed the SKPDI to purchase six new High Speed Straight machines, one Specialized Edging Machine, one Embroidery Sewing Machine, and one Stainless Steel Working Table. Under Apung Simang's direction, the group's growth was rapid thanks to instruction in the proper use of the equipment and other skill-upgrading activities. Their monthly income/sales were only PhP 5,000.00 prior to the SSF. In the first three months of its SSF operations, the association's revenue doubled to PhP 22,500.00. They were able to upgrade their production after a year of deployment by adding seven additional straight machines to the current nine. (DTI, 2022)

These local economic development projects in different areas of Region 3 projects are deemed necessary in this study for it shows how the lives of every locals improved as well as the economy of a certain Local Government Unit in every investment or business established. It also shows the importance of LGU and National Agencies' assistance or aid to such investment for such endeavour to succeed.

#### **Investment Promotion**

In the study conducted by Mogro (2022), he incited that tax incentives are not expected to have a significant impact on new investments or formal employment in Ecuador because there are so many other crucial factors

that determine whether or not businesses choose to invest there. These factors include, among many others, inequality, risk to the nation, the effectiveness of institutions, corruption, size of the nation, and ease of conducting business.

The aforementioned study was cited in this work since the researcher could use it as a cross-reference, particularly with regards to the response of the selected respondents as to the designed survey questionnaire. It is essential to this research to be aware of and appreciate the several concerns that can deter an investor from making an investment in a particular location.

An employment-positive causal relationship between tax incentives and employment is supported by recent empirical data at the firm level. For instance, Garsous et al. (2017) discover that a tax incentive program has a favorable impact on employment in a certain section of Brazil's tourism industry. Auerbach (2018), Fuest et al. (2018), and Carbonnier et al. (2022), who examine the impact on wages in the USA, Germany, and France, respectively, find something similar. Additionally, Curtis et al.'s (2021) research examines how labor demand and investment are impacted by tax laws that reduce the cost of capital.

The study of Garsous et al. (2017) was cited in this study wherein they concluded that tax measures boosted employment and investment because their conclusion is somehow similar with the goal of DILG Memorandum 2020-167 which is to boost the local economic development as well as to promote investment in every regions of the Philippines. A Local Government Unit must be able to craft its comprehensive Local Investment and Incentives Code or ordinance in order for them to attract investors who are willing to invest and established their business that in return will open the door for more jobs, which is an answer to a region's unemployment problem. It will not only create job opportunities but it will also boost the economy of a region which can result to a more LGU budget for its social services and infrastructure projects. An LGU that is business-friendly is more likely to attract more prospective investors which is good in its economy and people. Republic Act 5186 known as the Act Prescribing Incentives and Guarantees to Investments in the Philippines, Creating a Board of Investments, Appropriating the necessary funds therefor and for other purposes was approved in September 16, 1967 declared to be the policy of the state to encourage Filipino and foreign investments, as hereinafter set out, in projects to develop agricultural, mining, and other sectors of the economy, in order to accelerate the sound development of the national economy in accordance with the

principles and objectives of economic nationalism and in pursuit of a planned, economically feasible, and practicable dispersal of industries, under conditions that will encourage competition and discourage monopolies.

RA 5186 is an important tool in enticing locators/investors, it shows how committed is the government in encouraging investments in desirable fields of endeavor and to hasten the healthy growth of the country's economy in accordance with economic nationalism's guiding principles and goals, as well as to support the planned economic viability and practical dispersal of industries and the promotion of small and medium-sized businesses in an environment that will promote competition and discourage monopolies.

And to further assist all Local Government Units (LGUs) in their mandate of becoming self reliant, the Department of Interior and Local Government together with the Department of Trade and Industry (DTI) issued a Joint Memorandum Circular known as JMC No. 1011-01, the Formulation of Local Investment and Incentives Code (LIIC). Its goal is to provide local governments (province, city, or municipality) with guidelines for creating their local investments and incentives code (LIIC) as a proactive measure to attract domestic and foreign investment, particularly in priority areas and industries, and as a tool to define the LGU's development priorities in accordance with its Land Use Plan and zoning regulations, speeding up the development of new or brownfield areas for business and industry. New businesses are deterred from entering the formal sector by non-transparent and complicated business registration regulations, thus, investment codes or ordinance are needed to be established.

#### Level of Implementation

According to Botich (2022), plans for strategic economic development are essential for attaining quantifiable, long-term economic growth and place quality. Communities may take charge of their economic growth by putting a formal plan in place, setting specific and realistic goals for it, and creating policies and programs to help it happen. That financial future is at best reactive without a strategy. At this uncertain period, it is, at worst, in the hands of others.

The concept put out by Botich (2022) is somewhat relevant to this investigation since it's critical to track and evaluate how well each Local Government Unit is implementing the orders that the national

government has given them. It's also critical to pay attention to and comprehend how each LGU planned to carry out its local economic development programs and how successfully it was marketed.

The Philippines' strong exports, increasing investment, and expanding consumption in 2017 put it in the top three growth performers in the region. According to The World Bank (2018), the Philippines' economic development—which is being driven by jobs in agriculture, remittances, and the government's conditional cash-transfer program—is expected to lift one million Filipinos out of poverty annually.

The implementation of public investment plans and the establishment of private sector roles by the Philippine government are critical components of investment growth. But in order to achieve inclusive growth and shared prosperity, real wages must rise due to the persistence of underemployment and unemployment.

Cebu, a commercial hub, has shown its tenacity and hope by becoming as a hub for traders from China and ASEAN. With the aim of gaining 20% of the worldwide BPO services market, the city employs more than 100,000 individuals in the IT and BPO sectors. Talent from inside is produced by the University of San Carlos, one of the oldest in Asia. Cebu is the leader in the expansion of the area economy, drawing tourists and investors with its modern infrastructure, commercial port, and "can-do" mentality. (Garcia and Ando, 2018). The studies and reports cited by Garcia and Ando (2018), Botich (2022), and World Bank (2018, 2021), are thought to be significant enough to be included in this study because they demonstrate the economic performance of our nation and how a city like Cebu was able to achieve a high performance rate after turning into a commercial hub. It shows that national economic development project is also essential to the success of local economic development programs and projects.

## Challenges

The investigation showed that LED is having financial issues. In order to share the costs of the process, the government should work with the other participants. It should forge beneficial working connections with the different banks and lending institution, and encourage them to promote local enterprises with funding. The financial aspect must be considered as well. (Journal of Public Ad and Governance, 2013).

Municipal authorities said that a tight budget prevents them from carrying out several initiatives that might help communities improve both socially and economically. They said that occasionally, when community members provide them with suggestions for new initiatives, they are confronted with a lack of financing due to budget constraints. Nevertheless, Sienkiewicz (2014) noted that a lack of resources is impeding the implementation of LED and emphasized that local governments must employ public management instruments appropriately and efficiently to encourage economic growth in their region. Municipal officials also said that the main difficulty in implementing LED projects is a lack of employees (Masuku et.al, 2014).

Both the statement and study of Journal of Public Ad and Governance (2013), Sienkiewics (2014) and Masuku et.al (2014) were important in this study, for we can learn how budget and human resources became a problem and key players in the implementation of local economic development programs and in promoting investments.

The context in which One Village One Product was implemented in Indonesia, such as its lack of community initiation, lack of educated producer, lack of rural finance, lack of political will, the ambiguous of target project, and also less acceptance market with SMEs product, gave rise to the differences between the implementation of One Village One Product in Indonesia and Japan. These are the elements that complicated a bottom-up strategy in Indonesia (Widiyanti, 2018).

Due to barriers in logistics, language, etiquette, and cultural differences, development cooperation projects have had a significant educational gap between project colleagues and locals. Underachievement in terms of effects on the local economy has resulted from this, but the instance of Bohol has demonstrated how this risk may be reduced by adopting a new strategy for development cooperation that fully makes use of contextualized innovations (Tokushima, 2015.)

Both the study of Widiyanti (2018) and Tokushima (2015) are paramount in this study for it relates to the problem encountered by our investors and project implementers. Their study can help us understand further the importance of education, political will and coordination in the conduct and implementation of LED and its promotion.

The LED process at the local government level faces different issues, from policy through execution. These issues include the fact that policies aren't always put into practice, that skill levels need to be raised, that staffing and funding are scarce, that there isn't enough community involvement in the planning and execution

of LED projects, and that monitoring and evaluation are insufficient. Municipalities lack the necessary economic plans to deal with the problems of poverty, unemployment, and inequality. Most local authorities still do not prioritize LED at this time, and the national government only provides modest assistance. LED methods lack monitoring and assessment as well as intervention detail. Particularly small rural communities struggle to deploy LED. There is a lack of desire to form partnerships with the private sector and a lack of clarity around the role and functions of LED.

#### Interventions.

According to Rogerson (2013), properly executed strategic planning offers a means of defining competitive advantage, spotting collaborative possibilities, and developing strategies that more effectively meet local goals. His findings suggest that encouraging community cooperation might be a technique for achieving LED projects aimed at reducing poverty. Working together is intended to foster an environment that will enable the entire community to take engage in economic activities in order to attain LED. This suggests that industry, government, labor unions, and the poor should all participate in strategic planning.

The study of Rogerson (2013) is comparable to this study. For it gives emphasis as to the need for proper planning and active participation of different stakeholders in the region. Furthermore, the success of LED programs, projects, and activities will address one of the perennial problem of the world which is poverty due to unemployment.

The job of local government in development is to provide a favorable climate for all of its citizens and enterprises to thrive. To do this, local government must adopt a balanced strategy that is both "pro-poor" and "pro-growth." The development of jobs, the reduction of poverty, and the general enhancement of quality of life all require the intervention of local economic development methods. The civil society, business associations and local government units play a crucial and indispensable role in local leadership, which is crucial for the development of LED. Local politicians like the mayor and ward councillors, local ward committee members and CDWs, local ward committee members and LED managers, local business leaders, non-governmental organization (NGO) leaders, and religious leaders are examples of local champions (Mesopartner, 2023).

What was thought by Mesopartner (2023) is important in this study for it identified the different champions or actors playing in the success of local economic development. These actors were also the respondent of this study, thus understanding their role in this study is important in order to come up with a comprehensive study. And most importantly, in this study, once we established their role, we can develop a plan or intervention in addressing the concerns, issues and problems encountered.

According to Saiz (2020), partnerships between regional stakeholders are potentially a strong driving factor behind local economic development attempts to improve community self-governance. LED projects with a single municipal body have produced minor community development efforts with little economic effects. Small-scale thinking and planning, a lack of skill transfer to SMMEs, the hiring of senior managers from outside the area, the execution of projects that benefit foreigners rather than locals, and a negative attitude toward municipal officials from local communities and small businesses are typical traits of LED units. Local municipalities may have a stronger impact on the economy of their areas by incorporating LED into their overall planning.

Saiz (2020) statement is one of the key points that can be added as intervention or solution in the issues, concerns and problems encountered by investors and local government units during the implementation of DILG MC 2020-167. The researcher acknowledge the fact that there should be a strong partnership among stakeholders in a region in order to attain progress and development. Moreover, it is also important to note the importance of impression that our leaders gave to their prospective investors.

According to Akudugu and Laube (2013), LED is more effective when local stakeholders, government officials, and national planning organizations collaborate to develop and carry out local economic development programs. Moreover, there is a need for paradigm shift In order to lessen reliance on the federal government and donor finances, there is a need for a paradigm change from top-down to bottom-up techniques to local development. This may be accomplished by mobilizing local resources to carry out LED programs.

The message of Akudugu and Laube (2013) in their study is loud and clear and it is important to note and include in this study for it can be used to address the problems encountered by our respondents. Moreover, the bottom-up approach stated by Akudugu and Laube (2013) is one good area of study on how it can help in the success of LED projects, programs and activities.

to entice international investors, according to managers or owners of companies in developed market host nations. Governments in established markets who want to draw in foreign direct investment may find it useful to create investment promotion agencies in emerging countries. This trend is anticipated to continue as these markets contribute much more to global direct foreign investment flows (Anderson and Sutherland, 2015). This statement from Anderson and Sutherland (2015) is comparable to this study specially when we talk about the implementation of DILG MC 2020-167 wherein it encourages all Local Government Units to establish their Local Economic Development and Investment Promotion Office/unit and designate a Local Economic Development and Investment Promotion Officer (LEDIPO) who will work hand in hand with investors and business owners. As said by Anderson and Sutherland (2015), it is advantageous for any enterprises who attract and invite investors to invest in any Local Government Units' area of jurisdiction. would like to Executive Order (EO) No. 72 mandates the creation and implementation of LGUs' Comprehensive Land Use Plans (CLUPs) in accordance with the Local Government Code of 1991 to ensure sensible land use and sustainable urban and regional development. In accordance with their territorial jurisdiction, CLUPs specify the uses of land and other physical and natural resources, both public and private, including co-managed areas with the national government and, as necessary, management plans for ancestral domains, crucial watersheds, river basins, and protected areas. In addition to reviewing and approving provincial physical framework plans, the Housing and Land Use Regulatory Board (HLURB) offers technical assistance to local government units (LGUs), highly urbanized cities (HUCs), and independent component cities (ICC) in the formulation and updating of their CLUPs (PPFPs). As of 2017, 1,569 or 96 percent of the 1,634 LGUs had approved CLUPs (SDS Admin, 2019)

Maintaining strong ties with local Investment Promotion Agency may be advantageous for enterprises aiming

The written report of SDS Admin (2019) is important to the conduct of this study that is why it was included in this part. As the study stated, the Comprehensive Land Use Plan of a particular region is important in order to bring about a diversified yet balance development. Thus, understanding its importance and its use in the application of Local Economic Development in a region is necessary. As we all know the comprehensive plan, often referred to as a general plan, master plan, or land-use plan, is a piece of writing intended to direct a community's future actions. CLUP gives a vision for the future specially about long term plans and goal.

Public enterprises need to focus on resiliency and development to ensure income stability, operational continuity, future expansion, and funding sources. Open communication, risk management plan, regular upgrading of knowledge, capacity building training, and alternative plans and policies are needed to anticipate and give necessary action before pandemic. (Balbacal, 2014).

Balbacal (2014) stressed in his study the importance of open line communication, risk management plan and capacity building in order to achieve development and progress. LGUs personnel, LEEs employees may involve the stakeholder to chart the development plan. It is recommended to have an open line communication to all employees involve in the performance of LEEs programs and activities. The establishment of risk management plan to be performed by a team is also a necessity for the said problem. A regular upgrading of knowledge in the function of employees with regards to their duties and responsibilities. Another way to cope up with this, and as recommended by the respondent managers to have a capacity building training and seminar in as much as quarterly basis. To have alternative plans and policies to be formulated by the Sangguniang Panglungsod to anticipate and give necessary action before pandemic occurs.

The National Economic and Development Authority (NEDA) in the Philippines realized the importance of conducting additional research on how MSMEs contribute to local development. Reviewing or researching potential financial risks is one of their research priorities for 2017–2022. Expanding economic opportunities in industry and services" is the ninth agenda item, and it calls for a package of micro, small, and medium-sized companies (MSMEs). The function of LEEs and other government-owned firms has been the subject of study as a result.

In order to translate laws and policies into locally relevant actions in cooperation with all pertinent stakeholders/actors, the proper institutional framework must exist within municipalities. In addition to training for council members and senior officials, CDWs, ward committees, municipal LED portfolio committees, an integrative workgroup between the LED unit, housing unit, and town planning section, spatial planning initiatives like the SDF, and marketing plans for each municipality, the establishment of LED units at all local municipalities in the region is a priority. Local government must promote the development of external business structures that are strengthened and improved, as well as the creation of a platform for community organizations to support local projects (Meyer, 2014).

Matters that NEDA specified and what Meyer (2014) identified and explained, like the conduct of trainings, research and study on how to address the concerns of micro, small, and medium-sized companies (MSMEs) who are important player in establishment of LEE and LED. This knowledge can attribute to this study specially in addressing concerns and issues encountered by the implementers and investors. All laws that will be developed should also be in harmony to the current business climate of the region.

### **Conceptual Framework**

Figure 1 illustrates the paradigm of the study which focuses on Accelerating Economic Dynamism through Local Economic Development and Investment Promotion in Region 3. The input of the research analyzed the Local Economic Development and Investment Promotion (LEDIP) programs, projects and activities among Provinces in Region 3 and LEDIP level of implementation. Moreover, the study also identified the different issues and concerns encountered by our respondents, the Local Economic Development and Investment Promotion Officers (LEDIPO), and Local Chief Executives (LCE) in Local Government Units and the measures that can be proposed to bolster economic development and investment among Provinces of Region 3. Importance and possible implications of the study to Public Administration will be drawn.

Economic Dynamism of Central Luzon be described in terms of:

- Local Economy Size
- Establishments in the Locality
- Local Economy Growth
- Safety Compliant Businesses
- **Employment Generation**
- Cost of Living
- Cost of doing business
- Financial deepening
- Productivity
- Presence of business and professional organizations

Level of Implementation of the Local Economic Development and Investment Promotions be described and evaluated in terms of:

- Economic Enterprise
- Business Development
- Investment Services

Relationship between economic dynamism and level of implementation of Local Economic Development and Investment Promotion



Problems encountered in the implementation of Local Economic **Development and Investment Promotion** 



Measures that can be proposed to boost economic development and investment



Implications to Public Administration



#### Chapter 2

#### METHODOLOGY

The researcher wanted to discuss the study's methodology and logistics in this part. This includes the research design, locale of the study, sampling design and participants, research instruments that were used for the data collection and analyses.

#### Research Design

The study used the quantitative descriptive analysis research method in assessing the different LEDIP programs, projects and activities among Provinces in Region 3 and LEDIP level of implementation. Included also in this research is the identification of how well was the directives implemented in every area of jurisdiction of the different Provinces in Region 3. In addition, the study will identify the different issues and concerns encountered by the Investor and Local Government Units. And lastly the output of the study is to come up with plan of action that can be proposed to bolster economic development and investment among Provinces of Region 3 and the implications of the study to public administration is drawn.

In the study that was conducted, descriptive analytical research was utilized to define the fundamental characteristics or data types. The metrics that will be provided and the simplified sample are briefly explained (Investopedia, 2019). According to Dhand (2015), descriptive analysis is an essential initial step in performing statistical analysis. It gives a sense of how the data are distributed, helps to spot mistakes and outliers, and enables the discovery of connections between variables, laying the groundwork for further statistical investigation.

#### **Locale of the Study**

The study was conducted in Region 3 or Central Luzon which has a total of seven (7) provinces which covers a 22,296 square kilometers (km2) and has the largest contiguous lowland in the country will be the site of the study. Towering mountains, active and dormant volcanoes, lush, green farmlands, and natural marine harbors make up Central Luzon. Strategically situated in the center of Asia, it is one of the Philippines' top

growing areas. Between Manila and Northern Luzon is Region III. It consists of 118 municipalities, twelve cities, and seven provinces. Aurora, Bataan, Bulacan, Nueva Ecija, Pampanga, Tarlac, and Zambales are its seven provinces. Balanga in Bataan, Malolos and San Jose del Monte in Bulacan, Cabanatuan, Gapan, Munoz, Palayan, and San Jose in Nueva Ecija, Angeles and San Fernando in Pampanga, Tarlac in Tarlac, and Olongapo in Zambales are among its 12 cities (DENR, 2019).

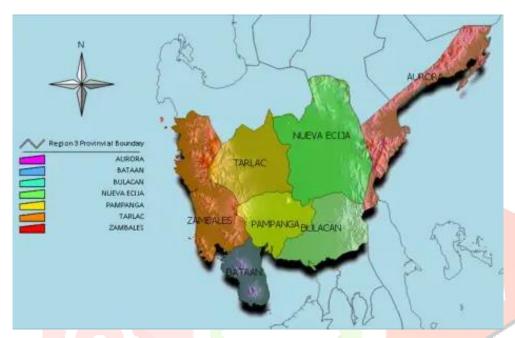


Figure 2. Map of Region 3

### Respondents of the Study

The respondents of the research were the Mayors, and Local Economic Development and Investment Promotion Officers of all first class municipalities in Central Luzon and Local Economic Development and Investment Promotion Officers of each Provinces, with a total of one hundred seven (107) respondents. Wherein, fifty (50) are the Local Economic Development and Investment Promotion Officers (LEDIPO), fifty (50) Mayors, and Seven (7) LEDIPO of every Provinces.

