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SENATE  
P. S. R. No. 1361

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Introduced by Senator Miriam Defensor Santiago

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RESOLUTION

DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY,  
IN AID OF LEGISLATION, ON THE REPORTED NEED TO REVIEW THE  
ONGOING PHILIPPINE CITIES COMPETITIVENESS RANKING PROJECT

WHEREAS, the Constitution, Article 2, Section 9 provides: "The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all";

WHEREAS, the *Philippine Daily Inquirer*, in its 30 August 2009 report stated that the Asian Institute of Management Policy Center's ongoing Philippine Cities Competitiveness Ranking Project purports a flawed concept;

WHEREAS, it was reported that the project is an extensive effort that covers 65 cities, involves 13 academic partners and includes 68 individual indicators that are compressed into seven so-called "drivers";

WHEREAS, the project employs elaborate scoring and ranking methods in determining each city's relative "performance";

WHEREAS, it was reported that the concept of competitiveness when applied to a geographic area or a political unit (a city or a province) should have ultimate reference to national social and economic wellbeing, and not just the interests of the local units in question; hence, from this perspective, the concept of country competitiveness makes a good deal more sense than that of city competitiveness;

WHEREAS, it was claimed that since Philippine cities in effect are pitted against each other, competition on the national or regional scale is a zero-sum game, and what some cities gain, others lose; such shows that from the standpoint of national social and economic welfare, the net impact is potentially nil;

WHEREAS, the report claimed that the notion of city competitiveness is a variant of the concept of "core competencies" in business competitive strategy, a concept that is germane to the so-called Resource-Based View (RBV) of strategy;

WHEREAS, it was explained that in a RBV, it is not the types and amounts of resources that are important but the way that these resources are used and combined to maximize value; far more important than resource availability or competencies from whatever source are the governance mechanisms and work processes that enable the production units, be they cities or business firms, to bring these together into a coherent work environment in which value from synergies is maximized;

WHEREAS, it was claimed that theoretically, a city further down the ranking may have a greater potential for value creation; it is more important to assess the cities in terms of their governance mechanisms and work procedures by which their resources are combined and utilized in a manner that yields substantial value from synergies than to come up with the desired metrics and bring these together into a single competitiveness index;

WHEREAS, the report therefore concluded that summing individual measures in coming up with an overall index of competitiveness is a flawed procedure; it involves adding up non-comparable measures, and the resulting index gives no unambiguous indication of capacity to produce value;

WHEREAS, the report suggested that in order to maximize welfare overall, there is a need for a unified, collective effort among adjoining cities as against actions taken in isolation since actions taken by one city invariably have spillover effects on the others;

WHEREAS, the report also suggested the need for collaboration among the individual, self-seeking interests within cities, both in the public and private sectors; hence, city competitiveness measures should look more closely at a city's existing governance mechanisms—or their absence—in determining how well it stacks up against the others;

WHEREAS, given such an analysis, the concept of city competitiveness has to be re-conceptualized;

WHEREFORE, be it hereby resolved by the Philippine Senate, to direct the proper Senate Committee to conduct an inquiry in aid of legislation, on the reported need to review the ongoing Philippine Cities Competitiveness Ranking Project.

Adopted,

  
MIRIAM DEFENSOR SANTIAGO

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