

1. Explain the effect of scarcity in economic planning.

When we say scarcity, it is an economic problem of **short supply of resources** due to not being well-funded for the satisfaction of human wants and needs. Its effect in economic planning is important because it means that **not every budget can be addressed**, which means financial resources cannot fund every requested project due to its limitation in resources.

2. What is resource allocation, and why is it important in government planning?

Resource Allocation is a process of **distributing and managing available assets** such as labor resources, information resources, and technology to projects in a way that maximizes efficiency and results. It is important in government planning because it makes sure that **public funds, infrastructure, and resources are distributed efficiently** for the welfare of the community.

3. Define a market economy and explain how it generally allocates resources.

Market Economy is a system in which many decisions about what to produce or how much to produce are conducted by **private individuals and businesses**. It allocates resources through **decentralized decisions** where market decisions are distributed to lower-levels like managers and workers of a private entity by determining what, how much, and whom to produce.

4. Define a command economy and explain how it generally allocates resources.

Command Economy is a system where production and distribution of goods and services are controlled and decided by the **government**. The government owns the majority of the land and resources in the Philippines, and they decide on what, how much, and whom to produce. That is how the Command Economy allocates resources.

5. Differentiate a market economy, a command economy and a mixed economy.

In the **Market Economy**, decisions regarding the distribution and production of goods and services are made by **private individuals and businesses**. In **Command Economy**, major decisions are made by the **government**. While in a **Mixed Economy**, decisions are made by both the **private individuals and the government**, but the **government regulates the market**.

6. Distinguish economic growth from economic development.

When we say **Economic Growth**, it is an **increase in the amount of goods and services** in a community over a specific period of time. While **Economic Development** is broader than the former and it sustains improvement in the community or people's economic and social conditions like in their quality of life and overall well-being.

EG e.g. A bakery produces 100 loaves of bread each day. Next year, it buys a new, faster oven and hires an extra baker. It now bakes 150 loaves a day. This increase in daily production is a micro-level example of economic growth.

7. Why is the Philippines considered a mixed economy?

Mixed Economy is a combination of Market Economy, in which private individuals and businesses make the decision, and Command Economy whereby the government guides the market. The Philippines is considered a mixed economy because **private businesses drive most of the Philippines' manufacturing, retail, and massive service industries**, but the **government sets rules** for private businesses to prevent monopolies and unfair pricing.

8. Explain planning as both a decision-making process and a problem-solving process.

Planning is both decision-making and problem-solving because planning involves **best decisions for greater results**. It requires **identifying existing problems** in order to decide **alternative courses of action** in case these problems happen that may threaten the planning process. A plan is meant to **solve the existing problem** and not make it worse by making a decision for the betterment of the community.

9. What is economic planning, and why is it broader than preparing a list of government projects?

In Economic Planning, the **governments or central authorities make decisions** regarding the allocation of resources and the organization of production. It is broader because it **governs the entire economy** by the private and public sectors, and deals with systematic growth and stability. While **government projects** are managed by the **public sectors** only and deal with specific assets such as roads, dams, and other infrastructures.

10. Identify and explain the nine important elements of planning.

The first element is the **Aim or Vision** where it provides your **desired result** and **overall direction** to the planning process. It entails what you want to achieve once the planned project is done. Second is the **Objectives** where it **translates the broad vision** into more specific results because it seeks on **what you want to accomplish** on your planned project as you gradually implement the procedures. The objectives should generally be S.M.A.R.T., meaning specific, measurable, attainable, reliable, and time-bound. Third is the **Policies** in which it provides the **general guides** where the agencies should follow while implementing the planned project. Fourth is the **Procedure**, it provides the sequences or **step-by-step process** to accomplish your planned project. Fifth is the **Methods** where it provides the **specific ways** on how you will implement the plan in order to accomplish your objectives.