#### Sampling Design

Sampling is a process of selecting number of members of the population of a study through subsets. Participants in this descriptive evaluative research were purposely selected. Researchers take into account the study's objectives and the target audience's comprehension.

#### **Methods of Gathering Data**

#### **Research Instruments**

The main tool for acquiring data was a survey questionnaire. The literature review and associated research from Chapter 1 served as its foundation.

The study made use of a researcher-made questionnaire based from the mandated functions of Local Economic Development and Investment Promotions stipulated in the Department of the Interior and Local Government (DILG) Memorandum Circular No. 2020-167 known as the Guidelines on Promoting Local Economic Development and Investment Promotion and establishment of LEDIP Office/Unit in all Provinces, Cities and Municipalities.

The data-gathering instrument used in this study was subdivided into two division, the different part deals with 1. Level of economic dynamism of Central Luzon; 2. Level of implementation of local economic development directives and investment code among the provinces; and 3. Issues, concerns or problems encountered by LEDIP officers.

The instructions and aim of the survey questions were thoroughly explained to the study participants prior to administration. Informal interviews were also undertaken to get clarity and validation of the replies in order to validate the data that had been gathered.

The researcher gathered data and facts the level of implementation of the local economic development directives and investment code. The different issues, concerns and problems encountered by our respondents in their respective LGUs will then be addressed through this study. After which, a plan of action to address these concerns, issues and problems will be drawn.

Data are gathered through the combined efforts of the researcher to look on matters relating to the topic.

The method of gathering data carried out in this study are summarized below:

**Questionnaires.** The study made use of a researcher-made questionnaire based from the mandated functions of Local Economic Development and Investment Promotions Officer (LEDIPO) stipulated in the Department of the Interior and Local Government (DILG) Memorandum Circular No. 2020-167 known as the Guidelines

on Promoting Local Economic Development and Investment Promotion and establishment of LEDIP Office/Unit in all Provinces, Cities and Municipalities.

The researcher gathered facts about the different programs, projects and activities of every Provinces along with the different municipalities in Region 3. Then guided public perceptions will be used to know the issues, concerns and problems encountered by LGUS.

Interview. To investigate respondents' perspectives and ideas on a particular topic, program, or issue, it conducts targeted one-on-one interviews. It also employs questionnaires to collect extra data to augment the replies. On the other hand, in the research, information is exchanged between two or more persons through a sequence of questions and replies. The formal, step-by-step procedure is based on the respondents' experiences.

Documentary Analysis. The documentary analysis consists of the different supporting documents from the different LEDIPO and DILG focal person of Region 3. We have included the Annual Investment Plans/Programs (AIP), Local Development Investment Plan (LDIP) and Local Investment and Incentives Code (LIIC) of every municipalities.

Data Analysis. To ensure the objectivity of the analysis and interpretation in the following chapter, the study's data were handled using the proper statistical methods for each question. Descriptive statistics were used to encode, total, and analyze all of the data. The data from the Cities and Municipalities Competitive Index (CMCI) under the pillar of Economic Dynamism will be assessed in this study.

**Frequency.** This was used to describe the performance of the Local Economic Development and Investment Promotion Officer or LEDIPO in term of duties, functions and powers. This was also used in getting problems encountered of program (Collins, 2010).

**Percentage**. It is the ratio of the numbers given as a percentage of 100. This formula was used to present, compute, and tabulate the obtained data (Collins English Dictionary, 2010).

 $P = f \div N \times 100$ 

Where: P = percentage

F = number of frequencies

N = total number of respondents

**Ranking**. When the data are appropriately sorted, it relates to the data transformation where arithmetical or ordinal values are changed to their respective rank. The indexed list of order statistics, which includes the original dataset with the data reorganized into ascending order, and ranks are related to each other (Merriam, 2010).

Likert Scale. A psychometric response scale that is primarily used in a statement or series of accounts for questionnaires to determine the expectations or degree of consensus of participants. A five- (or seven-point) Likert scale is used to let a person indicate how much they agree or disagree with a certain proposition. The Likert scale (usually) offers five options for responses to a statement or question, allowing respondents to express how strongly they agree or disagree with the statement or question on a positive-to-negative scale. Likert scales are a one-dimensional (only measure a single trait) noncomparative scaling technique. Respondents are asked to use an ordinal scale to show their degree of agreement with a given argument. The questionnaire was graded using a five-point Likert scale (McLeod, 2008).

Index	Range	Adjectival Rating (AR)
5	4.5 – 5.0	Highly Implemented
4	3.50 – 4.49	Implemented
3	2.5 – 3.49	Moderately Implemented
2	1.5 – 2.49	Fairly Implemented
1	1.0 - 1.49	Poorly Implemented

**Ethical Consideration**. The researcher explained the study's purpose and the significance of its findings to each participant after getting approval to conduct the study. Written consent forms explicitly stated that participation in the study was fully voluntary and that participants might discontinue at any time, without having to give a reason or face any repercussions. There will be a consent form and information page connected to the survey questions. Due to the researcher's measures, external biases were avoided during the data gathering process for the current study.

**Informed Consent**. One of the guiding principles of research ethics is informed consent. The goal is for human volunteers to enter research freely (voluntarily) after receiving full information about what it means for them to participate and after giving their consent before doing so.

There should be no undue pressure on subjects to assent, and consent should be gained before the individual enters the research (potentially). The participant must have a basic understanding of the research and what they are consenting to in order for their consent to be considered informed (Oxford, 2021). Thus, prior to the data collection, the research participants received instructions on what to do so they would know what to anticipate.

**Privacy**. Consider a scenario in which a study subject requests anonymity during the data collection because they believe a topic is too personal for them to answer. Their plea had so been granted in that instance.

Confidentiality. The data gathered from the study participants was kept in strict confidence. After five (5) years, the researcher will remove the data from all of the storage devices. The data will be entirely and permanently erased.

Anonymity. The researcher took precautions to protect the research participants, thus, no identifying information about the research participants was provided in any portion of this study.

Respect. Respect for the participants' lives, reputations, and dignity is upheld in this study.

# Chapter 3 PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

This portion presents the results of the analyzed data as well as the corresponding discussions and interpretations of the different variables investigated relative to the level of implementation of the DILG Memorandum Circular. The collected information was shown both textually and tabularly with the use of statistical processing for interpretation and analysis.

#### 1. Economic Dynamism of Provinces in Central Luzon

Economic dynamism is the measure of an economy's rate and direction of change. This can include factors like the rate of new firm establishment, the frequency of labor market disruptions, and the geographic mobility of the workforce.

It is said that our country, the Philippines has been one of the most dynamic economies in the East Asia and Pacific region. With increasing urbanization, a growing middle class, and a large and young population, the Philippines' economic dynamism is rooted in strong consumer demand supported by a vibrant labor market and robust remittances.

According to the report of The World Bank, the economic recovery in the Philippines is strengthening; from 5.7% in 2021 to 7.6% in 2022, growth is expected to increase. Strong domestic demand, a healthy labor market, government investments, and recent policy changes intended to move the nation from a lower middle-income country all contribute to this rise.

In Region 3, Twelve towns and cities were identified as some of the most competitive local government units (LGUs) in the nation. The winners were acknowledged for ranking first among more than 1,600 local government units (LGUs) in several competitiveness pillars, including infrastructure, resilience, economic dynamism, and government efficiency.

Determining the development of economy or economic dynamism of different municipalities of Region 3 will help our Local Economic Development and Investment Promotion Officer (LEDIPO) understand the importance of enhancing the competitiveness of the economy in their respective locality.

Table 1
Economic Dynamism of Central Luzon as indicated in CMCI Report

	Mean Index	Equivalent	
Indicator	Value	Weight	Rank

Cost of Doing Business	1.96	0.0393	1
Cost of Living	1.22	0.0243	2
Establishments in the Locality	0.38	0.0075	3
Financial Deepening	0.36	0.0072	4
Productivity	0.21	0.0041	5
Employment Generation	0.20	0.0040	6
Safety Compliant Businesses	0.18	0.0036	7
Local Economy Growth	0.14	0.0027	8
Local Economy Size	0.12	0.0025	9
Presence of Business and			
Professional Organizations	0.06	0.0013	10

Table 1 present the economic dynamism of respondents as indicated in Cities and Municipalities Competitive Index report. Among the ten (10) indicators under the Pillar of Economic Dynamism, Cost of Doing Business was ranked number one with mean index value of 1.96 and an equivalent weight of 0.0393. The outcome led us to believe that Local Government Units in Region 3 were doing good in terms of Cost of Doing Business. That data providers were able to provide needed data in this area, thus a high scores was given to said indicator.

As we understand, the term "cost of doing business" refers to the total operating expenses of the business for the preceding 12 months, as determined by the standards and accounting procedures regularly used in the computation of costs for income tax reporting. This amount must include, but not be limited to, all direct and indirect costs, such as those associated with the product, freight, labor, equipment, rental and maintenance costs, cigarette licenses, preopening expenses, management fees, costs, rents, depreciation, selling costs, maintenance expenses, interest expenses, delivery costs, all kinds of licenses, all taxes, insurance, advertising, and any central and regional administrative costs.

The modern business environment is fast-paced and constantly changing, and finance departments are finding it difficult to survive in the face of these obstacles. The cost-of-doing-business, or the rising expenses businesses incur in their day-to-day operations, is one of the most urgent problems. Thus, it is important to note that a reduced operating expenses can increase earnings and increase a business's appeal to investors.

The indicator, Cost of Living with mean index value of 1.22 was ranked number 2. Cost of living (COL) is a common term that enables comparison of costs of basic commodities between regions. It is generally described as "the basic cost of the food, clothing, shelter, and fuel necessary to maintain life, IJCRT2312495 International Journal of Creative Research Thoughts (IJCRT) www.ijcrt.org | i795

especially at a standard regarded as basic or minimal." Because low prices may indicate lower production costs, an investor may choose to go to a location offering low pricing for goods and services. Since the price of things is determined by supply and demand, lower costs for goods and services could also indicate sufficient basic resources. Low-cost localities tend to be more appealing overall to prospective investors, however in many countries, highly urbanized areas have greater costs of living than LGUs with lower income classes.

On the other hand, as gleaned in Table 1, Active Establishments in the Locality was ranked number 3. It is significant to remember that investors will be drawn to a municipality if there are financial prospects. They will assess the attractiveness of a municipality's opportunities by predicting their projected return or profit, and they will be drawn to those that offer the best combination of size, risk, and return. Additionally, from the standpoint of an investor, a developing economy with a growing number of businesses is a desirable place to invest.

Financial Deepening makes refer to the growth of more accessible and all-encompassing financial services options that serve all social classes. Additionally, it makes reference to the macro effects of financial deepening on the larger economy. And this indicator, Financial Deepening, ranked number 4 among the ten indicators of Economic Dynamism.

As shown in the CMCI report, the following were submitted to the Department of Trade and Industry to determine the rate of Financial Deepening of a particular city or municipality: number of commercial/universal banks, number of thrift and savings bank, number of rural banks, number of finance cooperatives, number of savings and loans association with Quasi-Banking Functions, number of pawnshops, number of money changers/foreign exchange dealers, number of remittance centers, and number of microfinance institutions.

Financial deepening or financial networks makes capital more accessible to individuals who don't have it, which promotes economic expansion. In less developed systems, incumbents have easier access to financial services through relationship banking and internal resource creation. In sophisticated systems, financial institutions create information gathering procedures and appraisal methodologies that allow banks to support marginal businesses and activities. As a result, it can be said that the likelihood that an investor will conduct business in a municipality increases with the number of financial networks present.

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The indicator, Productivity, was ranked number 5 under the pillar of Economic Dynamism. It was learned that a key component of competitiveness in a community is the productivity of its businesses. The productivity level also affects the rates of return on investments made in an economy, which are the primary forces behind its growth rates, according to the Global Competitiveness Report. Stated differently, an economy that is more competitive is more likely to be able to maintain growth. Thus, every cities and municipalities in the Philippines were opt to report the gross sales of registered firms and the number of declared employees for business renewal. In this way, the productivity level of said cities and municipalities can be assessed.

The productivity rate of a city or municipality has a direct impact on the chance that investors, company owners, and businesses will make investments and conduct business in that area.

Meanwhile, Employment Generation has a mean index value of 0.20 or ranked number 6. As grasped in our communication with the Department of Trade and Industry, one measure of an economy's health is its employment rate. A strong economy that generates goods and services quickly usually needs laborers for its manufacturing and service facilities. Therefore, the employment rate in a locality can be used to estimate the demand for jobs in an LGU. A municipality with high rate of employment generation, is most likely the place an investor would like to invest and do business with.

Ranked number 7 in Table 1 is Safety Compliant Businesses. Many businesses are significantly impacted by worker safety. In other words, workplaces that are safer have lower accident rates, which lowers costs associated with occupational health, improves employee retention and satisfaction, reduces employee downtime, and requires less time for retraining. Thus, CMCI included the indicator, Safety Compliant Businesses for it is one of the most sought key for an investor to move his investment. Number of authorized fire safety inspections compared to approved occupancy permits is being addressed in this area.

The rate at which production activities are expanding, the number of establishments, and investment in the region are additional indicators of the dynamism of the local economy. The above-discussed rise of the proxy indicators for local production can therefore be used to approximate the LGU's economic expansion. This measure resembles the expansion of gross domestic product at the national level. Thus, the Local Economy Growth was included as indicator under the pillar of Economic Dynamism. It is important to note that the

growth of the local economy is being considered by prospective investors and business establishments. In this study, Local Economy Growth ranked number 8 with mean index value of 0.14.

The Gross Domestic Product or GDP, which is used to assess economic activity at the national level, roughly corresponds to the size of the economy in the local government unit. Gross sales, which can be used as a proxy for local output, the number of business registrants, and the total capitalization of recently registered business enterprises are some local economic activity proxies. These metrics show the amount of new investment in the community. Analyzing the data in Table 1, where it shows which indicator is much progressive, it shows that the Local Economy Size was ranked number 9.

As can be gleaned from Table 1, Ranked 10 with mean index value of 0.06 is Presence of Business and Professional Organizations. It's a common belief in economics that the private sector propels economic expansion. Subsequently, it is imperative to utilize private sector entities, particularly business associations, to bolster the local government units' endeavors to augment their competitiveness. An area's ability to become more competitive is positively connected with the existence of organized business groupings.

## 2. Level of implementation of the Local Economic Development and Investment Promotions

The municipality's Investment Priorities Plan, which is based on the locality's economic development strategy, is created and implemented with assistance from the Local Economic and Development Investment Promotions Office (LEDIPO). By considering the policy outlines and economic development plan of several national government agencies, LEDIPO promotes the Locality as one of the preferred investment destinations in the Philippines.

Reducing poverty through local economic development (LED) is considered to be one of the key strategies. The goal of local economic development must be to boost the local economy in order to generate jobs. This implies that the municipal region needs to welcome more factories and enterprises.

To determine how well the Local Economic Development and Investment Promotions Officer (LEDIPO) exercise its functions in accordance with the applicable laws and to ensure that they are carrying out their duties, the researcher's motivation for doing this study is interesting. Our Local Chief Executive and Municipal Local Government Operations Officer (MLGOO), will be informed of the level of performance and

implementation of the LEDIPO in relation to its functions through the LEDIP Officer's evaluation. This way, our leaders will be given the opportunity to address any issues for the benefit of the locality.

## 2.1 Performance of LEDIPO in terms of their Specific Functions

It is important to note that the Local Economic Development and Investment Promotions Office/Unit is the one responsible for overseeing all actions pertaining to local business growth, support system establishment, and LGU investment facilitation and promotion. It will also support the expansion and retention of businesses, as well as other commercial and economic activities that draw in investments and create jobs, in order to support the growth of Micro, Small, and Medium-Sized Enterprises (MSMEs).

Table 2
Level of Implementation of Specific Office Functions

Function	Mean	Adjectival Description
Serve as member of the advisory group that will guide the LGU for investment promotion	4.05	Implemented
In close coordination with the Local Planning and Development Coordinator, identify revenue generating and enterprise development project of the LGU which may be implemented by the private sector through Public-Private Partnership arrangements	3.95	Implemented
Assist and support local councils whose undertakings are related to economic development	3.83	Implemented
Establish and maintain local economic database containing relevant facts and figures on the local economy to be able to provide information about business potentials of the LGU including its services to prospective investors to attract more investment to flow in the locality	3.80	Implemented
Advocate and promote policies and practices that will encourage local investments	3.79	Implemented
Establish and maintain partnership with different department, offices, organizations in the implementation of programs, projects and activities that will promote the business-friendliness and competitiveness of the LGU	3.79	Implemented
Provide support and facilitation assistance for prospective and new investors	3.71	Implemented
Assist in the promotion and development of micro, small and medium enterprises in the locality, as well as all other potential investors	3.57	Implemented
Steer the creation of a business enabling environment to attract, retain or expand investments	3.49	Moderately Implemented
Prepare and disseminate investments promotion collaterals, e.g., brochures and a website of the LGU for the purpose of information dissemination, including issuing reminders to	3.19	Moderately Implemented

Overall Mean	3.61	Implemented
Represent the Municipality in trade and investment meetings, conferences, and other similar activities in both domestic and foreign venues	2.95	Moderately Implemented
Conduct mission trips in relation to promotion and marketing activities of the LGU to attract investments	3.15	Moderately Implemented
Registered enterprises, and providing information relevant to investors, among other information generally relevant to doing business		

In order to facilitate and coordinate the local government unit's advocacy for local economic development and investment promotion, the Local Economic Development and Investment Promotion Officer (LEDIPO) plays a crucial role in mobilizing a capable structure to oversee all projects and programs.

Table 2 shows the level of implementation of Specific Office Functions in Region 3. With a verbal description of "implemented," the overall mean for the implementation of office functions among the first class municipalities and provincial office was 3.61.

The respondents claimed that the specific functions of the office or of the designated Local Economic Development and Investment Promotion Officer (LEDIPO) is somehow implemented. This is in answer to the call or policy released by the Department of the Interior and Local Government wherein, every Provincial Governor, City Mayor, and Municipal Mayor is urged to designate their respective LEDIPO in order to support the national government's efforts to market the Philippines as an alluring investment destination and to create Business Friendly and Competitive Local Government Units.

Furthermore, the researcher learned that the policy that DILG downloaded is intended to be put into effect, particularly the extension of the LEDIPO's responsibilities to include serving as the local investment promotion officer as well as the focal point for local economic development, and the explicit articulation of the qualifications and competencies that LEDIPO must possess. Because of this, the designated LEDIPO chose to carry out the tasks that were entrusted to them, with the LEDIPO being one of the major indicators of the Seal of Good Local Governance (SGLG), though not to the fullest extent possible.

To further the study, the researcher will go into great detail and go over each outcome one by one in order to better comprehend the data on the degree of implementation of the Specific Office Functions of the LEDIP officer.

According to the result of the study, it was learned that function of serving as member of the advisory group that will guide the LGU for investment promotion got a mean of 4.05 or adjectival description of Implemented. Since the designated officers were from different Departments and were also holding other functions they were automatically included in every development council and advisory group. This is also in compliance with different directives from the national government, that is why the level of implementation of said function was answered by most of our respondents as implemented.

The next function which is in close coordination with the Local Planning and Development Coordinator, identify revenue generating and enterprise development project of the LGU which may be implemented by the private sector through Public-Private Partnership arrangements had a 3.95 mean or adjectival description of implemented. Some of our respondents were from the Department of Municipal Planning and Development and Business Permit and Licensing Office, and these respondents were automatically been working with local planning and development coordinator. In this regard, they found it easier to coordinate matters pertaining to project development that can be implemented by potential investors and generate income. It is also easier for them to talk about issues related to how successful the Public-Private Partnership arrangements are for conducting business.

As to the function of assisting and support local councils whose undertakings are related to economic development, our respondents were typically called upon to address issues pertaining to ordinances that are associated with economic development.

Establish and maintain local economic database containing relevant facts and figures on the local economy to be able to provide information about business potentials of the LGU including its services to prospective investors to attract more investment to flow in the locality is another function that got a mean of 3.80 or adjectival description of Implemented. The data were not really from the LEDIP Office but from other offices like PESO, MPDO, BPLO, Treasury, Tourism. The LEDIP Office combined all of the data from those offices to create a database that they use to advise prospective investors. Additionally, these data served as the foundation for the creation of marketing and sales collateral.

