

1. Explain the effect of scarcity in economic planning.

Scarcity means that resources are limited, while people's needs and wants are unlimited. Because of this, the government cannot provide everything to everyone. Economic planning helps the government decide which needs are more important and how limited resources should be used. Therefore, scarcity forces the government to make choices and set priorities.

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

Resource allocation is the process of deciding how limited resources such as money, labor, land, and materials should be distributed. It is important in government planning because government resources are limited. The government must decide which sectors, programs, and projects should receive resources based on the needs and priorities of the people.

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

A **market economy** is an economic system where decisions concerning the production and distribution of goods and services are largely influenced by **supply, demand, prices, consumers, and private businesses**. Resources are generally allocated through market forces. When demand for a product increases, its price may increase,

encouraging producers to supply more of that product.

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

A command economy is an economic system where the government plays the main role in deciding what goods and services should be produced, how they should be produced, and how resources should be distributed. Instead of relying mainly on supply and demand, resources are allocated according to government plans and priorities.

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

The main difference is who makes the economic decisions. In a **market economy**, consumers and private businesses have the major role. In a **command economy**, the government has the major role. In a **mixed economy**, both the government and private sector participate in making economic decisions.

6. Distinguish economic growth from economic development.

Economic growth refers mainly to an increase in the production of goods and services in an economy. **Economic development** is broader. It involves not only economic growth but also improvements in people's **quality of life, employment, social conditions,**

equity, opportunities, and environmental sustainability. This is consistent with the planning material's emphasis that development must balance economic development, social equity, and environmental sustainability.

7. Why is the Philippines considered a mixed economy?

The Philippines is considered a **mixed economy** because **both the private sector and the government play important roles in economic activity.** Private individuals and businesses make production, investment, and consumption decisions. At the same time, the government regulates economic activities, provides public services, undertakes infrastructure projects, collects taxes, and implements development programs. The government therefore does not completely control the economy, but the market is also not left completely without government intervention.

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

Planning is a **decision-making process** because planners must choose among different alternatives to determine the best way to achieve an objective. It is also a **problem-solving process** because planning begins by identifying existing problems and needs. Planners then determine the desired future

condition, study the causes of the problem, consider alternative solutions, determine the resources needed, and identify the actions necessary.

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

Economic planning is the **organized process of determining goals, policies, strategies, programs, projects, resources, and actions needed to achieve desired economic and social outcomes.** It is broader than simply making a list of projects because a complete planning process must first examine the current situation, establish goals, formulate policies and strategies, identify programs and projects, allocate resources, implement them, monitor progress, evaluate results, and revise the plan when necessary.

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

The nine important elements of planning are **aim or vision, objectives, policies, procedures, methods, rules, budget, programs, and strategies.** The vision identifies the desired future condition; objectives specify the results to be achieved; policies provide general

direction; procedures identify the steps to follow; methods explain how specific tasks are performed; rules provide specific requirements; the budget provides the necessary financial resources; programs organize activities toward objectives; and strategies provide the overall approach for using resources, especially when there are uncertainties, limited resources, conflicts, or changing circumstances.

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

Planning is continuous because conditions do not remain the same. Population, economic conditions, technology, environmental conditions, government priorities, and other circumstances can change. Therefore, a plan that was appropriate yesterday may need to be changed tomorrow.

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

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

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

- 15. Explain the Five Es of Planning.**

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

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

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

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

Article XII, Section 1 establishes the goals of the national economy. The significance of this constitution is that

the constitutional goals provide a direction for economic planning. Government plans should not focus only on increasing production or GDP. They should also consider equity, employment, productivity, regional development, and people's quality of life. It also directs the State to promote industrialization and full employment, make efficient use of human and natural resources, and give all sectors and regions an opportunity to develop.

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

Article XII, Section 9 provides the constitutional basis for an **independent economic and planning agency**. It allows Congress to establish an agency headed by the President that, after consultation with government agencies, the private sector, and LGUs, recommends to Congress and implements **continuing, integrated, and coordinated programs and policies for national development**. It further provides that, until Congress provides otherwise, NEDA functions as the independent planning agency. This is significant because it gives constitutional recognition to the need for an **organized national planning institution**.

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

R.A. 12145 reorganized NEDA into DEPDev and reconstituted the NEDA Board into the Economy and Development Council. Its purpose is to strengthen the government's economic and development planning, coordination, and monitoring functions. (Not sure!)

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

The purpose of this hierarchy is to connect planning at different levels of government. National plans establish broad national priorities. Regional and provincial plans translate those priorities according to regional and provincial conditions. City, municipal, and local plans then address more specific local needs. The different levels must be connected because development problems often cross territorial boundaries. If every level plans independently, programs may conflict, duplicate one another, or fail to support national objectives.

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

This makes planning an important responsibility of the local **government**, not only the national government. It also supports decentralization because local governments are given a role in determining their own development priorities based on their actual conditions. Moreover, under the Local Government Code, local development councils have functions involving the formulation of development plans, public investment programs, prioritization of projects, and monitoring and evaluation. (Wait!)

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

A plan cannot be implemented without resources. Planning identifies **what the government wants to accomplish**, while budgeting determines **what resources can actually be provided to accomplish it**. If planning and budgeting are disconnected, the government may create plans that cannot realistically be implemented because there is insufficient funding.

Additionally

Planning determines priorities; budgeting provides the resources to carry out those priorities. The planning material specifically states that resources must be allocated according to priorities. This principle is also reinforced by R.A. No. 12145, which emphasizes the linkage between development planning, programming, and budgeting.

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

Devolution is the transfer of powers and functions from the central government to lower levels of government. **Deconcentration** is the delegation of authority from the central government to its regional or field offices, while the central government retains major powers.

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

Sectoral planning focuses on a particular sector, such as education, health, agriculture, transportation, or industry. **Spatial or areal planning** focuses on a particular geographic area, such as a region, province, city, or municipality. The government needs both because development involves both **what sector needs improvement** and **where development should happen**. For example, the government may have a national health plan, but it also needs to determine which areas have the greatest need for hospitals and health services. Using both approaches helps make development more balanced and coordinated.