Sixth is the **Rules**, where it indicates the **exact actions and prohibitions** that the individual should follow. It entails on what you should and should not do as you implement the plan to maintain discipline and standard behavior. Seventh is the **Budget** where in planning, **identifying the budget** is the most important part because without the budget, then how will you allocate resources to implement the plan? An agency cannot implement the plan without resources and thus, the budget determines the **allocations needed** for the implementation. Eighth is the **Programs** in which it **collects the projects, resources, and methods** needed to solve specific community problems and to accomplish the objectives. Lastly, the **Strategies** is the **overall approach or method** on how you will achieve your desired long-term goals. It is important because in case there is a conflict during or after the implementation of the planned project, there is a strategy that also determines an alternative course of action.

11. Explain why planning is considered a continuous cycle rather than a one-time activity.

Planning is a continuous process from situation analysis, objectives, strategies, programs, budget, implementation, monitoring, evaluation, to feedback. In the traditional approach, planning only needed three and it ends on a plan. However, in the modern approach, it now requires 9 processes and it ends on feedback where it seeks revision to once again analyze, strategize, implement, monitor, and evaluate the project and repeat until you achieve your desired result without any problems.

12. Differentiate passive planning, panic planning, scientific planning, and principle-centered planning.

In **Passive Planning**, there is a little to no effort. Meaning to say the government only plans or only takes an initiative when the crisis has happened. For instance, if there is a storm, the government only acts when the community is experiencing flooding by providing a boat. Next, the **Panic Planning** is regarded as a reactive form of planning. Meaning the government plans only when the crisis has happened. For example, the government only implements the flood control project when a community has already experienced flooding.

Next, in **Scientific Planning**, the planning is dependent on systematic research, analysis, and data gathering. It focuses on numbers and technical calculations. However, one of its disadvantages is that it can be slow and complicated if the planning is too dependent on the systematic information. Lastly, in **Principle-Centered Planning**, systematic planning is important but it also considers human values because if we do not, there might be social consequences.

13. Differentiate centralized planning from decentralized planning. Give the advantages and possible disadvantages of centralized planning.

In Centralized Planning, most of the planning is handled by the national government while in Decentralized Planning, planning is handled by the local government through deconcentration and devolution. One of the advantages of centralized planning is that it promotes national cooperation. However, it also reduces local participation as it handles national-level projects. The sentiments and grievances of individuals in the community were mostly not heard.

14. Explain why economic planning pursues several objectives instead of economic growth alone.

Economic growth alone only causes extreme wealth concentration and inequality in many aspects such as poverty since it only measures the overall market production. Whereas when the planning pursues these objectives such as employment, participation, and others, it addresses multiple issues like unemployment, income inequality, poverty, and more.

15. Explain the Five Es of Planning.

The Five Es are Efficiency, Effectiveness, Ecology, Equity, and Empowerment. First,

Efficiency means achieving the best results while also utilizing the least amount of resources. Second, in **Effectiveness**, this is where the objectives are supposed to achieve and meet the intended purpose of the planned project, regardless of how much you have utilized the resources. Third is the **Ecology** — in implementing a planned project, it should not ruin the natural systems in which the people are dependent on since this is where we obtain our needs like food, water, shelter, and more. Fourth is the **Equity** — this is the fairness in achieving the greatest result instead of a fairness in obtaining resources because that would be equality. You may have the same resources but would that be enough to achieve your desired result and objectives? No, because it depends on the needs of the project you're trying to plan. Lastly is the **Empowerment**, where it provides the communities or employees in a community the decision-making authority to solve specific problems that affect them. It enables these individuals to define their own interests and strategies while also taking responsibility for executing the plan.

16. Why is completion of a government project not enough to establish that the project was successful?

It is not enough to establish that the project was successful because there are still uncertainties that can disrupt the completed project, such as economic and technological changes, and emergencies. For instance, the flood control project. The government successfully implemented enough drainage to prevent flooding. However, due to improper waste management, trashes may cause blockage to these drainage and can also cause stinky canals and spread germs that may lead to illness.