The functions: advocate and promote policies and practices that will encourage local investments and establish and maintain partnership with different department, offices, organizations in the implementation of

programs, projects and activities that will promote the business-friendliness and competitiveness of the LGU got a 3.79 mean or implemented as adjectival description. To be able to promote policies and practices that will encourage local investments the presence of a law must be present first. Thus, upon checking, every municipalities we visited, we found out that they all have their own Local Investment and Incentives Code (LIIC). However, these LIIC were not updated and they do not have Implementing Rules and Regulations. Thus, the promotional materials were just limited. Additionally, we learned that with the support of various offices in each municipality, such as the Business Permit and Licensing Office (BPLO) and the Public Employment and Services Office (PESO), which are in charge of collaborating closely with various departments, agencies, and organizations that can aid in promoting business friendliness, were able to help our LEDIP Officer in performing their functions in terms of supporting and encouraging laws and procedures that will stimulate local investment.

Another functions of our LEDIP Officer that got an adjectival description of Implemented, were providing support and facilitation assistance for prospective and new investors and assist in the promotion and development of micro, small and medium enterprises in the locality, as well as all other potential investors. This was not directly implemented or performed by our LEDIP Officer but were implemented through the assistance of PESO, MPDO and BPLO.

On the other hand, functions like: to Steer the creation of a business enabling environment to attract, retain or expand; Prepare and disseminate investments promotion collaterals, e.g., brochures and a website of the LGU for the purpose of information dissemination, including issuing reminders to Registered enterprises, and providing information relevant to investors, among other information generally relevant to doing business; Conduct mission trips in relation to promotion and marketing activities of the LGU to attract investments; Represent the Municipality in trade and investment meetings, conferences, and other similar activities in both domestic and foreign venues had a mean of 3.49, 3.19, 3.15 and 2.95 respectively with a verbal description of moderately implemented.

Aforementioned functions that were described as moderately implemented were not given full attention due to the following reasons: (a) designated LEDIP officer has other duties and responsibilities to attend to; (b) no staff or insufficient number of staff, and (c) no budget appropriation.

Most of the LEDIP officer came from the offices of Business Permit and Licensing, Tourism, Treasury, Municipal Planning and Development, Public Employment and Services and Municipal Environment and Natural Resources. In this case, the chosen or designated LEDIP Officers had to complete their sworn duties and responsibilities first prior to carrying out their LEDIPO duties.

Furthermore, it was discovered that some of our LEDIP Officers lack staff members designated to support them, resulting in an undermanned LEDIP office.

It is understood that every company's employees are its core. The workers are the mechanism that turns the gears. A limited number of workers will have too much work to perform if there is not enough staff on board to complete responsibilities. A few people will experience pressure and stress if they have an excessive amount of work. They might experience stress-related issues as a result of being overworked, which would lower their performance levels.

We need to understand that employee workloads are likely to result in lower-quality work because of this. As a result, the company's goods and services will deteriorate. Even though you are saving money on labor expenses, the caliber of the work your employees are doing may not meet your expectations. In addition to what was discussed, our respondents also revealed that their office is operating with no budget thus, performing their additional work which is LEDIP function is challenging.

On the other hand, amidst of the negative facts gathered from our respondents, there is something unique among them and that is their initiative in doing their best for their Local Economic Enterprise (LEE) to prosper and contribute to the growth of revenue of their locality.

Among the Local Economic Enterprise (LEE) that somehow prosper in their localities were the operation of Public Market, Slaughterhouse, Rental of Heavy equipment and Farm Equipment. On the negative side, there were Local Economic Enterprise project that has a negative contribution like the operation of Public Cemetery and Public Transportation Terminals.

During our visits with different Local Economic Development and Investment Promotion Offices (LEDIPO) most of the LGU Employees were not familiar of this LEDIP offfice, they were more oriented of the Local Economic Investment Promotion Office or LEIPO.

On the other hand we have found some areas or municipalities in Central Luzons who are prospering because of some investments located in their localities. Established in some areas were Economic Zone Area that help boosts locality's economic. These municipalities has close coordination and partnership with different regional and national agencies that helped them in dealing with investors.

Moreover, aside from these economic zone, there were municipalities whose focused is on Small-Medium Enterprises (SMEs). Their programs, projects and activities were in coordination with the Department of Trade and Industries. According to our respondents this is not just LEDIPO initiative but rather a coordinated work with Public Employment Services Office and also of Municipal Social Work and Development Office (MSWDO). This is because their Local Chief Executive as well as some of their local legislators are more of focusing on the development of small and medium industries and enterprises in their locality.

#### 2.2 Level of Implementation of Local Economic Enterprise

As per the Department of the Interior and Local Government (DILG) Memorandum Circular No. 2020-167, it is advised and mandated that the members of the LEDIP office/unit should consist of, among other things: (a) an LEDIPO in charge; (b) a minimum of two to three (3) Technical Support Staff, chosen by the Local Chief Executive (LCE) and backed by an Executive Order or Ordinance, depending on the needs and priority economic sector of the LGU. The LGU is able to carry out the intended activities and add or enlarge the LEDIP Office or Unit.

And under the LEDIP office is the Local Economic Enterprise Division. Public markets, slaughterhouses, hospitals, cemeteries, parking lots, sports, recreational, and cultural facilities, public utilities like water and power supply and distribution and telecommunications, garbage collection and disposal, public transportation, and terminal services are just a few examples of local economic enterprises, or LEEs, that can be found in any municipality. They were primarily developed to boost income and produce long-term advantages for the neighborhood. Local governments fund LEEs in order to acquire additional resources that will enable them to provide better services to the public.

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Table 3 of this study will show the Level of Implementation of the Economic Enterprise Division under the LEDIP Office.

Table 3

Level of Implementation of Local Economic Enterprise

Function	Mean	<b>Adjectival Description</b>
Update the LGU's data on the LGU P4 Portal developed by the DILG	3.69	Implemented
Formulate plans, development and implementation of proposal for the establishment of new economic enterprise	3.60	Implemented
Coordinate with PPP Center of the Philippines, the main coordinating and monitoring agency of the Philippine PPP Program, on the Division's relevant tasks	3.37	Moderately Implemented
Coordinate with partnering institutions/agencies/private sector associations intended for PPP projects and the conduct of research on PPP project possibilities from exiting and new partners, including the development of a database of potential private sector partners	3.30	Moderately Implemented
Facilitate and assist in the implementation of PPP programs and project	3.26	Moderately Implemented
Perform other functions related to PPP projects as may be determined by the local chief executive	3.20	Moderately Implemented
Conduct research on best LGU PPP practices, and for recommending plans, policies, and implementation guidelines related to PPP in consultation with appropriate implementing agencies and private sectors	3.14	Moderately Implemented
Overall Mean	3.37	Moderately Implemented

The overall mean of Table 3 which is 3.37 with Verbal Description of Moderately Implemented clearly shows that the degree of implementation of the functions of local economic enterprise is falling somewhere in the center of a scale, quantity, or degree.

It can be gleaned in the table that the function of updating the LGU's data on the LGU P4 Portal developed by the DILG got a mean of 3.69 or verbal description of Implemented. We are well aware that the Department of the Interior and Local Government (DILG) works to uphold public safety, maintain peace and order, and improve local governments' capacity to provide citizens with essential services. That attention is being paid to each and every area or aspect that DILG is tasked to monitor diligently, thus our respondents are opt to ensure that the P4 Portal developed by the DILG are regularly updated to avoid possible memorandum stating the LGUs failure to update its portal.

This was followed by formulation of plans, development and implementation of proposal for the establishment of new economic enterprise with a verbal description of Implemented and with 3.60 as its mean. Although it garnered a good rating of 3.60, it was made known to us that our LEDIP Officer nor its support staff were not the one who formulated, development and implemented the establishments of new economic enterprise. Usually, the department in charge of that enterprise was the one to begin the planning, creation, and execution of that particular LEE. For instance, the Market Supervisor was the one who oversee the design, construction, and operation of the Public Markets and Slaughterhouses, while the Municipal Health Officer is the one who started the planning, development, and implementation of hospitals and super clinics/centers in coordination with their respective Engineering Office, Budget Office and with Municipal Planning and Development Coordination Office.

Meanwhile, the following remaining functions of the Local Economic Enterprise Division: (a) Coordinate with PPP Center of the Philippines, the main coordinating and monitoring agency of the Philippine PPP Program, on the Division's relevant tasks with a mean of 3.37; (b) Coordinate with partnering institutions/agencies/private sector associations intended for PPP projects and the conduct of research on PPP project possibilities from exiting and new partners, including the development of a database of potential private sector partners with a mean of 3.30; (c) Facilitate and assist in the implementation of PPP programs and projects with a mean of 3.26; (d) Perform other functions related to PPP projects as may be determined by the

local chief executive with a mean of 3.20; and (e) Conduct research on best LGU PPP practices, and for recommending plans, policies, and implementation guidelines related to PPP in consultation with appropriate implementing agencies and private sectors with a mean of 3.14 were all given an overall verbal description of Moderately Implemented.

The researcher learned that the aforementioned functions were well known to our respondents, however said functions were mostly performed by the Office of the Mayor or the Office of the MPDC and not the office of the LEDIP or the Local Economic Division. Additionally, the tasks are delegated to the host or the department/office that is directly involved, such as the Office of the Market Supervisor for public markets and slaughterhouse, parks to Tourism Office, hospitals to Municipal health Office, and transportation to POSO.

Usually the involvement of the LEDIP office or its Local Economic Enterprise Division is when an idea or proposal for a PPP-coordinated project is almost ideal. Their involvement is more of the preparation of program for the MOA or Contract Signing, the preparation for Ground Breaking and the likes.

It is a fact that Economic development is not only essential to local government because it gives residents more opportunities and a higher quality of life, but it also raises money to enhance municipal service delivery and permits revenue growth for public sector companies.

In this study, iIt is also made clear that creating a community-wide economic development strategy plan that outlines the objectives, budgetary constraints, and economic mission of the local government. The way this data is arranged is essential for strategically planning a community's economic development. This economic strategic plan aims to provide residents, government workers, and company owners with an understanding of the municipality's economic priorities. However, with the current number and quality of personnel and budget they have, and with the Personnel Service (PS) limitations, our respondents can do little about it.

### 2.3 Level of Implementation of Business Development Division's Functions

Regarding issues pertaining to the general organization of the LGU and the development of other divisions, the business development division is responsible for providing recommendations and advice. Effective internal communications must be developed in order to carry out this function. Documents, assignments, and projects

should be shared and discussed between analysts in the business development department and experts in other departments.

The goal of business development (BD) is to identify and cultivate new prospects in order to support company expansion. Business development is defined as the creation of long-term value for an organization from customers, markets, and relationships. All of the activities that go into developing a business are aimed at improving it.

During the conduct of survey and interview, it was clearly understood that Business Development Division has the ability to find new prospects for firms thus it is one of the main reasons that company development is significant. During the interviews it was learned that our respondents understand that if the business development division will function as it was stated in the DILG Memorandum Circular, they will be able to understand the requirements and desires of its clients that eventually can create new goods and services to satisfy their demands. The company's sales and earnings may rise as a result. The fact that business development enables companies to enter new markets is another factor contributing to its significance. Businesses can create goods or services that satisfy consumer wants by studying the demands of clients in various markets. Businesses can benefit from this by growing their clientele and revenue. Growth of a business in a locality will mean growth of economy and will then be able to resolve social problems such as health and poverty.

The ability to assist businesses stay competitive is another factor contributing to business development's significance. An LGU may remain ahead of its rivals or other LGU by continuously searching for fresh chances. By doing this, they may increase their profitability and hold onto their market share.

Lastly, the ability to enhance customer service is a key benefit of business development for organizations. Businesses may make sure their consumers are always satisfied by continuously seeking out ways to improve the services they provide. By doing this, companies may enhance repeat business and maintain a loyal consumer base.

The Level of Implementation of the various Functions of Business Development Division is shown in Table 4. The chart or table 4 unequivocally demonstrated that business development functions are implemented moderately with 3.06 overall mean.

It was learned that because of the fact that our respondent has been trained or been used to do multitask, they were able to fulfil both their sworn duties and responsibilities as well as the additional functions assigned to them as LEDIP Officers. But when asked how efficient their work is, they just smiled and shrugged their shoulder.

We have to understand that even if speed is great, if it is not accurate, it is ineffective. A prevalent grievance among colleagues is that while many tasks are completed quickly, the level of precision and quality is often subpar.

Although employeess are not good at multitasking, they frequently think they are. This could be part of the millennial crisis, which is characterized by a decrease in focus and attention spans. Supervisors frequently believe they can multitask, yet they can be working too rapidly and badly, leaving unfinished jobs unfulfilled. According to experts in the field of brain research, people do not actually multitask since the thinking portion of the brain does not multitask. That is not how the human system is configured. The brain can only process and store one notion at a time. As a result, we alternate between jobs and don't actually complete many at once.

Table 4

Level of Implementation of Business Development

Function	Mean	Adjectival Description
Supervise the Trade and Industry functions	4.53	Highly Implemented
Coordinate with Small-Medium Enterprise (SME) Development Council/Committee	3.39	Moderately Implemented
Conduct or participate in trade and exhibitions or other events in coordination with the private sector and other government entities	3.21	Moderately Implemented
Promote local trades by conducting/participating product national and local development seminars, trade and investment mission, livelihood seminars, and marketing events	3.21	Moderately Implemented
Conduct Research and coordinate with national government agencies and entrepreneurs for local product standardization	3.06	Moderately Implemented
Conduct research and endorsement of new technology for existing products	2.93	Moderately Implemented
Develop, monitor and report performance measures	2.91	Moderately Implemented

Overall Mean	3.06	Moderately Implemented
Monitor and recommend appropriate interventions for the sustainability for each industry	2.72	Moderately Implemented
Conduct research and development of new trends on investment promotion paraphernalia	2.74	Moderately Implemented
Monitor and analyze sales report of the trade fairs	2.76	Moderately Implemented
Conceptualize product paraphernalia and other marketing strategies for local products	2.76	Moderately Implemented
Formulate projects and product development	2.79	Moderately Implemented
Provide assistance in the conduct of research on funding possibilities from existing and new partner and donors	2.81	Moderately Implemented
on the effectiveness of trade and industry initiatives		

As assessed in this situation we could believe that our respondents may have been proficient multitaskers for years and that multitasking not presented any difficulties for them. This capacity for multitasking might be advantageous, but only in limited circumstances. The question of whether multitasking is better in real life depends on what kind of work you do.

For example, some jobs demand the ability to multitask well. Consider front-end positions such as nurses, bank tellers, bartenders, receptionists, and customer service agents. They need to multitask in order to provide better service to their consumers. It is also feasible to multitask while doing everyday tasks like eating while watching television, working out while listening to music, or conversing with a friend while taking in the view. However, those that require a high degree of focus at work, such accountants, copywriters, painters, data entry specialists, librarians, and gym instructors, should not multitask. To create precise and high-quality results, these professions require the ability to focus on a single activity at a time. The same goes with our LEDIP Officers who were given additional functions or tasks aside from their regular sworn duties. The functions may be rated as highly implemented but the question is how efficient and effective it was.

As shown in table 4, the function Coordinate with Small-Medium Enterprise (SME) Development Council/Committee were given a moderately implemented verbal description. The reason a function was given a moderately implemented rate instead of a highly implemented one is because the fact that majority of the

respondents were only designated, and that their mode of implementation is for compliance only and as for this function, other departments were in-charge of coordinating with Micro Small and Medium Enterprises (MSMEs) Committee like the Office of the Public Employment Service and Municipal Social Welafare and Development Office (MSWDO) and Business Permit and Licensing Office (BPLO). Meetings with the MSMEs Committee were held very occasionally, just when required or in response to a memo circular sent out for a particular event or occasion.

The function that focuses on organizing and taking part in trade shows, exhibits, and other events in partnership with the private sector and other governmental organizations was assigned a moderate implementation rate. The researcher found out that the Office of the Local Chief Executive (LCE), PESO, MPDO and BPLO were the usual department who organize or take part in trade shows, exhibits and other events. Usually the office of the LCE is the one who designate/assign the person or office who will take part in a trade shows, exhibits and the likes.

Conversely, both LEDIP Officers and LCEs acknowledged the significance of small and medium-sized enterprises (SME) in the local economy, given that SME representation represents a significant share of global business and is essential to innovation, economic growth, and job creation. Furthermore, SMEs are not only important in terms of financial performance; they can also be crucial in promoting sustainability and accelerating change. The information mentioned above is what motivates our respondents to carry out or complete their tasks in any way.

The researcher found out that it was the other departments, like the PESO, Tourism Office, and the office of the Municipal Administrators, who typically attend or participate in product national and local development seminars, trade and investment missions, livelihood seminars, and marketing events. The unfortunate aspect of this situation is that our respondents choose to participate in these events if they are hosted in locations they can travel to comfortably.

Other functions like promoting local trades by conducting/participating product national and local development seminars, trade and investment mission, livelihood seminars, and marketing events; conduct research and coordinate with national government agencies and entrepreneurs for local product standardization; conduct research and endorsement of new technology for existing products; develop, monitor

and report performance measures on the effectiveness of trade and industry initiatives; develop, monitor and report performance measures on the effectiveness of trade and industry initiatives; provide assistance in the conduct of research on funding possibilities from existing and new partner and donors; formulate projects and product development; conceptualize product paraphernalia and other marketing strategies for local products; monitor and analyze sales report of the trade fairs; conduct research and development of new trends on investment promotion paraphernalia; and monitor and recommend appropriate interventions for the sustainability for each industry were also given a rate of moderately implemented.

Under the Business Development division, conducting research, coordinating with national government agencies and entrepreneurs for local product standardization, and conducting research and endorsing new technology for existing products are all crucial functions.

In this study, although the said functions were seen as crucial or important, the result of the survey clearly states that its implementation is not in the highest level because of the fact that the LEDIP Officer is acting alone or with few staff and could no longer entertain such additional function.

On the other hand, we have learned that there were agencies of the government who have been extending assistance which will benefit every locality and even business establishments. We have the Department of Science and Technology (DOST) who have been vocal in extending technical assistance and even financials assistance. The same goes with the Department of Trade and Industry, wherein Negosyo Center were placed in every municipality in order to extend assistance to prospective investors and even to existing small enterprises. DTI is helping them with branding and designing of labels.

The researcher found out that our respondent, were more than delighted to accept assistance as mentioned from benefactors or donors who offered financial assistance to support research for a particular project or product. This led our LCE to approach our LEDIP Officers and assigned them to coordinate with benefactors or donors as to the assistance they would like to donate.

However, our respondents were reluctant to admit that they lacked the ability to perform other tasks, such as creating marketing strategies and conceptualizing product paraphernalia, conducting research and developing new trends on investment promotion paraphernalia, and monitoring and suggesting appropriate interventions for the sustainability for each industry.

For so many years, some government employees remained stagnant. They are not driven to excel in their work or to think creatively. The researcher discovered that our respondents' typical justification is that they behave or act only out of conformity or for compliance only. Such reaction is concerning because one of the many shortcomings in risk management is having a "compliance-only" mindset. Mediocrity results from a compliance mindset that emphasizes merely fulfilling the bare minimal requirements. We cannot create long-term, profitable businesses unless we continuously focus on enhancing the efficiency of existing systems.

We did this study because we wanted to highlight how important it is for our respondents and other agencies to evaluate and consider the numerous duties that have been assigned to them and not to criticize.

### 2.4 The level of implementation of the function of the Investment Services Division

Since investments increase market participation and open up business prospects, they are particularly important to achieving financial inclusion. Even while it's still a crucial tool for improving people's welfare and social safety, financial inclusion is now a strong plan for long-term progress.

The promotion of different sectors and investment prospects in the area is spearheaded by the Investment Services Division of the LEDIP Office. In the same way, it offers support to international and Filipino investors with regard to aftercare services, business registration and facilitation, and due diligence.

Table 5 provides information on the degree of implementation of the Investment Services Division's functions.

As we can see from Table 5, overall mean of the level of implementation of investment services w

3.23 and with verbal description of Moderately Implemented.

In addition to carrying out other duties, our LEDIP Officer manages the local economic enterprise, business development, and investment services division, with this condition we can confer that it is the reason why the overall mean of this division was only moderately implemented.

Table 5

## Level of Implementation of Investment Services

A disatival Description

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Function	Mean	Adjectival Description
Provide assistance in the preparation of the annual investment priority plan of the locality	3.62	Implemented

Erro eties

Assist clients in identifying business or joint venture partners, sourcing out skilled manpower and service providers, and facilitating concerns encountered by investors and conduct research on the possible investment areas.	3.59	Implemented
Evaluate application for registration and application for availment of local incentives	3.57	Implemented
Monitor and evaluate project implementation of registered enterprises as well as new investments within the locality	3.37	Moderately Implemented
Provide adequate recommendations on the existing legislation and procedures for local investments	3.34	Moderately Implemented
Assist investors in investment related concerns	3.17	Moderately Implemented
Prepare and disseminate investments promotion collaterals including briefing to investors	3.07	Moderately Implemented
Analyze the investment incentive application	2.99	Moderately Implemented
Formulate plans and strategies on strengthening networking relationships	2.98	Moderately Implemented
Develop marketing, public relations promotional and advertising plans	2.97	Moderately Implemented
Prepare financial statements and investment briefing reports	2.82	Moderately Implemented
Overall Mean	3.23	Moderately Implemented

While it is stated in the Department of the Interior and Local Government's Memorandum Circular 2020-167 that the Local Government Unit may choose to create the LEDIP Office with distinct divisions and functions, those divisions and functions were already combined or condensed into the duties of the LEDIP Officer. Thus, it is imperative for our respondents to act and do the duties and responsibilities stipulated in the said circular.

Furthermore, it is crucial to remember that a municipality's organization depends on the existence of LEDIPO and on at least modest adherence to some of its duties. The reason for this is that one of the elements in the Seal of Good Local Governance (SGLG) under the Business-Friendliness and Competitiveness Essential Area is the existence of the Local Economic Development and Investment Office. In order to promote more investments and competition in the area and maintain economic development, it is therefore thought that the

designation of LEDIPO in all Provinces, Cities, and Municipalities with the establishment of its associated office/unit is essential

Moreover, the "All-In" principle, according to which an LGU must pass each evaluation area, is upheld by the SGLG. Furthermore, ten percent (10%) of a province's component cities and municipalities must also approve in order for it to be eligible. As such, our respondents were opt to comply in order to pass the evaluation set by DILG.

One of the attributes of a Filipino working for the government is their adaptability and fluidity in carrying out their tasks. But having a lot of responsibilities to carry out will make you less capable.

The function of providing assistance in the preparation of the annual investment priority plan of the locality is a basic and given function of any officers in the organization of a municipality, thus the mean of 3.62 or Implemented makes sense.

Annual Investment Plan (AIP) of a particular municipality must be approved and adopted between the last quarter of the year and 1<sup>st</sup> quarter of the following year. Following the adoption of the AIP is the preparation of budget which is done in the 3<sup>rd</sup> quarter of the current year. The approved AIP must serve as the basis for all of the programs, projects, and activities that are included in the proposed budget.

Another function of the Investment Services Division is extending assistance to clients in identifying business or joint venture partners, sourcing out skilled manpower and service providers, and facilitating concerns encountered by investors and conduct research on the possible investment areas was given a rate or mean of 3.59 and a verbal description of implemented. All public servants hold potential investors in the highest respect, particularly those who want to invest millions of pesos or dollars in a particular municipality. Therefore, it is likely that our LEDIP Officers or the support personnel in charge of the Investment Services division will provide help and provide a report to the Local Chief Executives (LCEs).

Meanwhile, the functions that refers to the evaluation of application for registration and application for availment of local incentives was rated or given a mean of 3.57 with a verbal description of implemented. The majority of our respondents, in particular, were appointed LEDIP Officers, are also the Business Permit and Licensing Officers (BPLO) of a particular municipality. This makes it simpler for them to assume leadership roles and provide support when evaluating applications for registration and local incentive applications.

However, it was found out that majority of our respondents' Local Investment and Incentives Codes are out of date. This is the difficulty that our officers in the LEDIP office are confronting.

Monitor and evaluate project implementation of registered enterprises as well as new investments within the locality is also one of the functions of the Investment Services Division and had a 3.37 mean or moderately implemented verbal description. As per the comprehension of our participants, monitoring and evaluation are crucial components of any project or program. By means of this procedure, entities gather and examine information, ascertaining whether a project or program has achieved its objectives. Monitoring starts immediately and continues for the whole project. Evaluation is the next step and evaluates the program's performance. Every company needs to implement a Monitoring and Evaluation system.

However, despite of the fact that monitoring and evaluation is essential among the functions of a LEDIP Officer or its subordinate if any, it is hard on their part to perform such duties since they have so many things on their plate. At first, they may be able to monitor or evaluate a program or project but there is no continuity of the activity. Aside from the facts that all LEDIP Officers were designated and undermanned, they also have problems with the change of administration. Problems with the change of administration and transfers to different departments were among the factors that occasionally could make the project or program less viable. Another instance involved moving a former LEDIP officer to a different department; all of the files on that computer were supposedly filed and saved, but they were deleted on the excuse that the system was broken and the data was corrupted.

Moving on, the function of providing adequate recommendations on the existing legislation and procedures for local investments got a mean of 3.34 with a verbal description of moderately implemented. As we dig deeper on this issue, we were able to learn that some of our respondents were newly designated, thus they have no idea on what to recommend as to the existing legislation particularly on matters that pertains to local investments. Based on the collected data and papers, the most recent Local Investment and Incentives Code (LIIC) was created in 2012; earlier LIICs had dates of 2002 and 2009. In order to leverage such laws to draw investors, our respondents also said that they have been advising their individual legislators to change, revise, or at the very least go through the current Local Investment and Incentives Code. However, as research participants, our local chief executives stated that they could only request and recommend a review of the

current laws; the lawmakers still have the final say on adoption and other procedures. On this issue, politics is still at play.

Functions relative to the extended assistance to investors in investment related concerns was given a mean of 3.17 or moderately implemented. Oftentimes, the assignment of extending assistance to investors in investment related concerns were given to the Municipal Planning and Development Office, while our LEDIP Officers or Investment Officers were given a less important tasks. Our LEDIP or Investment officers were side- tracked in this area. According to our Local Chief Executive respondents, this happen because they believe that a the lesser the office or person involved in a negotiation or in a project the better is. They believe that the MPD Office can be of service to investors because the said office is much knowledgeable on issues that pertains to the CLUP, Zoning, and were also in-charge of the locational clearance. Other respondents on the other hand, believed that their confidente which is the Municipal Administrator can handle the situation better because they know what the LCE's priorities.

Another function of Investment Services division that got a mean of 3.07 is the preparation and dissemination of investments promotion collaterals including briefing to investors. As stated in the previous pages of this paper, not all LEDIP Officers perform this function. The answer may insinuate that somehow it is being implemented but of other departments or offices. Aside from the said fact, our LEDIP officer lacks technical and budget support to prepare investment collaterals.. Moreover, they could not go through such preparation in the absence of a comprehensive or revised Local Investment and Incentives Code. Briefing of investors on the other hand is either performed by the Municipal Planning and Development Office or of the Municipal Administrator Office.

The same goes to the function of analysing the investment incentive application of an investor. They may receive the application, but once discussed with the Local Chief Executive, the tasked will be assigned to other departments. Moreover, some of our respondents need to be capacitated with skills, trainings and knowledge about investment promotion. They have remained stagnant and been complacent of their functions.

A personnel who lacks motivation and commitment to his/her responsibilities is a liability in an organization. We cannot expect someone who lacks the capacity, knowledge and experience to formulate plans and strategies, to develop marketing and public relations promotional and advertising plans and prepare financial

statements and investment briefing reports. Moreover, the mere fact that they were only designated in addition to their original functions, our respondent's priority is their original and sworn responsibilities.

#### Level of Implementation of LEDIP in Central Luzon

 ${\bf Table~6}$  Summary Result as to the Level of Implementation of LEDIP

LEDIP DIVISION	Overal Mean	Adjectival Description
LEDIPO	3.61	Implemented
Economic Enterprise 3.37 Moderately Imp		Moderately Implemented
Business Development	oment 3.06 Mode Implen	
Investment Services	3.26	Moderately Implemented
Overall Mean	3.33	Moderately Implemented

As result of the study, it was made clear that the DILG Memorandum Circular No. 2020-167 known as the Guidelines on Expanding the Designation of Local Economic Development and Investment Promotions Officer (LEDIPO) and Establishment of its Corresponding Office/Unit in All Provinces, Cities and Municipalities specific aims is to expand the role of the LEDIPO to serve not only as the local investment promotions officer, but also as the focal officer for local economic development, and clearly define the required competencies of and minimum qualification requirements for the LEDIPO; to clearly define the role of LEDIP office/unit and its composition; and to clearly define the functions and required competencies and minimum qualification requirements of the LEDIPO's staff.

The revised version of DILG MC 2010-113, known as DILG MC 2020-167, mandates that all Provinces establish and appoint a Local Economic Investment Promotions officer, whose job it is to encourage, oversee, and record investments in their locality and carry out programs and policies that would foster an atmosphere that is conducive to business in order to draw in additional investments and maintain the growth and development of their region.

The DILG Memorandum Circular is very clear as to its purpose and aim, should a province, city or municipality been able to implement profoundly the said order, their local economy will prosper and eventually will alleviate their social problem like poverty, health and unemployment. As stated by D.F. Meyer (2014), the goal of any local economic development is to increase the number of jobs available to different communities through the promotion and encouragement of entrepreneurial actions.

However, because of the Personnel Services (PS) limitations in the budget of every Local Government Units (LGUs), they cannot hire an efficient and effective Local Economic Development and Investment Officer and its corresponding staff. The result of this problem is they resorted to designate the functions to existing employees without considering their qualifications, experience, or the additional responsibility they would be carrying.

On the other hand, the appointed LEIPO or LEDIP officers took on the additional responsibilities and the designation, believing it to be just for compliance, which rendered the Memorandum Circular ineffective.

In order to achieve the goals of DILG Memorandum Circular 2020-167 and make it a useful tool for the economic dynamism of every community, it is imperative that this issue be resolved.

Moreover, the different functions stated in every division of the Local Economic Development and Investment Office were all significant and can help accelerate the economic dynamism of every region.

The Local Economic Development and Investment Promotions Office (LEIPO) facilitates the creation and implementation of the locality's Investment Priorities Plan, which is based on the economic development agenda of every LGU. LEDIPO promotes the LGU as one of the preferred investment destinations in the Philippines by taking into consideration the economic development plan and policy outlines of various national government agencies. This objective is similar to what was stated by the Organization for Economic Cooperation and Development (2023), when it says that one of the main objectives of local economic development is to create an environment that is conducive to economic growth and the success of the private sector. The establishment of public-private partnerships, transparent and practical development policies, strong local leadership, poverty alleviation and social development initiatives, economic development initiatives, environmental and spatial development actions, infrastructure development, human resource development, entrepreneurial development, and transportation are the different elements that must coexist in order to foster

local development. Every one of them has a big governance component that makes real collaboration between public and private sectors necessary to coordinate efforts and customize policies to local needs. Therefore, optimizing growth and competitiveness requires enhancing local government.

## 3. The significant relationship between economic dynamism and level of implementation of Local Economic Development and Investment Promotion

In addition to producing more jobs, a dynamic economy also gives marginalized workers greater chances to advance in their careers. For example, there is greater competition for each job opportunity and less overall mobility when labor market churn is low. The most vulnerable people stay off the field.

The term "economic dynamism" describes the processes that lead to more employment, stable company and industry growth, and stable expansion. From a conceptual standpoint, it's the union of an enterprising spirit with the financial structures that will facilitate it. The hubs of economic activity are localities. In local contexts, it is simple to witness business growth and the creation of jobs.

## Correlation between Economic Dynamism Indicators and Specific Functions

Table 7 showed that the indicator, Cost of Living, with a p-value of 0.003, demonstrated a substantial correlation with the specific functions of the Local Economic Development and Investment Promotion Office.

As gleaned in Table 7, the following indicators showed that they are not correlated with the specific functions of the Local Economic Development and Investment Promotion Officer (LEDIPO): (a) cost of doing business; (b) establishments in the locality; (c) Productivity; (d) employment generation; (e) safety compliant businesses; (f) Local economy size; and (g) Presence of business and professional organizations.

Table 7

Correlation between Economic Dynamism Indicators and LEDIP Specific Office Functions

Pear			Decision	
Indicator	r	<i>p</i> -value		Result
Cost of Doing Business Cost of Living	0.016 0.288	0.867 0.003	Accept H <sub>o</sub> Reject H <sub>o</sub>	Not Significant Significant
Establishments in the locality	0.051	0.604	Accept Ho	Not

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				Significant
Financial Deepening	0.243	0.012	Reject Ho	Significant
Productivity	0.178	0.067	Accept Ho	Not Significant
Employment Generation	-0.021	0.829	Accept Ho	Not Significant
Safety compliant Businesses	0.077	0.428	Accept Ho	Not Significant
Local Economy Growth	0.296	0.002	Reject Ho	Significant
Local Economy Size	0.141	0.146	Accept Ho	Not Significant
Presence of Business and Professional Organization	0.013	0.898	Accept Ho	Not Significant

On the other hand, establishing and maintaining a local economic database with pertinent data about the economy is one of the duties of the LEDIP Office. This allows the office to tell potential investors about the LGU's business potential and services, thereby bringing in more investment to the area.

It is significant to remember that the local economic database also includes the cost of living in each municipality's area, which is part of the specific function of a LEDIP Office. The fundamental costs of clothing, food, shelter, and fuel required to sustain life, particularly at what is considered a base or minimal standard, are referred to as the "cost of living". The cost of living is a common metric that is used to compare the costs of necessities in different places. An investor may want to visit a location where prices for goods and services are cheap, as this may indicate lower production costs, since supply and demand have an impact on commodity pricing. A surplus of essential resources may also be indicated by low prices for goods and services. Generally speaking, low-cost of living places may appeal to investors more. Thus, there is a correlation between the indicator cost of living and the performance or implementation of the office-specific function of the LEDIP.

Financial Deepening is one of the indicator of economic dynamism. Experts in economic growth commonly refer to this process as "financial deepening". It makes reference to the growth of more accessible and all-encompassing financial services options that serve all social classes. Additionally, it makes reference to the macro effects of financial deepening on the larger economy. Financial deepening, in general, is defined as a

larger money supply relative to GDP or another price index ratio. Liquid money is the intended kind. The more liquid money that is accessible in an economy, the greater its potential for steady growth.

Moreover, it is understood that the quantity of financial institutions in a community is usually a good predictor of its financial deepening. Progressive LGUs in highly urbanized areas will have more banks and financial institutions than secondary or lower class LGUs. As a result, the more different types of financial institutions that are available in a region, the more liquid and financially helpful its company activities will be.

LEDIP office as always stated, establish and maintain local economic database containing relevant facts and figures on the local economy to be able to provide information about business potentials of the LGU including its services to prospective investors. Included in this economic database were the different financial institutions in a community with its corresponding types.

The aforementioned details regarding the financial depth and specific responsibilities of the LEDIP Office were important and connected to one another.

Local Economy Growth is another measure of Economic Dynamism; Table 6 demonstrated a correlation between this indicator and LEDIP Office Specific Functions.

As discussed in the previous page of this paper, other indices of the local economy's vitality include the quantity of establishments, investment, and rate of expansion of production activities. Thus, an accurate representation of the LGU's economic growth can be found in the increase of the aforementioned proxy indicators for local output.

Conversely, the functions specific to the LEDIP Office include directing the establishment of a business-enabling environment to draw in, hold onto, or grow investments as well as supporting the growth and development of Micro, Small, and Medium-Sized Enterprises (MSMEs) in the area as well as all other possible investors. This is the relationship between local economic growth and the implementation of particular functions of the LEDIP Office: firms will prosper and improve investment conditions, resulting in economic growth and development.

#### Correlation between Economic Dynamism Indicator and Local Economic Enterprise

Table 8 shows that the following Economic Dynamism Indicators are either not significant or correlated with Economic Enterprise: (a) Safety compliant enterprises and (b) presence of business and professional organization. The other indices, however, were all connected.

Table 8

Correlation between Economic Dynamism Indicator and Local Economic Enterprise

	Pearson		Decision	
Indicator	r	<i>p</i> -value		Result
Cost of Doing Business	0.158	0.103	Accept Ho	Not Significant
Cost of Living	0.319	0.001	Reject Ho	Significant
Establishments in the locality	0.214	0.027	Reject Ho	Significant
Financial Deepening	0.295	0.002	Reject Ho	Significant
Productivity	0.239	0.013	Reject Ho	Significant
Employment Generation	0.317	0.001	Reject Ho	Significant
Safety compliant Businesses				Not
	0.018	0.858	Accept Ho	Significant
Local Economy Growth	0.260	0.007	Reject H <sub>o</sub>	Significant
Local Economy Size	0.278	0.004	Reject Ho	Significant
Presence of Business and Professional Organization	-0.165	0.093	Accept Ho	Not Significant

The following indicators: (a) cost of living with p-value of 0.101; (b) establishments in the locality with p-value of 0.027; (c) financial deepening with p-value of 0.002; (d) productivity with p-value of 0.013; (e) employment generation with p-value of 0.001; (f) local economy growth with p-value of 0.007; and (g) local economy size with p-value of 0.004 were all significant and correlated with the function of Local Economic Enterprise Division's functions.

This paper will go into further detail about the various measures of economic dynamism as well as the roles played by t

he Local Economic Enterprise Division and how investors see it in order for us to understand the association between Economic Dynamism indicators and Local Economic Division's functions. First is the Cost of Living. The sum of money required in a certain location and time period to pay for necessities like housing, food, taxes, and medical care is known as the cost of living. When comparing the cost of living between cities, the cost of living is frequently taken into consideration. Due to the possibility of reduced production costs, an investor can choose to visit a location with low prices for goods and services. Though higher costs of living are seen in more urbanized areas relative to lower-income categorized local government units (LGUs), generally speaking, low-cost localities may be more appealing.

Second, is the active establishments in the locality or the total number of business registrations. It is important to keep in mind that if a municipality has financial prospects, investors will be lured to it. By projecting the potential profit or return, they will evaluate the desirability of a municipality's options and gravitate toward those that have the best value in terms of size, risk, and return. Furthermore, a developing economy with an increasing number of enterprises is a favorable place to invest from the perspective of an investor.

Third is the Financial Deepening of a particular area. The quantity of financial institutions in a community is usually a good predictor of its financial deepening. Progressive LGUs in highly urbanized areas will have more banks and financial institutions than secondary or lower class LGUs. Therefore, a region's economic operations will be more liquid and financially helpful and investors and business establishments are likely to prosper the more diverse financial institutions that are offered in the area.

Fourth is Productivity. The productivity of a community's businesses is a crucial factor in determining its competitiveness. The Global Competitiveness Report states that an economy's growth rates are mostly driven by the rates of return on investments made in it, and these rates are influenced by the productivity level as well. Put another way, a more competitive economy is also one with higher growth potential.

We rank the indicators according to their significance, with Employment Generation coming in at number five. One measure of an economy's health is its employment rate. A strong economy that generates goods and services quickly usually needs laborers for its manufacturing and service facilities. Therefore, the employment rate in a locality can be used to estimate the demand for jobs in an LGU. Potential investors and business establishments most likely look at the employment generation indicator.

Sixth is the local economy growth. The rate of expansion of production activities, the quantity of establishments, and investment in the area can all be used to gauge the degree of dynamic nature of the local economy. As a result, the growth in the previously mentioned indicators for local output can be used to roughly estimate the economic growth of the LGU.

When there is economic development, our communities improve as places to live, draw and expand businesses, and create and maintain jobs. Since more goods and services are created locally, company expansion and attraction boost our economy.

Seventh is the local economy size. The GDP, which is used to assess economic activity at the national level, roughly corresponds to the size of the economy in the local government unit. Gross sales, which can be used as a reference for local output, the number of business registrants, and the total capitalization of recently registered business enterprises are some local economic activity alternatives. These metrics show the amount of new investment in the community.