17. Differentiate monitoring, evaluation, and feedback in the planning process.

When we say **Monitoring**, it tries to ensure and see if the planned project is doing well as it gradually implements the procedure, such as if the funds are being properly used and are not putting it in their own pocket. Then the **Evaluation**, it examines the results of the planned project. If the objectives were achieved accordingly. It is important because this is where the feedback comes in. [In a planned project, a lot of things can happen after achieving the result, or the result wasn't met. If that were to happen, then the planned project will conduct a revision until there are no more problems that may cause ruins to the project. That is the **Feedback**.

18. Why must planning be continuing, integrated, coordinated, and participatory?

First, planning is a continuous process. It does not only end when the planned project has been achieved. Because there are things that can cause ruin to the planned project such as unforeseen changes and emergencies that require strategic approach and feedback or revision until these problems are solved. It must not cause hindrance to other sectors because planning involves many levels of government. It must connect national, regional, local, and sectoral plans. Planning should be coordinated as a whole to not create disorder with the communities involved and to prevent inconsistency and conflict. Lastly, in planning, the voices and grievances of the community should be taken into consideration. Their participation is significant since it is their community that the planning will affect them.

19. Explain the significance of Article XII, Section 1 of the 1987 Constitution to economic planning.

Article 12, Section 1 of the 1987 Constitution is significant because it serves as a guide to economic planning by fostering full employment and industrial growth grounded in agricultural development and agrarian reform. It also protects Filipino businesses from unfair foreign competition and trade practices, and encourages private entities, corporations and cooperatives to widen their ownership base.

20. Explain the significance of Article XII, Section 9 of the 1987 Constitution to national development planning.

Article 12, Section 9 of the 1987 Constitution is significant because it serves as the constitutional basis for the National Economic and Development Authority (NEDA)—which is now known as DEPDev or Department of Economy, Planning and Development, which functions as the Philippines' primary national socio-economic planning body. DEPDev oversees the alignment in the policies that it implements to avoid conflict.

21. What major institutional change was introduced by R.A. No. 12145?

Republic Act No. 12145 reorganized the National Economic and Development Authority (NEDA) into a full executive department called the Department of Economy, Planning, and Development (DEPDev) and transformed the NEDA Board into the Economy and Development Council, signed by President

Marcos Jr. in April 2025. It became the new executive department.

22. Explain the Philippine planning hierarchy from the national level down to the local level. Why must the different levels be connected?

There are several levels that operate the planning from national level such as the executive, legislative, and judicial, to regional, to provincial, to city and municipal, and to the barangays. These different levels must be connected to ensure public services are delivered efficiently and national policies are successfully carried out across local communities. Also, national governments create broad programs, but local governments handle the actual work on the ground where citizens live.

23. Explain the importance of R.A. No. 7160, Section 106 to local development planning.

Republic Act No. 7160 is also known as the Local Government Code of 1991. The section 106 mandates that every local government unit (LGU) must create a comprehensive multi-sectoral development plan through its Local Development Council. It is important because it promotes local autonomy by empowering local communities to chart their own economic and social growth, including formulating comprehensive development plans for the betterment of their community.

24. Explain why budgeting and resource allocation must be connected to planning.

In planning, identifying the budget is the most important part because without the budget, then how will you allocate resources to implement the plan? An agency cannot implement the plan without resources and thus, the budget determines the allocations needed for the implementation and must be connected to planning in order to successfully achieve your desired result while also being efficient with the resources.

25. Differentiate devolution from deconcentration and explain why the distinction matters in Philippine planning.

Devolution is a transfer of power from the national government to lower levels of government such as provincial, city, municipal, and the barangay. While **deconcentration** is the delegation of authority from national to local government but the national government has the major power. The distinction matters because

power and authority are two different things. You are given power to create and plan things in your own way, but you are given authority to monitor the plan given to you by the national government.

26. Differentiate sectoral planning from spatial or areal planning. Why may the government need both?

When we say **Sectoral Planning**, it is a specific responsibility of the government such as health, infrastructure, agriculture, education, and others. While in **Spatial Planning**, it is the geographical area or location whereby you will implement the plan. The government needs both because the other is their own responsibility while the other is a specific location.

For instance, the government plans to establish a hospital, but does that one specific location need another hospital rather than a place where it is needed the most?