All discussed indicators were correlated to the functions of Local Economy Enterprise in the sense that the LEDIP officer or its subordinate in-charge of Local Economy Enterprises Division were to formulate plans, develop and implement proposal for the establishment of new economic enterprise and in doing so they need to attract investors to come in and invest. An investment promotion strategy is one of the things an LEDIP Officer may perform. It gives mayors, municipal governments, and other important decision-makers a plan for drawing in both foreign and domestic direct investment (FDI). In addition to taking into consideration the municipal and regional investment promotion strategy, it defines significant types of key constituencies that ought to be involved in formulating the plan and the procedures for including these key constituencies.

If there are financial prospects, investors will be drawn to a municipality. By calculating their expected return or profit, they will evaluate how appealing a city's opportunities are, and they will be drawn to those that provide the best balance of scale, risk, and return. Since municipal economies are complicated, a wide range of factors affect this return. As a result, while determining a municipality's attractiveness, investors take a variety of traits and practices into account which are included in the LGU Database being updated by LEDIP Office or of the Local Economy Enterprise division, like: (a) Growth Rate of Employment and Businesses; (b) infrastructure's affordability and quality; (c) Workforce skill level, as well as the caliber of research and

education; (d) Partnerships for trade both inside and outside of the municipality; (e) sectors that comprise the economy; (f) Information and data provision; (g) Scale of the city, population size, and the number of jobs and businesses; (h) Amount and type of land/assets available; (i) Planning system, and other regulations; and (j) Access to finance.

## Correlation between Economic Dynamism Indicators and Business Development

Making money is what business development is all about. Propelled by Employment Generation - The purpose of economic development is to produce employment, produce income from real estate taxes, and promote economic activity. This two goes hand in hand.

As gleaned in Table 9, the following indicators show that they are not correlated with Business Development Division's Function: (a) Cost of doing business; (b) Establishments in the locality; (c) Productivity; (d) Employment Generation; (e) Safety compliant businesses; (f) Local Economy size; and (g) Presence of business and professional organization.

Table 9

Correlation between Economic Dynamism Indicators and Business Development Functions

	Pearson		Decision	
Indicator	r	<i>p</i> -value		Result
				Not
Cost of Doing Business	0.0055	0.573	Accept Ho	Significant
Cost of Living	0.429	0.000	Reject Ho	Significant
Establishments in the locality	0.032	0.742	Accept Ho	Not Significant
Financial Deepening	0.256	0.008	Reject Ho	Significant
Productivity	0.167	0.086	Accept Ho	Not Significant
Employment Generation	0.180	0.063	Accept Ho	Not Significant
Safety compliant Businesses	0.070	0.471	Accept Ho	Not Significant
Local Economy Growth	0.286	0.003	Reject Ho	Significant
Local Economy Size	0.165	0.090	Accept Ho	Not Significant

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Presence of Business and 0.032 0.746 Accept H<sub>o</sub> Not Professional Organization Significant

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On the other hand, the following indicators are correlated with Business Development Division's Function: (a) Cost of living with p-value of 0.0573; (b) financial deepening with p-value of 0.008; and (c) Local Economy Growth.

The aforementioned data were associated with the notion that our LEDIP officer or employees of the Business Development Division were in charge of overseeing and monitoring commerce and industry within a municipality. The monitoring's results will then be input into the system and added to the municipality's database of all industries. The result from the conducted analysis and assessment of data, will determine the cost of living and the expansion of the local economy.

Expansion of the local economy can contribute to the increase of financial institutions in a locality, and increase of financial institutions in an area is one factor why business thrive and investors locate their investment.

#### Correlation between Economic Dynamism indicators and Investment Services

An economy's productivity is largely determined by the amount of capital accessible to it, and investment increases the stock of capital. Therefore, investment promotes economic growth. In this analogy, we could say that there is a high probability that economic dynamism and investment services goes together.

Table 10 show that Economic Dynamism indicators, Cost of Doing Business, Establishments in the Locality, Productivity, Employment Generation, Safety Compliant businesses, Local Economy Growth and Presence of Business and Professional Organization, are not correlated with Investment Services Functions.

On the other hand, the following indicators: Cost of Living, Financial Deepening and Local Economy Size showed that they are correlated or significant with the Implementation of Investment Service Functions.

Table 10

Correlation between Economic Dynamism Indicators and Investment Services

	Pearson		Decision	
Indicator	r	<i>p</i> -value		Result
Cost of Doing Business	0.099	0.308	Accept H <sub>o</sub>	Not Significant
Cost of Living	0.242	0.012	Reject H <sub>o</sub>	Significant
Establishments in the locality	0.133	0.173	Accept Ho	Not Significant
Financial Deepening	0.212	0.029	Reject Ho	Significant
Productivity	0.172	0.076	Accept Ho	Not Significant
Employment Generation	0.170	0.079	Accept Ho	Not Significant
Safety compliant Businesses	0.189	0.052	Accept Ho	Not Significant
Local Economy Growth	0.149	0.124	Accept H <sub>o</sub>	Not Significant
Local Economy Size	0.193	0047	Recect H <sub>o</sub>	Significant
Presence of Business and Professional Organization	-0.047	0.631	Accept Ho	Not Significant

Investment services can help a municipality remain competitive by promoting it as a lucrative place to invest, drawing in top talent, and simplifying the process for companies looking to start up or grow. In addition to fostering the growth of a desirable economy, these policies can guarantee that foreign investments have a good knock-on effect via the uplift of less developed areas, connections with domestic businesses, and the transfer of talents. It is crucial that these initiatives support existing steps to guarantee a strong foundation for investment policy, rather than acting in lieu of them.

DILG Memorandum Circular 2020-167 demonstrates the high priority that the government places on promoting and facilitating private investment. The law's most notable features are the creation of Investment Services Division under the LEDIP Office supporting the establishment of new businesses and the implementation of an investment incentives' regime aiming at promoting local development in poorer regions of the country. Investment promotion strategies have also been put in place.

# Correlation between Economic Dynamism and Implementation of Local Economic Development and Investment Promotion

In certain ways, the term "local economic development" can be used to describe the process of enhancing the local economy through raising living standards, generating employment possibilities, and boosting local tax income and profitability. This is accomplished by putting policies and initiatives meant to advance economic development and growth into action.

On the other hand, investment promotion refers to the actions taken by the municipality in an attempt to draw in investment and generate employment. This is accomplished by highlighting to prospective investors the municipality's assets, including its economic activity, human capital, and natural resources. In order to attract investment, it is also necessary to create an environment that is conducive to it. Some examples of this include infrastructure development, tax breaks, and expedited corporate procedures.

Table 11 shows that Economic Dynamism and Implementation of Local Economic Development and Investment Promotion are correlated and are significant together.

Summary Result of the Correlation between Economic Dynamism and Implementation of Local

Economic Development and Investment Promotion

	Pearson		Decision	
Indicator	r	<i>p</i> -value		Result
Specific Office Functions	0.224	0.020	Reject H <sub>o</sub>	Significant
Local Economic Enterprise	0.327	0.001	Reject Ho	Significant
Business Development	0.303	0.002	Reject Ho	Significant
Investment Services	0.239	0.013	Reject Ho	Significant

Philippine municipalities, towns and cities differ in terms of the size and composition of their local economies. If these municipalities, towns and cities have one thing in common, it's that they never stop

working toward sustainable development and equitable economic growth. The achievement of sustained growth in the local economy is contingent upon the municipality, town or city's capacity to enhance productivity and draw in investments. Investment inflow is essential for a thriving and dynamic economy. However, the majority of Philippine towns, cities, and municipalities always have difficulties in making their areas desirable investment destinations since potential investors look for places where they can be sure of receiving a competitive return.

Economic dynamism is typically linked to endeavors that provide steady growth in enterprises and sectors, as well as increased job opportunities. The pillar balances local resources with the production and productivity of the local economy. Because localities are hubs for economic activity, it is simple to see how businesses are growing and creating jobs in their communities.

Conversely, the Local Economic Development and Investment Promotion Office of the Local Government Unit (LGU) is responsible for organizing, creating, and implementing policies, strategies, projects, and initiatives related to local economic development and investment promotion..

In order to boost competitiveness and ease of doing business, which will allow businesses to flourish in every area of the nation, these two factors—economic dynamism and the functions of the LEDIP Office—need to be connected. This bolsters the Philippines' stance on complete global economic integration within the ASEAN Economic Community, a region characterized by a single market, intense competition, and equitable economic growth.

#### 4. Problems Encountered in the Implementation of LEDIP Office Functions

Governments in developing nations and aid agencies are pushing local economic development more and more. However, there isn't much proof that LEDs have ever proven effective.

In this study we will learn the different problems encountered in the implementation of LED. Different problems were encountered by Local Economic Development and Investment Promotion Officers and it was noted that the institutionalization of LEDIP Position was ranked no. 1 with a frequency of 93 among the different problems encountered. Moreover, it was learned that most or majority of the LEDIP Officers of Region 3 were designated, meaning aside from their actual sworn responsibilities, LEDIPO Functions are

added to their regular tasks. These designated LEDIPO have an excessive quantity of work and felt pressured and stressed, thus impair their performance.

Table 12
Problems Encountered by LEDIP Officers

Situation	Frequency	Rank
Institutionalization of LEDIP Position. No permanent staff, most often, officers are designated only.	93	1
Absence of LEDIPO Competencies or Lack of capacity to direct the development of a	81	2
business-enabling environment to draw in, keep, or increase investment		
No or inadequate financial support on the functions of LEDIP Officer and LEDIP Office/Unit	77	3
No updated and formulated Local Incentive and	71	4
Investment Code and its IRR		
Absence of Partnership Formation	61	5
Change in Political Leadership	47	6
A confusion between community development and Local Economic Development	42	7.5
Ability to link economic development to the attainment of the LGUs Vision	42	7.5
Absorptive capacity of LGU Staff	22	9
Understand local economic, cultural and political environment	21	10
Lack of dynamic local private sector	18	11
Lack of coordination between LEDIPO,	8	12
MPDO, BPLO and other concerned department/offices		•

Moreover, it was also learned that they focus more on the performance of their actual sworn responsibilities than that of the additional functions extended to them. Performing their additional duties as LEDIPO is for compliance only, thus the full potential of the office was not met.

In this paper, we would like to state the distinction between an institution and an organization. Their distinction is striking. The latter is essential, worthy of preservation, and should be conserved, whereas the former is disposable, marketable, contractible, or merely extinguish. Organizations must mature into institutions in order to maintain their legitimacy.

Clearly written in Section 18 of the Local Government Code, that LGU has the ability to create their own revenue streams and impose taxes, fees, and charges that will be collected solely for their use and disposal

and retained by them, as well as the authority to establish an organization that will be in charge of carrying out their development plans, program objectives, and priorities, will be granted to Local Government Units.

What was written in the Local Government Code is clear that they every LGU has the capacity to create or establish an organization that will be in charge of carrying their development plans, program objectives, and priorities. In doing so, it is also imperative to plan the staffing pattern of the created organization, specially every municipalities have to live within their Personnel Services (PS) limitations.

A newly established organization if proven important should be institutionalized along its minimum staff requirement. In this order, LGU will get hold of a paper supported by law for the creation or establishment of a department and plantilla positions that will focus on the implementation of the function of the created office.

Table 11 also showed that ranked number 2 among the problems encountered by LEDIP Officers is the absence of LEDIPO Competencies. Clearly stated in DILG Memorandum Circular No. 2020-167, Section 6.3 The Technical Competencies and Qualification Requirements for a LEDIPO, a minimum technical competencies and qualification requirements are suggested.

The following are the technical competencies suggested: (a) Ability to develop and analyze business plans; (b) Identify and promote community economic development projects and initiatives; (c) Understand local economic, cultural and political environment; (d) Understand relevant laws, policies and procedures; (e) Financial management and analytical skills; (f) Effective negotiation and mediation skills; (g)computer skills; (h) Good interpersonal and communication and presentation skills; and (i) Business related competency (i.e. Sales, Marketing). On the other hand, in terms of Education or eligibility, it was suggested that the LEDIP officer or staff should be at least a holder of (a) Bachelor's Degree (minimum) relevant to position; (b) Experience: 2 year-experience in Business Development, Tourism, Investment Promotion or other related fields; (c) Training: Minimum 40 hours of relevant training in investment promotion, marketing, business planning, and economics; (d) Eligibility: CS Professional, or any other 2nd level eligibility.

Despite of the well written competencies and requirements, the implementing agency overlooked the said section and instead focused on the compliance per se of the circular. This is because of budget concern. They lack sufficient budget that will support the creation of LEDIP Office and its plantilla position, thus

existing regular personnel of their organization were given two or more extra functions in order to comply with various circulars. However, the organization suffers from this scenario. The maximum potential of each employees were not met.

The degree of competition between businesses is constantly rising due to ongoing technological advancements and a growth in international trade. This makes it even more crucial that the members of LGU organization have little or no training, knowledge, and proficiency levels required to perform their jobs safely and effectively. Employee productivity, loyalty, and engagement will all suffer in the workplace when undertrained workers feel unappreciated.

Individual capacity is important since it is necessary for businesses to survive and develop. It enables an employee or individual to plan and complete tasks, adjust to changing market situations, anticipate customer needs, develop efficient processes, and foster goodwill among stakeholders and coworkers. Officers and staff with strong personal attributes can better manage resources, overcome obstacles, identify new opportunities for growth, attract talent, and offer value for stakeholders. Employee capacity building needs to be a top priority because a well capacitated employee or leader can lead to a productive and well focused organization such as the LEDIP Office.

Apart from the previously mentioned details, Table 11 indicates that the lack of sufficient funding for the functions of the LEDIP Officer and LEDIP Office/Unit ranks third among the issues our LEDIP Officer faces. Generally speaking, the office's or unit's budget was insufficient—or worse, none at all—because our responders were designated only. They use office supplies that come from their original department.

Upon inquiring, the researcher found out that our respondents were unable to allocate a suitable budget to the aforementioned office/unit due to budgetary constraints. They rely on the Mayor's Office's other MOOE budget or the department to which the LEDIPO was initially assigned. Furthermore, since just the fundamental operations of LEDIPO are being monitored, a modest expenditure for supplies is what was just funded.

Additionally, in this study it was acknowledged that it was comprehend the necessity of having a sufficient budget in order for the officers to be able to perform their duties and for the LEDIP office to run well. Budgets are needed for planning and monitoring activities, creating promotional materials, and participating in trade and marketing initiatives. However, their local income and internal revenue allotment

(IRA) are insufficient to pay for all of the costs associated with personnel services, social programs, and other initiatives.

The issue of whether the Local Incentive and Investment Code (LIIC) and its Implementing Rules and Regulations (IRR) have been modified or developed is ranked fourth in Table 11. The Local Incentive and Investment Code is in place, as all respondents acknowledged, but it is either too old or out of date to be put into effect today. Furthermore, despite having an established LIIC, the organization neglected to enact the implementing rules and regulations.

The Investments Priority Areas (IPAs), local incentives (both fiscal and non-fiscal) that are available to both domestic and foreign investors, and the procedures for obtaining them are all outlined in this document, which is also known as the Local Investments and Incentives Code (LIIC).

Additionally, it outlines the membership, responsibilities, and duties of the Investments Promotion Center (IPC) and the Local Investments and Incentives Board (LIIB). The LIIC is a tool for local and regional economic development that uses a multi-stakeholder strategy to draw in, keep onto, grow, and diversify investments in the local economy that complement the LGUs' development goals.

With what was stated, it is believed that the Local Investments and Incentives Code (LIIC) was created with the intention of luring both domestic and international

investments, particularly in sectors or priority regions for development. Its goal is to accelerate economic advancement, offer job opportunities, boost income, lessen poverty, and enhance the standard of lives in the most proactive manner possible for both men and women.

In order to accomplish the economic and social goals of the local government, the Local Government Unit (LGU) is showcasing its development thrust at the LIIC in accordance with the Investment Priorities, Zoning Regulations, and Comprehensive Development and Land Use Plans Plan (IPP). This includes projects and/or activities that aim to protect our forests, rivers, lakes, and seas, flora and fauna, and other bio-diversified projects in order to speed up the development of new or brownfield areas, urban renewal, and revitalization.

However, despite of the usefulness and brilliance of the Local Investment and Incentives Code, our respondents failed to revised the said code in accordance to the need and current situation of the municipality.

They also unable to create the Implementing Rules and Regulation of the LIIC. This resulted to a failed management of LEIPO or of LEDIP office.

Ranked fifth is the absence of partnership formation. Partnership formation is established with a certain objective in mind, though it may eventually adopt other ones. The Partnership settles on a mission statement, core principles, objectives, quantifiable results, and procedures for accountability. Sincerity, commitment, trust, and respect are the defining characteristics of the partnership between its partners. However, it was learned that there are still municipalities who have failed to established a good partnership and relationship with other agencies.

During the study, it was made clear that the Department of Trade and Industry (DTI) and the Department of Science and Technology (DOST) are usually tapped by our respondents in their programs or projects. However, programs, projects and activities of our respondents were more of social services like the negocart and sari-sari store package kits given to beneficiaries to start or augment their existing small business. And most often, the Municipal Social Welfare Department is fully in-charge of this activity. On the other hand, the full potential of being partnered with DTI was not realized.

Another example of an agency that can be partnered with by LEDIP Office is the Department of Science and Technology (DOST) that can help in assisting in terms of research and product development. On the other hand, the researcher discovered that DOST is in partnership with LGU in terms of scholarship program, wherein potential students who want to be accepted into the DOST scholarship program are granted scholarship endorsement from their municipalities. Additionally, a particular town can review a list of initiatives from the Department of Science and Technology. The municipality will next select a project from the list and get its feasibility study ready. DOST will then work on the selected project and will transfer the technology to the municipality. As of right now, our respondents and DOST have this kind of partnership. And most likely the partnership is not with LEDIP Office but rather with other department such as the MPDC and Mayor's Office.

Ranked 6 among the problems encountered by our LEDIP Officers is change in political leadership.

There is accumulating evidence worldwide that governments controlled by political dynasties are strongly linked to misgovernance, despite theories suggesting that the effect of dynasties on development is an

empirical matter. Empirical research has demonstrated that dynasties in Congress have the ability to self-replicate (Dal Bó et al., 2009; Rossi, 2014; Labonne et al., 2017). Legislative productivity is reduced because dynastic politicians have less motivation to perform well since political competitiveness is undermined (Rossi, 2014; Panao, 2016).

Political dynasties' ascent to power in local administrations can hinder good governance, the provision of public goods, and local economic growth (Ali, 2016; Tusalem and Pe-Aguirre, 2013). It's interesting to note that despite political dynasties' ability to "bring home the bacon," poor economic governance persists. Tusalem and Pe-Aguirre's (2013) study in the Philippines found that while congressional funds increase in jurisdictions with more political dynasties, these provinces also have high rates of criminality, poor governance, and less spending on jobs, infrastructure, and health. Brazil (Braganca et al., 2015) and Japan (Asako et al., 2015) also show the similar pattern.

Foreign investors are concerned about the abrupt and erratic changes in the country's political landscape. There is a lot of ambiguity because of the Supreme Court's frequent changes and overturning of legislation, combined with the history of large-scale protests.

By giving resources to allies and supporters through patronage and government contracts, dynasties may resort to government expansion as a way to raise rents. This results in a higher cost, larger and more ineffective government, because of the redistribution of patronage to clients. This may be considered "optimal" in a jurisdiction with greater resource flows, but once countries start to follow the same dynastic pattern, it becomes evidently harmful to the country's economy as a whole. These findings go counter to the idea that political dynasties are "stationary bandits," emphasizing regional growth and maintaining their standing in their communities (Mendoza et al., 2019).

Moreover, most often than not, every time there is a change in political leadership, designated officers were also changed specially if the officer is not an ally of the current leadership. This kind of practice hinder the continuity of program, projects and activities that are led by our respondents.

Next on our table is the confusion between community development and Local Economic Development which is ranked 7.5.

The incoherence between community and local economic development is not a problem exclusive to developing nations. Significant issues have also been brought about by this kind of miscommunication in industrialized nations.

It is essential to comprehend the distinctions between local economic development and community development. Community development is the process of making a community a better place to work and live. The straightforward process of generating income has many beneficial benefits on the community and is known as local economic development.

Community development is a process whereby members collaborate to address issues that hold great importance for them. This may or may not be assisted by a community development group or specialist. By empowering its people, community development aims to create stronger, more cohesive communities.

On the other hand, the goal of local development is to increase an area's ability to enhance both its residents' quality of life and economic prospects. In light of growing global competitiveness, population mobility, technological advancements, and the ensuing spatial disparities and imbalances, local development plays a key role in the economic performance of nations. Effective local development can lessen the gap between rich and poor areas, increase the number of locally created jobs and businesses, boost private sector investment overall, enhance communication between developers and investors, and boost the coherence and confidence of local economic strategy implementation. Additionally, this may result in a more thorough strategy review and a more accurate diagnostic evaluation of the unique advantages and local economic resources.

In order to prevent confusion in their field of work and to properly comprehend their roles and obligations, the LEDIP officers should be equipped with the necessary information and abilities.

Another problems encountered by our respondents are the ability to link local economic development to the attainments of the LGUs Vision, which also ranked 7.5 There is an LGU's vision in every administration. Every time there is a change in leadership, the LGU's vision is altered. Furthermore, our respondents found it difficult to connect local economic development to the realization of the LGU's vision if the administration's priorities diverge significantly from the goal of the LEDIP Office. Furthermore, our

responders lacked the necessary skills and resources to carry out their assigned new responsibilities with proficiency.

We need to understand that business plans serve as a company's road map, outlining costs, expected income, organizational structure, and other details. A business plan analysis is a comprehensive review and examination of the plan to make sure all the details align with the direction of the organization. To assess whether a new or restructured business is a wise investment or too risky, LEDIP officers frequently conduct a business plan study. And this is one of the lacking competency of our respondents, the ability to analyse business plans.

Ranked number 9 among the problems encountered by our respondents is the absorptive capacity of LGU Staff.

On the other hand, we also need to think of the absorptive capacity of an individual. The process that makes external knowledge accessible to and usable within an organization is known as absorptive capacity. The capacity for employees to assimilate information from sources outside the company is intrinsic. The idea that organizations rely on individual workers to look for and absorb knowledge from outside sources highlights the fact that all learning occurs within each individual's head.

More specifically, "capacity" is the maximum amount of work that can be completed in a given period. Capacity is often measured in hours available to be worked by employees. And in this context, "planning" is the act of scheduling employee hours against a fixed or expected amount of work. For a full-time employee, the capacity would be 40 hours/week or one FTE or 5-person days. Personnel who do multi task or is overworked may tend to lessen its absorptive capacity.

Ranked 10 among the problems encountered is the ability to understand local economic, cultural and political environment.

Numerous outside environmental elements may have an impact on your company. Managers frequently take a close look at each of these variables. Making smarter selections is always the goal for the advancement of the company. Business-related political factors are frequently accorded great weight. Government policy has several facets that might impact business. Every business must abide by the law. Managers need to consider how new laws may impact their day-to-day operations.

Business organizations can be impacted by the political climate in a variety of ways. It can increase the risk and result in a big loss. It would be better if you realized that political forces could alter the outcome. Additionally, it may have an impact on municipal, regional or national government policy. Politicians' policies are what constitute political factors. The distinction may be societal, legal, or economic. It might also be a combination of these elements.

A company's success or failure may be significantly influenced by the social and cultural context in which it operates. Numerous dynamic elements, including social customs, cultural influences, societal values and beliefs, social stratification, etc., make up the social environment.

Businesses, particularly foreign businesses, always research a nation's social and cultural landscape before entering a market. Your products and services ought to be compatible with the nation's social climate. If not, the business can experience negative publicity and financial losses.

The ability to understand local economic, cultural and political environment also rely on the capacities, capabilities and educational background of our respondents.

Ranked 11 among the problems that encountered by our respondents is the lack of dynamic local private sector. The government wants the private sector to be dynamic, creative, and job-producing. The government is adamant that cooperation between the private sector and other important stakeholders creates a strong and resilient economy, which then serves as the catalyst for economic growth. A dynamic private sector is one that every municipality lacks. When the private sector is thriving, people have more options for earning the money they need to meet their fundamental needs. It generates local suppliers of goods and services who are able to meet those needs in their own communities. It also generates tax revenue, which is utilized to fund regional programs that are vital to sustainable development, such education, healthcare, and environmental preservation.

A thriving private sector is crucial to reducing global poverty. In developing countries, the private sector generates nine out of 10 jobs. It encourages expansion through revenue from employees, capacity building, and taxes paid, which can be used to pay for public services.

In this scenario, the municipal government need to act and be able to have a private sector development. The main player in building local governance structures and procedures is the municipal

government. In addition to acquiring and distributing goods and services, managing and overseeing the local business environment, promoting equity, enabling integration, and creating networks and policy frameworks, it takes the lead in community development. Municipal governments have a valuable partner in the local private sector when it comes to these initiatives and Development in the private sector is therefore crucial to the success of local government.

The last problem encountered in LEDIP Office is the lack of coordination between LEDIPO, MPDO, BPLO and other concerned offices/department. Following the issuance of DILG MC 2020-167, which mandates that all Local Government Units create an office of LEDIP and a designated officer, a few inquiries were raised. One of which is the redundancy of the position and overlapping of functions. The following are the concerns of our respondents that focuses on the issue of redundancy or overlapping functions.

The Public job and Services Office (PESO), according to our respondents, is a multi-service organization that offers job information and assistance to DOLE clients as well as members of local government units (LGUs). The following tasks are performed by that PESO, which also manages by LEDIP:

(a) Encourage employers to submit to the PESO on a regular basis a list of job vacancies in their respective establishments in order to facilitate the exchange of labor market information between job seekers and employers by providing employment information services to job seekers, both for local and overseas employment, and recruitment assistance to employers; (b) Develop and administer testing and evaluation instruments for effective job selection, training and counselling; (c) Provide persons with entrepreneurship qualities, access to the various livelihood and self-employment programs offered by both government and nongovernment organizations at the provincial, city, municipal and barangay levels by undertaking referrals for such program; (d) Provide employment or occupational counselling, career guidance, mass motivation and values development activities; and (e) Conduct pre-employment counselling and orientation to prospective local and, most especially, overseas workers

Our LEDIP Officers also mentioned the function of the office of the Municipal Planning and Development Coordinator which they think will overlap in the function of LEDIP Office, to wit: (a) Formulate integrated economic, social, physical and other development plans and policies for consideration of the local development council; (b) Conduct continuing studies, research and training programs necessary to evolve plans

and programs for implementation; (c) Integrate and coordinate all plans and studies undertaken by the local government unit's various functional groups or agencies; (d) Monitor and evaluate the implementation of the different development programs, projects and activities in the local government unit concerned in accordance with the approved development plan; (e) conduct continuing studies, research and relevant training necessary to evolve plans and programs for implementation; and (f) coordinate with key players of development and promoting people's broader participation on socio-economic and physical planning thru: periodic analysis and expenditure patterns and conduct of researches and database updating.

Another concern office is the Business Permit and Licensing Office, which function includes the conduct of research, create guidelines and policies, plan and carry out initiatives, activities, and programs to advance the welfare of the general public and consumers, encourage corporate expansion and investment, establish standard operating procedures for labor, and boost economic activity which also form part of the LEDIP function.

Overlapping obligations, by definition, are circumstances in which multiple people bear responsibility for the same task. An activity ought to be completed by just one person. Conflict and strained working relationships typically result when two or more employees disagree over who should perform a task due to overlapping responsibilities. Many times, this is because each employee thinks the other will finish the task.

An organization's ability to coordinate effectively is essential to its success. Numerous challenges in company management and society are attributed mostly to coordination concerns. When a group of people doesn't think or behave similarly in a management or circle to attain a general objective, coordination challenges occur. Coordination issues are mostly caused by a lack of communication, poor leadership, and disparate viewpoints and mindsets.

Ineffective coordination within a company can lead to lower output, more difficult operations, and postponed projects. To coordinate the activity of an entire firm, a methodical approach that encourages responsibility throughout the organization must be implemented.

Knowing the detrimental effects of ineffective coordination within a department, office, or unit, a company needs to take corrective action.

There are various vertical and horizontal authority relationships in an organization. Power is distributed from top to bottom. Because responsibility cannot be resolved until authority and its source are clearly defined, confusion about authority exacerbates coordination issues.

The presence of precise and well-defined policies and processes facilitates coordination. It'll guarantee coordination of efforts. Once clear policies and procedures are in place, subjective problem solving is completely eliminated.

All employees benefit from effective communication at work since it keeps them informed about corporate news and the status of both individual and group project completion. Apart from formulating an organization-wide communications protocol for the manner in which personnel and divisions cooperate and exchange data, supplementary individual and collective endeavors can also guarantee that the messages are effectively conveyed.

## 5. Proposed measures to boost economic development and investment

Table 13 presents a matrix of the proposed measures to boost economic development and investment with reference to the identified problems of both LEDIP Office and designated LEDIP Officers.

This table outlines some potential actions that might be performed to address the issues found and encourage investment and economic growth.

Table 13

Proposed Measures to Boost Economic Development and Investment

Areas of Concerns	Objectives	Measures	Person/s
			Responsible
1. Institutionaliz	To guarantee that the	> The	DILG
ation of LEDIP	LEDIP position cannot	Department of the	Congress
Position	be readily eliminated	Interior and Local	Senate
	and that the designated	Government (DILG)	President of the
	officers are free to	to endorse to Congress	Philippines
	carry out their duties in	the enactment of law	LGUs
	compliance with the	institutionalizing the	
	mandate issued by law.	creation of Local	
		Economic	
		Development and	
		Investment Promotion	
		Office along with the	
		needed personnel	
		•	
Absence of LEDIP	To ensure that	Ensure that the	DTI

Officer's	personnel hired or	LGU adhere to Section	BOI
Competencies	assigned as LEDIP	6.3 and 6.4 of DILG	DOST
Competencies	Officer is qualified of	MC 2020-167 as to the	PPP Center
Absence of business	the position.	Technical competencies	LGU
related competency	the position.	and qualification	CSC
(like sales,	To capacitate LEDIP	requirements for LEDIP	HR
marketing)	Officer the information,	Officer and staff	DILG
8/	abilities, and resources	Check on the	
Ability to link local	needed to draw in	qualifications of	
economic	investments, promote	existing LEDIP Officer	
development to the	economic growth, and	Base on their	
attainments of the	establish an atmosphere	qualifications, educational attainment,	
LGUs Vision	that is favorable for	work experience	
	company expansion.	strategize on what	
		trainings or seminars	
Absorptive capacity	To capacitate the	needed	
of LGU Staff	designated LEDIP	Extend Basic	
	Officer of needed skill	Training which	
Understand local	or knowledge in sales	includes guiding	
economic, cultural	and marketing as well	principles, goals and	
and political	as in deve <mark>loping and</mark>	activities of Local	
environment	analysing business	Economic	
JII I I JIIII OIII	plans	Development and	
		Investment Promotion	
		Office	
		> Targeted	
		training for specialized	
		staff	
		Conduct other	
		related trainings, and	
9.00		seminars	
No or inadequate	To ensure that an	> Include the	LCE
	appropriate budget is		
the functions of		regular appropriation	
LEDIP Officer and	LEDIP Office	program of a	
LEDIP Office/Unit		municipality	DILG
3 === 3, 3 ===		> Incorporate	_
		the process of	
		verifying budget	
		allocation into the	
		SGLG evaluation.	
No updated or	To formulate or update	> Check the	DILG
formulated Local	the Local Incentive and	availability of LIIC in	
Incentive and	Investment Code of	every Municipality	
Investment Code and	every Municipality	> Inventory	
its IRR	along with its	existing ordinances or	LGU Sangguniang
	Implementing Rules	policies related to local	Bayan Secretary
	and Regulations	investments and	
		incentives both fiscal	
		and non-fiscal; classify	
		as to date, subject	
		matter, source and	
		status (original,	
		amended or repealed).	
		Separate those	

		that have been repealed, expressly or impliedly, those that are inconsistent with existing national or local policies and laws.  Revisit pertinent national laws and policies.  Conduct area assessment to determine Investments Priority Areas (IPAs).  Revisit the LGU development plans, land use and zoning plan, national, regional and higher LGU investment priorities, to ensure alignment, consistency and convergence of laws, rules and regulations.  ENACTMENT STAGE:  Sangguniang Bayan to conduct Committee Deliberation  Approval of LIIC  Review of Component City and	
		Bayan to conduct Committee Deliberation Approval of LIIC	Sangguniang
		➤ Information Dissemination	Bayan  LCE  Sangguniang Panlalawigan  LGU  LGU
Absence of Partnership formation	To establish and maintain partnership with regional and national regulatory agencies and other stakeholders	<ul> <li>Coordinate</li> <li>with different regional</li> <li>offices of:</li> <li>NEDA</li> <li>DTI</li> <li>DTI-BOI</li> <li>NCC</li> <li>PPP Center</li> </ul>	LGU LEDIP Officer

Change in Political leadership		ı		
Change in Political leadership  Lack of dynamic local private sector cooperation for improved market development of a business-enabling environment to draw in, keep, or increase investment  Lack of capacity to direct the development of a business-enabling environment to draw in, keep, or increase investment  Change in Political and its personnel from being reassigned due to change of political leader.  To support the growth of a thriving and long-lasting private sector while enhancing public-private sector cooperation for improved market efficiency.  Lack of capacity to direct the development of a business-enabling environment to draw in, keep, or increase investment  Lack of capacity to direct the development of a business-enabling environment to draw in, keep, or increase investment  Lack of capacity to direct the development of a business-enabling environment to draw in, keep, or increase investment  Lack of capacity to direct the development of a business-enabling environment to draw in, keep, or increase investment  Lack of capacity to direct the each municipality as a possible site for investment, its distinctive qualities and supporting the growth of its regional goods and services, with the ultimate goal of boosting financial investments.  Lack of dynamic local promotions plantilla position, AVOID generic title of position.  Lack of dynamic local or domertic and comprehensive database of local private sector.  Establish Conduct Private Sector Development  Formulate annual local or domestic promotions plan in consultation with DTI, DTI-BOI, PPP Center  Create and comprehensive database of local private sector.  Establish Conduct Private Sector Development  To market and promote annual local or domestic promotions plan in consultation with DTI, DTI-BOI, PPP Center  Create and comprehensive database of local private sector.  Conduct Private Sector Development  To market and promote annual local or domestic promotions, as well as e-marketing support services for each department.  To metabase position.			<ul> <li>DOF</li> <li>BOC</li> <li>SEC</li> <li>BLGF</li> <li>Other stake</li> <li>holders</li> <li>Get hold of draft MOU or MOA and revisit all items therein and finalize it by revising it in a way is applicable to own municipality</li> <li>Secure authority to sign the MOA or MOU</li> </ul>	
Change in Political leadership  Change of political leader.  Lack of dynamic local private sector while enhancing public-private sector cooperation investment  Lack of capacity to direct the development of a business-enabling environment to draw in, keep, or increase investment  Change in Political and its personnel from being reassigned due to change of political leader.  To support the growth of a thriving and long-lasting private sector while enhancing public-private sector cooperation for improved market efficiency.  Lack of capacity to direct the development of a business-enabling environment to draw in, keep, or increase investment  To market and promote each municipality as a possible site for improved investment, emphasizing its distinctive qualities and supporting the growth of its regional goods and services, with the ultimate goal of boosting financial investments.  Solution of LEDIP Office  Creation of Plantilla Position, AVOID generic title of position  Concrete and comprehensive database of clocal private sector Development  Formulate annual local or domestic promotions plan in consultation with DTI, DTI-BOI, PPP Center  Create a concrete and comprehensive database of local private sector Development  Establish  Conduct Private Sector Development  Formulate annual local or domestic promotions plan in consultation with DTI, DTI-BOI, PPP Center  Create and comprehensive database of local private sector Development  Establish  Conduct Private Sector Development  Create and comprehensive database of local private sector Development  Formulate annual local or domestic promotions, as well as e-marketing, sake and marketing collateral, and other relevant marketing support services for each department.  The LEDIP office to make sure that all local promotions, events, and activities,			maintain close	LCE
leadership  and its personnel from being reassigned due to change of political leader.  Lack of dynamic local private sector  Lack of capacity to direct the development of a business-enabling environment to draw in, keep, or increase investment  Lack of capacity to distinctive qualities and supporting the growth of its regional goods and services, with the ultimate goal of boosting financial investments.  Lack of capacity to direct the development of a business-enabling environment to draw in, keep, or increase investment  Lack of capacity to direct the development of a business-enabling environment to draw in, keep, or increase investment  Lack of capacity to direct the development of a business-enabling environment to draw in, keep, or increase investment  Lack of capacity to direct the development of a business-enabling environment to draw in, keep, or increase investment  Lack of capacity to direct the development of a business-enabling environment to draw in, keep, or increase investment  Lack of capacity to direct private sector comprehensive database of local private sector Development  Lack of capacity to direct private sector Development  Lack of capacity to dometic private sector D				LEDIP Officer
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Lack of capacity to direct the direct the development of a business-enabling environment to draw in, keep, or increase investment    Description			1	
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relevant marketing support services for each department.  The LEDIP office to make sure that all local promotions, events, and activities,		ultimate goal of	_	
support services for each department.  The LEDIP office to make sure that all local promotions, events, and activities,				
each department.  The LEDIP office to make sure that all local promotions, events, and activities,		investments.		
The LEDIP office to make sure that all local promotions, events, and activities,			1 1 1	
all local promotions, events, and activities,			> The LEDIP	
events, and activities,				
			including multi-media	

		campaigns, are focused on encouraging investors to visit the Municipality and Filipinos to invest in their own communities.	
A confusion between community development and Local Economic Development	To identify and be able to differentiate community development with Local Economic Development	Coordinate with other agency that gives seminars and trainings about community development and local economic development	LGU Partner Sector
Lack of coordination between LEDIPO, MPDO, BPLO and other concerned offices/department	To minimizes the conflicts, wastages, delays, indifferences and other organizational problems	<ul> <li>➢ Clearly defining authority and accountability</li> <li>➢ Create precise policies and procedures.</li> <li>➢ Make sure the organization's primary goals is widely understood</li> </ul>	LGU HR
	To prevent overlapping	> Review the PESO,	DILG with
	and duplication of work	BPLO, MPDO, Tourism Functions in terms of sales, marketing, investment	attached agencies Legislators LGUs
		promotion and the likes.  Perform the necessary realignment of functions that overlap.	CR
		Clearly define each team member's tasks and responsibilities.	130
		specialized duties and fields of knowledge.  Maintain open lines of communication and teamwork among members.	

### 6. IMPLICATIONS OF THE STUDY IN PUBLIC ADMINISTRATION

The purpose of this study is to determine how each province in Region 3's economy is changing at what rate and in what direction, and to determine how the strategy outlined in Memorandum Circular No. 2020-167 might help to speed up economic dynamism in a locality.

Memorandum Circular No. 2020-167 requires all Local Government Units to reinterpret and broaden the responsibilities of the Local Economic Investment Promotion Office (LEIPO) in order to focus on making the country more business-friendly and competitive. This bolsters the Philippines' stance in the ASEAN Economic Community (AEC), a highly competitive region with equitable economic development and a single market, where the country is fully integrated into the global economy.

Additionally, in the World Bank (WB) Doing Business 2020 Report, the Philippines rose 29 spots, from 124th to 95th place out of 190 economies. The nation did well when it came to obtaining construction licenses, protecting minority investors, and initiating new businesses, according to the ten (10) indicators that the WB examined. Each economy's business environment and level of regulation are evaluated in the World Bank economic report. Additionally, it seeks to inspire governments to implement corporate reforms in order to support long-term, sustainable economic growth.

The national government wants to support sustainable local economic development (LED) as we continue to make our mark in the global economy by involving multi-stakeholder participation processes that include participation. This will incite the public, private, and non-governmental sectors to tackle economic issues and establish more favorable investment circumstances that will result in economic expansion and advancement.

Republic Act No. 11032 or the Ease of Doing Business and Efficient Government Service Delivery Act of 2018 is an act that aims to streamline the current systems and procedures of government services. It is the landmark law of the Duterte administration that addresses priority number 3 of its 0+10 Point Socio-economic Agenda. This particular agenda pertains to improving the competitiveness of and ease of doing business in the Philippines. Signed into law on 28 May 2018, the law effectively amends Republic Act 9485 or the Anti-Red Tape Act of 2007.

With this improved version of the law, all government transactions will be facilitated with efficiency and with timely actions. It covers all Executive Department government offices and agencies, including local government units (LGUs), corporations owned or controlled by the government, and other government

instrumentalities—whether domestically or overseas—that offer services related to both business-related and non-business transactions as those terms are defined by the IRR.

To further the implementation of ease of doing business, President Ferdinand Marcos Jr. unveiled a new executive order that attempts to lower obstacles to starting and expanding a business in the Philippines. In order to position the Philippines as a top investment destination, encourage investors to make strategic investments, and guarantee that the nation's regulatory environment is favorable to business operations, Executive Order No. 18 was signed on February 23, 2023.

The objective of the EO is to accelerate, simplify, and mechanize the government approval and registration procedures for strategic or priority investments. The investments that are strategically aligned are those that fall under the Philippine Development Plan 2023-2028. Establishing the One-Stop-Action-Center for Strategic Investments (OSAC-SI), a single point of entry for all projects that meet the requirements to be classified as strategic investments, is one of the elements of the EO.

Given that both Executive Order Number 18 and DILG MC 2020-167 have as their primary goal the acceleration of the nation's economic dynamism, they appear to be in line with one another. Therefore, it is worthwhile to emulate the findings of this study since they will aid in comprehending the perspectives of individuals who are directly involved in or impacted by the aforementioned policy.

This study not only advocated for the facilitation of business operations in the Philippines, but also found that the efficient implementation of the Local Economic Development and Investment Promotion Office's duties will contribute to the nation's economic growth.

In every locality, the role of the LEDIP Office was enlarged by DILG MC 2020-167. To emphasize their role for local economic development, the Local Economic and Investment Promotions Officer (LEIPO), as stated in DILG MC 2010-113, was renamed as Local Economic Development and Investment Promotions Officer (LEDIPO). The focal point within the LGU whose job it is to help the province, city, or municipal government prepare, coordinate, and carry out policies, programs, projects, and activities related to local economic development and investment promotion. In order to emphasize their role in local economic development, the Local Economic Investment Promotions Officer (LEIPO) as described in DILG Memorandum Circular 2010-113, dated October 13, 2010, shall henceforth be read and defined as LEDIPO.

In this document, every role of the LEDIP Office and Officer was appropriately acknowledged. It became apparent that local economic development and investment promotion functions must be carried out appropriately in order to hasten a community's economic dynamism.

The real issues that our respondents faced also played a significant role in this study, as it will assist the administration and various agencies in improving or modifying the policy outlined in DILG MC 2020-167.

The goal or aim of DILG MC 2020-167 is evident and beneficial to the economies of all of our nation's regions, but simply putting it into practice without adequate oversight is inefficient in some way. Effectiveness in their job was demonstrated by certain research participants who were employed to work on the particular tasks outlined in the previously mentioned Memorandum Circular. Their increased effectiveness can be attributed to the government's provision of adequate funding and support staff to enable them to carry out their duties and responsibilities. Additionally, enhancing the capacities of employees assigned to the post can also be accomplished through trainings and capacity building. Regular training helps people become more proficient in their jobs and feel more confident in their ability to use their skills. As a result, they perform better, which enables them to work in the workplace more effectively and productively.

There have been instances in which several players or programs within a government structure have the same objectives or are endorsing the same objectives or approaches. There have also been instances where several actors have worked together to further a common objective. Under such circumstances, an organization with duplication and overlapping functions will encounter instability and anomalies, undermining the policy's intended outcome. Over time, the government has tended to overreach and prolong itself in nearly every sphere of societal need. These sectors now constitute standard government duties and priorities. Because of this, government resources are not evenly distributed among many issues, particularly in those where support from the government is most desired, such social services, national security, and peace and order. For this reason, the government must examine its processes in order to enhance them and get rid of duplication, overlaps, and redundancies.

In light of this, public administration can use the research data and findings in this study to guide critical policy decisions regarding enhancing current policies or introducing new services and regulations.

# Chapter 4

#### SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

In order to address the issues raised in Chapter 1, this chapter presents an overview of the research findings. It also lists the limitations of the investigation and the conclusion reached from the key findings and the advice of the researchers

## **Summary of Findings**

The following are the study's key findings:

- 1. Cost of doing business ranked 1 among the Economic Dynamism Indicators with 1.96 mean index value. Typically, low-cost production inputs draw investors to a location.
- 2. Level of implementation of Specific Functions of LEDIPO has a grand mean of 3.61 with a verbal description of Implemented.
- 3. An overall mean of 3.37 and verbal description of Implemented is how the level of implementation of Local Economic Enterprise division described.

- 4. The level of implementation of Business Development Function has an overall mean of 3.06 or verbal description of moderately implemented.
- 5. Level of Implementation of Investment Services has an overall mean of 3.26 or verbal description of moderately implemented.
- 6. Result of the Correlation between Economic Dynamism Indicators and Specific Office Functions showed that Cost of Living, Financial Deepening and Local Economy Growth are significant.
- 7. Correlation between Economic Dynamism Indicators and Local Economic Enterprise showed that indicators: Cost of Living, Establishments in the Locality, Financial Deepening, Productivity, Employment Generation, Local Economy Growth and Local Economy Size are correlated or significant to economic dynamism.
- 8. Correlation between Economic Dynamism Indicators and Business Development Functions showed that indicators: Cost of Living, Financial Deepening, and Local Economy Growth are significant with the implementation Business Development Functions
- 9. Correlation between Economic Dynamism Indicators and Investment Services Functions showed that indicators: Cost of Living, Financial Deepening and Local Economy Size are correlated or significant to Investment Services.
- 10. Summary of Correlation between Economic Dynamism and Implementation of Local Economic Development and Investment Promotion Functions showed that they are significant or correlated to each other
- 11. The top five (5) problems encountered by Local Economic Development and Investment Promotion Officers were: Rank with frequency of 93 was the Institutionalization of LEDIP Position; Rank 2 with frequency of 81 was the absence of LEDIP Officer's competencies; Rank 3 with frequency rate of 77 was no or inadequate financial support on the functions of LEDIP Office/r; Rank 4 is there is no or formulated Local Incentive and Investment Code and its IRR; and Rank 5 is the Absence of Partnership Formation
- 12. Top five (5) among the problems encountered in LEDIP Office were: Rank 1, Lack of manpower to implement the functions of Economic Enterprise Division, business development and investment service division; Rank 2, No permanent staff, most often than not, the LEDIP Officer is designated only; Rank 3, Lack

of Funds to operate the office specially in terms of promotion and marketing activities; Rank 4, Obsolete Local Investment and Incentive Code; and Rank 5, Absence of Marketing and Promotion Strategies of the LGU.

#### Conclusions

Based on the findings of the study, the following conclusions were drawn:

- 1. Among the Economic Dynamism Indicators, Cost of Doing Business was ranked 1 because investors tend to draw or establish their business in a location with low-cost production.
- 2. The specific functions of the LEDIP are implemented at an average or safe level only because of certain functions that are not implemented highly due to problems encountered along the way.
- 3. Due to various functions that are not implemented highly because of issues found along the route, the Local Economic Services Division's level of implementation is only implemented at an average or safe level..
- 4. Due to duplication in some regions or processes, the Business Development function is utilized to a limited extent only. Inadequate performance and incapacity to fulfill responsibilities are among the things that require focus.
- 5. The implementation of investment services duties was partially or moderately successful due to job duplication, incapacity to perform investment services-related obligations, and insufficient money to run the operation efficiently.
- 6. The specific functions of LEDIP officers were found to be significantly connected with the economic indicators of cost of living, financial deepening, and local economy growth.
- 7. The following economic dynamic indicators are connected or significantly significant with the implementation of functions by local economic enterprises: cost of living, establishments in the community, financial deepening, productivity, creation of jobs, growth of the local economy, and size of the local economy.
- 8. Cost of living, financial deepening, and local economy growth are important economic dynamics indicators that are associated or crucial when it comes to the execution of business development functions.

- 9. The correlation or significance between Economic Dynamism Indicators and Investment Services Functions was demonstrated by the following indicators: Local Economy Size, Financial Deepening, and Cost of Living.
- 10. There is a significant relationship between Economic Dynamism and level of Implementation of Local Economic Development Investment Promotion.
- 11. Institutionalization of an organization, minimum technical competencies and minimum qualification requirements, budget appropriation, presence of implementing rules and regulations on investment and incentives code and formation of partnership are important factor in achieving high performance of duties and responsibilities;
- 12. A well-designed organizational structure with permanent employees, budgetary support from the LCE, updates to the Local Investment and Incentive Code, and the implementation of marketing and promotion strategies are all necessary to guarantee the organization's ability to operate efficiently and achieve the intended outcomes of a developed and dynamic economy.

#### **Recommendations:**

From the findings, conclusions and proposed measures to boost economic dynamism through the implementation of Local Economic Development and Investment Promotion in Region the following recommendations are offered to local legislators, administrators and other agencies or sectors:

- 1. To determine the authentic achievement of each locality, require all LGUs to put forth their utmost efforts and dedication in finishing and submitting their local data capture sheet.
- 2. Revisit the following policies, laws and orders:
- a. DILG MC 2020-167 as to the Guidelines on Expanding the Designatin=on of Local Economic Development and Investment Promotions Officer (LEDIPO) and Establishment of its Corresponding Office/Unit in all Provinces, Cities and Municipalities
- b. The Local Government Code of 1991 Article 6 Section 476 qualifications powers and duties of the Planning and Development Coordinator;

- c. Republic Act 8756, An Act Establishing the National Facilitation Service Network through the establishment of Public Employment Service Offices (PESO) in each Province, major City, and other strategically important areas across the Nation; and
- d. Functions of Business Permit and Licensing Officers defined in every cities and municipalities
- 3. Conduct Rationalization Program. The government must examine its processes in order to enhance them and get rid of duplication, overlaps, and redundancies.
- 4. Conduct capacity building that will enhance the ability of LEDIP officers and support staff as to the needed skill to draw in investments, and promote economic growth.
- 5. Establish penalties for Local Government Units (LGUs) that violate the guidelines outlined in DILG MC 2020-167's Sections 6.3 and 6.4.
- 6. The Proposed measures to boost economic development and investment in Region 3 can be implemented.
- 7. For the purpose of promoting business-friendliness and competitiveness in Local Government Units (LGUs), form and maintain relationships with NGOs, the corporate sector, government agencies, and academic institutions.
- 8. Employ or assign staff with a background or experience in business development to ensure that the division's tasks are carried out effectively.
- 9. Review each municipality's local investment and incentive code and make any necessary modifications based on the municipality's priorities.
- 10. Formulate the Local Investment and Incentive Code's Implementing Rules and Regulations (IRR). The Local Investment Incentive Code is put into effect by means of Implementing Rules and Regulations, which set forth the protocols and standards.
- 11. Institutionalization of Local Economic Development and Investment Office and with its head and support staff.
- 12. Provide the funding required for the LEDIP Office's smooth operation during the preparation of Municipal's Budget.



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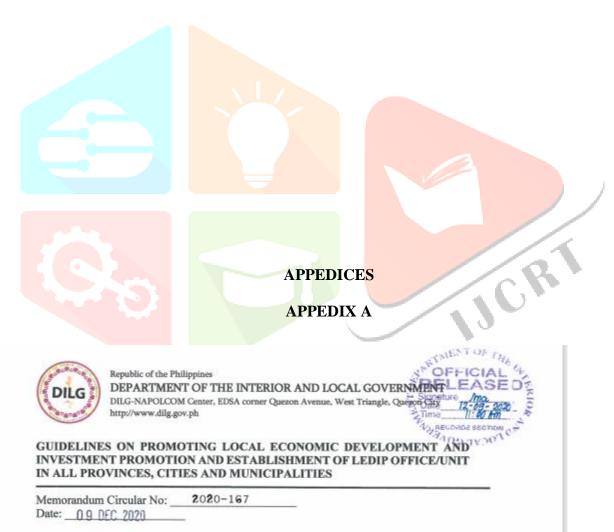
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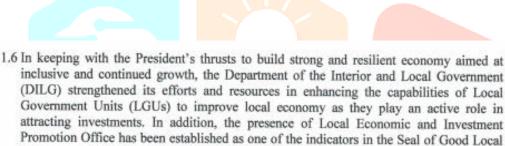
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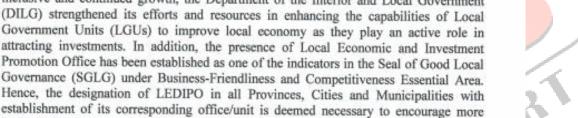
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### 1. Background

- 1.1 DILG Memorandum Circular 2010-113 dated October 13, 2010 encouraged Provincial Governors and City Mayors to designate a Local Economic and Investment Promotions Officer (LEIPO) as economic partner in attracting more investments to enhance local economic activities.
- 1.2 The roles of LEIPO were expanded in the administration of President Rodrigo Roa Duterte on which the government draws its efforts to increase competitiveness and ease of doing business that will enable businesses to thrive in the country. This also supports the Philippines' position in full integration of global economy in the ASEAN Economic Community (AEC) where there is a single market and highly competitive region with equitable economic development.





1.7 The Supreme Court, in the case of Mandanas vs. Ochoa Jr., (GR Nos. 199802 & 208488, May 22, 2019) clarifies that there will be adjustments on the share from the Internal Revenue Allotment (IRA) of the Local Government Units (LGUs).

investments and competitiveness in the locality to sustain economic development.

#### 2. Purpose

- 2.1 Generally, the purpose of this policy is to enhance DILG Memorandum Circular No. 2010-113 dated October 13, 2010 on the Designation of Local Economic and Investment Promotions Officer (LEIPO) which only covers Cities and Provinces. This MC encourages all the municipalities to also designate Local Economic Development and Investment Promotions Officer (LEDIPO) and to establish/create Local Economic Development and Investment Promotions Office/Unit (LEDIP Office/Unit), and other similar structures.
- 2.2 Specifically, it aims to:
  - 2.2.1 To expand the role of the LEDIPO to serve not only as the local investment promotions officer, but also as the focal officer for local economic development, and clearly define the required competencies of and minimum qualification requirements for the LEDIPO."
  - 2.2.2 To clearly define the role of LEDIP office/unit and its composition.
  - 2.2.3 To clearly define the functions and required competencies and minimum qualification requirements of the LEDIPO's staff

# 3. Legal Compliance

- 3.4 DILG Memorandum Circular 2010 113 Designation of Local Economic and Investment Promotions Officer
- 3.5 Memorandum Circular No. 2016-120: Guidelines for the Implementation of Public-Private Partnership for the People Initiative for Local Governments (LGU P4)
- 3.6 Joint Memorandum Circular No. 2019-01: Supplemental Guidelines for the Implementation of Public-Private Partnership for the People Initiative for Local Governments (LGU P4)

#### 4. Scope/Coverage

This Memorandum Circular covers all Provinces, Cities, and Municipalities, DILG Regional, Provincial, City/Municipal Offices, and others concerned.

#### 5. Definitions

The definitions of the following were revised from DILG MC No. 2010-113 due to the expanded roles of the LEDIPO in the localities, viz;

Local Economic and Investment Promotions Officer (LEIPO) (as mentioned in DILG MC 2010-113), shall be renamed as Local Economic Development and Investment Promotions Officer (LEDIPO) to give emphasis on their role for Local Economic Development.

5.1 Local Economic
Development and
Investment
Promotions
Office/Unit (LEDIP
Office/Unit)

Economic It is an office/unit in the LGU in charge of the facilitation, preparation, coordination, and execution of local economic development and investment promotion policies, programs, projects, and activities.

5.2 Local Economic
Development and
Investment
Promotions Officer
(LEDIPO)

The focal person in the LGU whose function is to facilitate the preparation, coordination, and execution of local economic development and investment promotion policies, programs, projects, and activities of the provincial / city / municipal government. The Local Economic Investment Promotions Officer (LEIPO) as defined in DILG Memorandum Circular 2010-113 dated October 13, 2010 will be now read and define as LEDIPO to emphasized their role on local economic development.

#### 6. Policy Content and Guidelines

The role of the Local Economic Development and Investment Promotions Officer (LEDIPO) in the facilitation and coordination of local economic development and investment promotion advocacies of the local government unit considers a crucial undertaking to create and mobilize a capacitated structure to organize all programs and



Hence, all local government units are enjoined to expand the designation of LEDIPO and establish its corresponding office/unit which will function as stated below:

#### 6.1 Basic functions of the LEDIP Office/Unit

The Office/Unit will take charge of all activities related to LGU investment facilitation and promotion activities, local enterprise development, establishment of support mechanisms for the growth of Micro, Small and Medium Enterprises (MSMEs), provide mechanisms for business retention and expansion, and other business and economic activities to attract investments and generate employment. It shall be headed by the Local Economic Development and Investment Promotions Officer (LEDIPO).

Specific functions are as follows:

- 6.1.1 Serve as member of the advisory group that will guide the LGU for investment promotion;
- 6.1.2 Steer the creation of a business enabling environment to attract, retain or expand investments.
- 6.1.3 Advocate and promote policies and practices that will encourage local investments such as:
  - 6.1.3.1 Preparation of LGU Economic Development aligned with the Provincial Development and Physical Framework Plan (PDPFP), Comprehensive Land Use Plan (CLUP), Comprehensive Development Plan (CDP) and Local Investments and Incentive Code as may be applicable.
  - 6.1.3.2 Assist on the formulation of Local Investments and Incentive Code (LIIC).
  - 6.1.3.3 Marketing and Promotion Strategies of the LGU.
- 6.1.4 In close coordination with the Local Planning and Development Coordinator, identify revenue generating and enterprise development projects of the LGU which may be implemented by the private sector through Public-Private Partnership (PPP) arrangements;
- 6.1.5 Provide support and facilitation assistance for prospective and new investors;
- 6.1.6 Establish and maintain a local economic database containing relevant facts and figures on the local economy to be able to provide information about business potentials of the LGU including its services to prospective investors to attract more investment to flow in the locality.
- 6.1.7 Conduct mission trips in relation to promotion and marketing activities of the LGU to attract investments;
- 6.1.8 Assist and support local councils whose undertakings are related to economic development;



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- 6.1.9 Assist in the promotion and development of Micro, Small and Medium Enterprises (MSMEs) in the locality, as well as all other potential investors, particularly in (1) securing licenses and permits, (2) identifying business or joint venture partners, raw materials suppliers and possible business sites, (3) sourcing skilled manpower and service providers, and (4) facilitating the resolution of issues and concerns encountered by business entities;
- 6.1.10 Establish and maintain partnership with Regional Office of National Economic Development Authority (NEDA), Public-Private Partnership (PPP) Center; Department of Trade and Industry (DTI), DTI-Board of Investments (DTI-BOI), National Competitiveness Council (NCC); Department of Science and Technology (DOST), Department of Finance (DOF) Bureaus and attached agencies such as Bureau of Internal Revenue (BIR), Bureau of Customs (BOC), Securities and Exchange Commission (SEC), and Bureau of Local Government Finance (BLGF), along with other national government regulatory agencies and with the private sector, NGOs/CSOs, academe and other stakeholders in the implementation of programs, projects and activities that will promote the business-friendliness and competitiveness of the LGU.
- 6.1.11 Represent the Province/City/Municipality in trade and investment meetings, conferences, and other similar activities in both domestic and foreign venues.
- 6.1.12 Prepare and disseminate investments promotion collaterals, e.g., brochures, and a website of the LGU for the purpose of information dissemination, including issuing reminders to Registered Enterprises, and providing information relevant to investors, among other information generally relevant to doing business

# 6.2 Structure of Local Economic Development and Investment Promotion (LEDIP) Office or Unit

Depending on the needs and priority economic sector of the LGU, it is recommended and enjoined that members of the LEDIP Office/Unit shall be composed of but not limited to:

- 6.2.1.1 Headed by a LEDIPO;
- 6.2.1.2 Supported by minimum of two (2) to three (3) Technical support Staff to be designated by the Local Chief Executive (LCE) supported by an Executive Order/Ordinance;

The LGU may add or expand the composition of the LEDIP Office/Unit.

6.2.1.3 If the LGU opt to establish a LEDIP Office, the following divisions may be created with its corresponding functions:

#### 6.2.1.3.1 Economic Enterprise Division

Functions:

FM-QP-48-41-02/New 00/ED10.01-2015

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- Responsible for the formulation of plans, development and implementation of proposal for the establishment of new economic enterprise;
- Responsible for coordinating with partnering



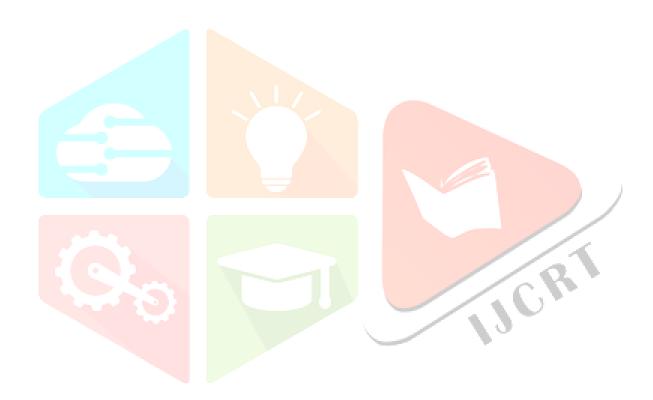
- and implementation guidelines related to PPP in consultation with appropriate implementing agencies and private sectors; and
- Other functions related to PPP projects as may be determined by the local chief executive

# 6.2.1.3.2 Business Development Division

#### Functions:

 Responsible for the supervision of Trade and Industry functions

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- Provide assistance to clients in identifying business or joint venture partners, sourcing out skilled manpower and service providers, and facilitating concerns encountered by investors and conduct research on the possible investment areas
- Monitor and evaluate project implementation of registered enterprises as well as new investments within the locality
- Formulate plans and strategies on strengthening networking relationships
- Prepare and disseminate investment promotion collaterals including briefing to investors
- Provide adequate recommendations on the existing legislation and procedures for local investments
- Provide assistance in the preparation of the annual investment priority plan of the locality
- Develop marketing, public relations promotional and advertising plans
- · Analyze the investment incentive application



- Business related competency (i.e. Sales, Marketing)
- Ability to link local economic development to the attainments of the LGUs vision

The LGU has the prerogative to add in the abovementioned technical competencies and qualification requirements according to their supportive capability for investment promotion.

# 6.4 Technical Competencies and Qualification Requirements for LEDIP Office/Unit Support Staff

To ensure that the LEDIP Office/Unit Support staff can perform his/her roles and functions accordingly, the recommended minimum technical competencies and qualification standards are the following:

Technical Competencies	Qualification Standards
Good inter-personal and communication and presentation skills     Possess good technical writing skills     Computer Skills     Visual Design and Software Skills (e.g. designing of website, adobe photoshop, etc)	Education: Bachelor's Degree (minimum) relevant to position     Preferably with relevant training in investment promotion, marketing, business planning, and economics     Eligibility: CS Professional, or any other 2 <sup>nd</sup> level eligibility



# 11. Effectivity

This Memorandum Circular shall take effect immediately after filing of three (3) certified true copies with the Office of the National Administrative Register, University of the Philippines Law Center.

# 12. Approving Authority

EDUARDO M. AÑO Secretary, DILG

# 13. Feedback

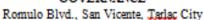
Inquiries concerning this Memorandum Circular should be directed/addressed to Bureau of Local Government Development (BLGD) through any of the following: Tel No. (02) 925-0356 / (02) 927-7852, email address <a href="mailto:lfrdd.official@gmail.com">lfrdd.official@gmail.com</a>, or thru mail at 25th Floor, DILG-NAPOLCOM Center, EDSA corner Quezon Avenue, Quezon City for appropriate action.

# APPENDIX B



Republic of the Philippines

# Tarlac State University COLLEGE OF PUBLIC ADMINISTRATION AND GOVERNANCE





October 16, 2023

HON.	
Municipality of	
Province of	
Dear Mayor	:

Greetings!

I, CHERRYLYN M. PASCUA, a Doctor of Public Administration student currently conducting a research entitled "ACCELERATING ECONOMIC DYNAMISM THROUGH LOCAL ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTION IN REGION 3". The said research work is one of the requirements for the aforementioned course.

In this regard, the undersigned respectfully request from your good office the necessary approval as to the conduct of interviews and data gatherings related to the aforementioned topic. Participation of your Local Economic. Development and Investment Promotion Officer is also hereby requested. The questionnaires pertaining to the above topic are also included to this letter. Moreover, the undersigned would like to request of a copy of your Local Investment and Incentives Code.

Please be rest assured, that any information you provide will be handled with the strictest confidentiality and used solely for academic purposes. The undersigned will also provide your good office a copy of this work once completed.

Hoping for your favorable response on this matter.

Thank you and more power!

### APPENDIX C



Republic of the Philippines

# Tarlac State University COLLEGE OF PUBLIC ADMINISTRATION AND GOVERNANCE

Romulo Blvd., San Vicente, Tarlac City



October 16, 2023

TO:	THE LEDIPO Municipality of Province of	•
Dear :	Sir/Ma'am:	
G	reetings!	

I, CHERRYLYN M. PASCUA, a Doctor of Public Administration student currently conducting a research entitled "ACCELERATING ECONOMIC DYNAMISM THROUGH LOCAL ECONOMIC DEVELOPMENT AND INVESTMENT PROMOTION IN REGION 3". The said research work is one of the requirements for the aforementioned course.

In this regard, the undersigned is hereby respectfully requesting your participation and support through answering the attached questionnaires as well as the provision of a copy of your Local Investment Code. Rest assured that data given will be treated with utmost confidentiality and shall be used for academic purposes only.

Hoping for your favorable response on this matter.

Thank you and more power!

Respectfully yours,

Municipal Gov't, Asst. Dept. Head/ Doctor of Pub. Ad Student



# APPENDIX D



Republic of the Philippines

# Tarlac State University COLLEGE OF PUBLIC ADMINISTRATION GOVERNANCE

	Romulo Blvd., San Vicente, Tarlac City
Date :	
Sir/Madame:	
Greetings!	
entitled "ACCELERATING DEVELOPMENT AND INVEST requirements for the aforemention of this regard, the undersigned	MENT PROMOTION IN REGION 3". The said research work is one of the ed course.  is hereby respectfully requesting your participation and support through
answering the attached questionn and shall be used for academic pu	res. Rest assured that data given will be treated with utmost confidentiality poses only.
Name (Optional) Office/Department/Agency Position INSTRUCTION: Please check on the space provided.	OUESTIONNAIRE  (√) appropriate box which corresponds to your response and comment
	Adjectival Description
Numeric	· ·
:	
4	Implemented
•	Moderately Implemented
	Fairly Implemented
	Poorly Implemented

How is the level of implementation of the Local Economic Development and Investment Promotions be 1. described and evaluated in terms of?

#### **Functions** 1.1.

Office Specific Functions	5	4	3	2	1
Serve as member of the advisory group that will guide					
the LGU for investment promotion					
Steer the creation of a business enabling environment to					
attract, retain or expand investments					
Advocate and promote policies and practices that will					
encourage local investments such as:					
a. Preparation of LGU Economic Development					
aligned with the Provincial Development and Physical					
Framework Plan, CLUP, DCP and Local Investment and					
Incentive Code as may be applicable					
b. Assist on the formulation of Local Investments					
and Incentive Code					
c. Marketing and Promotion Strategies of the LGU					
T 1 P 2 P 1 I D P 1					
In close coordination with the Local Planning and					
Development Coordinator, identify revenue generating		-			
and enterprise development project of the LGU which	. /				<b>N</b>
may be implemented by the private sector through	- 1				
Public-Private Partnership arrangements					/
1. Provide support and facilitation assistance for				1	A STATE OF THE STA
prospective and new investors					4
2. Conduct mission trips in relation to promotion				4	
and marketing activities of the LGU to attract			6		
investments	1			۳ ر	
3. Establish and maintain local economic database	1				
containing relevant facts and figures on the local		- 7			
economy to be able to provide information about					
business potentials of the LGU including its services to					
prospective investors to attract more investment to flow					
in the locality					
Assist and support local councils whose undertakings are					
related to economic development					
Assist in the promotion and development of micro, small					
and medium enterprises in the locality, as well as all					
other potential investors. Particularly in:					
a. securing licenses and permits					
b. Identifying business or joint venture partners,					
raw materials suppliers and possible business sites					
c. Sourcing skilled manpower and service providers					
d. Facilitating the resolution of issues and concerns					
encountered by business entities					
	1	1	l	l	l

Establish and maintain partnership with different
department, offices, organizations in the implementation
of programs, projects and activities that will promote the
business-friendliness and competitiveness of the LGU.
a. Regional Office of National Economic
b. Public-Private Partnership Center
c. Department of Trade and Industry
d. DTI Boar of Investment
e. National Competitiveness Council
f. Department of Science and Technology
g. Department of Finance
h. Bureaus and attached agencies such as:
• BIR
Bureau of Customs
Securities Exchange Commission
Bureau of Local Government Finance
Other national government regulatory agencies
Other private sectors
NGOs/CSOs
Academe
Other stakeholders
Represent the Municipality in trade and investment
meetings, conferences, and other similar activities in
both domestic and foreign venues
Prepare and disseminate investments promotion
collaterals, e.g., brochures and a website of the LGU for
the purpose of information dissemination, including
issuing reminders to Registered enterprises, and
providing information relevant to investors, among other
information generally relevant to doing business

#### 1.2. **Economic Enterprise**

Local Economic Enterprise	5	4	3	2	1
Formulate plans, development and implementation of					
proposal for the establishment of new economic					
enterprise					
Coordinate with partnering institutions/agencies/private					
sector associations intended for PPP projects and the					
conduct of research on PPP project possibilities from					
exiting and new partners, including the development of a					
database of potential private sector partners					
Facilitate and assist in the implementation of PPP					
programs and projects, including, but not limited to the					
following:					
• For PPP projects that are BOT Law variants					
and/or are following the BOT Law as the legal					
framework, serve as the LGUs' PPP Unit, the focal unit					
responsible for the planning, overseeing, and monitoring					

of PPP Projects, as contemplated in Section 14.3 of the			
BOT Law Implementing Rules and Regulations;			
• For PPP projects that follow the joint venture			
arrangement, provide support to the LGUs Joint Venture			
Selection Committee and the Contract Monitoring Unit,			
particularly in the fulfillment by JS-SC and the CMU of			
their responsibilities as contemplated in the annex of			
DILG-PPPC JMC No. 2019-01			
Coordinate with PPP Center of the Philippines, the main			
coordinating and monitoring agency of the Philippine			
PPP Program, on the Division's relevant tasks,			
including, but not limited to the following:			
• Planning, identification, development and			
structuring of the LGUs infrastructure and development			
projects for PPP implementations;			
• Accessing relevant PPP project development,			
advisory or implementation monitoring resources or			
facilities in support of the LGUs PPP Projects;			
• Monitoring Tracking, and documentation of the			
Implementation of the LGUs PPP projects along with the			
LGUs project management office or equivalent unit.			
Update the LGU's data on the LGU P4 Portal developed			
by the DILG			
Conduct research on best LGU PPP practices, and for			
recommending plans, policies, and implementation	. /		
guidelines related to PPP in consultation with			
appropriate implementing agencies and private sectors			
Perform other functions related to PPP projects as may			 A STATE OF THE STA
be determined by the local chief executive			1

#### **Business Development** 1.3.

	-		4.70		
Functions	5	4	3	2	1
Supervise the Trade and Industry functions					
Coordinate with Small-Medium Enterprise (SME) Development Council/Committee					
Conduct Research and coordinate with national government agencies and entrepreneurs for local product standardization					
Conduct or participate in trade and exhibitions or other events in coordination with the private sector and other government entities					
Promote local trades by conducting/participating product national and local development seminars, trade and investment mission, livelihood seminars, and marketing events					
Conduct research and endorsement of new technology for existing products					
Develop, monitor and report performance measures on the effectiveness of trade and industry initiatives					

Conceptualize product paraphernalia and other			
marketing strategies for local products			
Monitor and analyze sales report of the trade fairs			
Formulate projects and product development			
Provide assistance in the conduct of research on funding			
possibilities from exiting and new partner and donors			
Conduct research and development of new trends on			
investment promotion paraphernalia			
Monitor and recommend appropriate interventions for			
the sustainability for each industry			

# 1.4. Investment Services

Functions	5	4	3	2	1
Evaluate application for registration and application for availment of local incentives					
Assist clients in identifying business or joint venture partners, sourcing out skilled manpower and service providers, and facilitating concerns					
Assist clients in identifying business or joint venture partners, sourcing out skilled manpower		1			
Monitor and evaluate project implementation of registered enterprises as well as new investments within the locality	,				
Formulate plans and strategies on strengthening networking relationships				4	1
Prepare and disseminate investments promotion collaterals including briefing to investors					
Provide adequate recommendations on the existing legislation and procedures for local investments		1	3		
Provide assistance in the preparation of the annual investment priority plan of the locality					
Develop marketing, public relations promotional and advertising plans					
Analyze the investment incentive application					
Prepare financial statements and investment briefing reports					
Assist investors in investment related concerns					

2. What are the problems encountered in the implementation of Local Economic Development and

investment Promotion?

Please fill in the blank and/or put Check Mark ( $\sqrt{}$ ) on the opposite items which aptly describes all the problems encountered through the following guide. Please check all that apply. (Lagyan ng tsek ( $\sqrt{}$ ) sa tabi ng kahon ang lahat ng mga rekomendasyon ma nais magawa. Mangyaring suriin ang mga naglalapat.)

Problems Encountered by LEDIP Officer in the Implementation of Local	
<b>Economic Development and Investment Promotion</b>	1
Institutionalization of LEDIP Position. No permanent staff, most often, officers	
are designated only	1
Absence of LEDIPO Competencies or lack of capacity to direct the	
development of a business-enabling environment to draw in, keep, or increase	Í
investment	1
No or inadequate financial support on the operation and performance of	
functions of LEDIP Officer and LEDIP Office/Unit	1
No updated and formulated Local Incentive and Investment Code and its IRR	1
Absence of Partnership formation	1
Change in Political Leadership	
A confusion between community development and Local Economic	
Development	Í
Ability to link economic development to the attainment of LGU's vision	<u> </u>
Absorptive Capacity of LGU Staff	
Understand local, economic cultural and political environment	
Lack of dynamic local private sector	1
Lack of coordination between LEDIPO, MPDO, BPLO and other concerned	 I
department	_
If other, please specify (Kung may iba pa, mangyaring tukuyin):	

# APPENDIX D

#### Correlations

		of	lee	bd	is	ed1	ed2	ed3	ed4	ed5	ed6	ed7	ed8	ed9	ed10
of	Pearson Correlation	1	.820"	.659"	.814"	.016	.288"	.051	.243*	.178	021	.077	.296"	.141	.013
	Sig. (2- tailed)		.000	.000	.000	.867	.003	.604	.012	.067	.829	.428	.002	.146	.898
	N	107	107	107	107	107	107	107	107	107	107	107	107	107	107
lee	Pearson Correlation	.820 <b>"</b>	1	.662**	.796 <b>"</b>	.158	.319"	.214*	.295**	.239*	.317"	.018	.260**	.278"	165
	Sig. (2- tailed)	.000		.000	.000	.103	.001	.027	.002	.013	.001	.858	.007	.004	.093
	N	107	107	107	107	107	107	107	107	107	107	107	107	107	107
bd	Pearson Correlation	.659"	.662**	1	.721"	.055	.429**	.032	.256**	.167	.180	.070	.286**	.165	.032
	Sig. (2- tailed)	.000	.000		.000	.573	.000	.742	.008	.086	.063	.471	.003	.090	.746
	N	107	107	107	107	107	107	107	107	107	107	107	107	107	107
İS	Pearson Correlation	.814"	.796**	.721"	1	.099	.242*	.133	.212*	.172	.170	.189	.149	.193*	047
	Sig. (2- tailed)	.000	.000	.000		.308	.012	.173	.029	.076	.079	.052	.124	.047	.631
	N	107	107	107	107	107	107	107	107	107	107	107	107	107	107
ed1	Pearson Correlation	.016	.158	.055	.099	1	.345**	.536"	.257"	.591"	.384"	.116	.437**	.849"	.140
	Sig. (2- tailed)	.867	.103	.573	.308		.000	.000	.007	.000	.000	.233	.000	.000	.155
	N	107	107	107	107	107	107	107	107	107	107	107	107	107	107

H															
ed2	Pearson Correlation	.288"	.319"	.429"	.242*	.345"	1	.115	.777"	.702**	.324"	039	.750"	.543"	.033
	Sig. (2-tailed)	.003	.001	.000	.012	.000		.238	.000	.000	.001	.687	.000	.000	.739
	N	107	107	107	107	107	107	107	107	107	107	107	107	107	107
ed3	Pearson Correlation	.051	.214*	.032	.133	.536**	.115	1	.071	.332**	.466**	094	.246*	.374"	024
	Sig. (2-tailed)	.604	.027	.742	.173	.000	.238		.470	.000	.000	.336	.011	.000	.806
	N	107	107	107	107	107	107	107	107	107	107	107	107	107	107
ed4	Pearson Correlation	.243*	.295"	.256"	.212*	.257"	.777"	.071	1	.735"	.377"	.042	.623**	.546"	028
	Sig. (2-tailed)	.012	.002	.008	.029	.007	.000	.470		.000	.000	.667	.000	.000	.776
	N	107	107	107	107	107	107	107	107	107	107	107	107	107	107
ed5	Pearson Correlation	.178	.239*	.167	.172	.591 <b>"</b>	.702 <b>"</b>	.332**	.735"	1	.402**	.054	.741 <b>"</b>	.827**	024
	Sig. (2-tailed)	.067	.013	.086	.076	.000	.000	.000	.000		.000	.582	.000	.000	.812
	N	107	107	107	107	107	107	107	107	107	107	107	107	107	107
ed6	Pearson Correlation	021	.317"	.180	.170	.384**	.324**	.466 <b>**</b>	.377"	.402**	1	041	.218*	.431"	275**
	Sig. (2-tailed)	.829	.001	.063	.079	.000	.001	.000	.000	.000		.679	.024	.000	.005
	N	107	107	107	107	107	107	107	107	107	107	107	107	107	107

*																
	ed7	Pearson Correlation	.077	.018	.070	.189	.116	039	094	.042	.054	041	1	064	.113	.052
		Sig. (2-tailed)	.428	.858	.471	.052	.233	.687	.336	.667	.582	.679		.512	.247	.595
	040	N Degrees Correlation	107	107	107	107	107	107	107	107	107	107	107	107	107	107
	ed8	Pearson Correlation	.296"	.260"	.286**	.149	.437**	.750"	.246*	.623"	.741"	.218*	064	1	.573"	.139
		Sig. (2-tailed)	.002	.007	.003	.124	.000	.000	.011	.000	.000	.024	.512		.000	.158
		N	107	107	107	107	107	107	107	107	107	107	107	107	107	107
	ed9	Pearson Correlation	.141	.278"	.165	.193*	.849"	.543"	.374"	.546**	.827**	.431 <b>**</b>	.113	.573"	1	.003
		Sig. (2-tailed)	.146	.004	.090	.047	.000	.000	.000	.000	.000	.000	.247	.000		.977
	- 440	N Decrease Consolation	107	107	107	107	107	107	107	107	107	107	107	107	107	107
	ed10	Pearson Correlation	.013	165	.032	047	.140	.033	024	028	024	275**	.052	.139	.003	1
		Sig. (2-tailed)	.898	.093	.746	.631	.155	.739	.806	.776	.812	.005	.595	.158	.977	
		N	107	107	107	107	107	107	107	107	107	107	107	107	107	107

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

<sup>\*.</sup> Correlation is significant at the 0.05 level (2-tailed).

13CR1

#### Correlations

		ed	of	lee	bd	is						
ed	Pearson Correlation	1	.224*	.327**	.303**	.239*						
	Sig. (2- tailed)		.020	.001	.002	.013						
	N	107	107	107	107	107						
of	Pearson Correlation	.224*	1	.820**	.659**	.814 <b>**</b>						
	Sig. (2- tailed)	.020		.000	.000	.000						
	N	107	107	107	107	107						
lee	Pearson Correlation	.327**	.820**	1	.662**	.796**						
	Sig. (2- tailed)	.001	.000		.000	.000						
	N	107	107	107	107	107						
bd	Pearson Correlation	.303**	.659**	.662**	1	.721**						
	Sig. (2- tailed)	.002	.000	.000		.000						
	N	107	107	107	107	107						
is	Pearson Correlation	.239*	.814**	.796**	.721**	1						
	Sig. (2- tailed)	.013	.000	.000	.000							
	N	107	107	107	107	107						

<sup>\*.</sup> Correlation is significant at the 0.05 level (2-tailed).

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).



