

Analyzing the Effect of COVID-19 on the Disbursement Rates of Department of the Interior and Local Government: A Comparative Study of Pre- and Post-Pandemic Periods

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ABSTRACT

Early in 2020, the COVID-19 epidemic broke out, causing unprecedented changes in businesses and society worldwide, including in the Philippines. This study aims to examine the effect of the COVID-19 epidemic on the disbursement rates of the Department of the Interior and Local Government. By comparing the pre-pandemic and post-pandemic periods from 2017 to 2022, the study seeks to shed light on the extent of the pandemic's impact on the effectiveness and efficiency of financial resource allocation within the government sector. This comparative study, which uses statistical techniques and quantitative data analysis, sheds significant insight into the Philippine government's challenges with managing its expenditures before and after the pandemic.

INTRODUCTION

The COVID-19 pandemic, brought on by the entirely novel coronavirus SARS-CoV-2, first emerged as a severe health emergency in late 2019 and quickly became a challenging social and economic crisis for all nations⁽¹⁾. The pandemic in the Philippines challenged governance and public administration with previously unheard-of issues, with national government agencies needing help to allocate and disburse funds effectively amidst the rapidly evolving situation.

The disbursement rates of national government agencies play a critical role in delivering public services, developing infrastructures, and implementing social welfare programs. Especially in times of crisis like the COVID-19 pandemic, efficient and prompt financial resource distribution is essential for meeting the demands and desires of the general public. The pandemic, however, disrupted the ongoing administrative processes and produced specific challenges that might have affected how swiftly government agencies disbursed funds.

This study compares the disbursement rates of the Department of the Interior and Local Government (DILG) before and after the COVID-19 outbreak to address this significant problem. The researcher aims to determine the effect of the pandemic on the efficacy and efficiency of financial resource management within the public sector by examining and comparing the data from these two periods. Furthermore, these findings can inform administrators and politicians about potential strategies to increase the financial system's resilience to future crises.

THEORETICAL REVIEW

This study is based on descriptive and exploratory research design, and the outcomes are analyzed. It is based on the 6-year series annual points covering 2017-2022. Descriptive and exploratory study designs are used to investigate the DILG's disbursement rates before and after the pandemic, particularly in the aftermath of the COVID-19 pandemic. Some statistical and economic tools, such as paired sample t-tests and descriptive statistics, were utilized to determine the outcomes.

METHODOLOGY

This study will adopt a quantitative research approach to analyze the disbursement rates of the Department of the Interior and Local Government by comparing data from the pre-pandemic and post-pandemic periods. The research will rely on secondary data sources for collecting disbursement records and financial information of the Department of the Interior and Local Government from 2017 to 2022. These data can be obtained from official government reports, financial databases, and relevant public repositories. The disbursement rates of the DILG before and after the pandemic are compared using the paired sample t-test in JASP to see if there is a significant correlation.

RESULTS

Allotments vs. Obligations

Table 1.0 shows that the allotment and obligations for DILG have been constantly increasing through the years. It shows that the total allotment in the post-pandemic years (2020-2022) has increased by 22% since the pre-pandemic years (2017-2019), while the total obligations have also increased by 21%.

Table 1.0 DILG Obligation Rates FY 2017-2022

	FY	Allotments	Obligations Incurred	Obligation Rates	Total Allotments	Total Obligations
Pre-pandemic	2017	202,369,098	200,921,579	99.30%	745,454,643	732,754,402
	2018	248,656,383	244,247,064	98.20%		
	2019	294,429,162	287,585,759	97.70%		
Post-pandemic	2020	298,822,084	293,908,656	98.40%	949,829,928	930,989,814
	2021	321,196,870	313,025,134	97.50%		
	2022	329,810,974	324,056,024	98.30%		

Note: (In Thousand Pesos)

Source: DBM (www.dbm.gov.ph)

To further illustrate, Figure 1.0 below shows a graphical presentation displaying each allotment and obligations for 2017-2022. This demonstrates that the largest allotment for the Department of the Interior and Local Government was in 2022, with 329.810 billion pesos. However, the largest obligation rate (% of obligations over allotments) was in 2017 (99.30%).

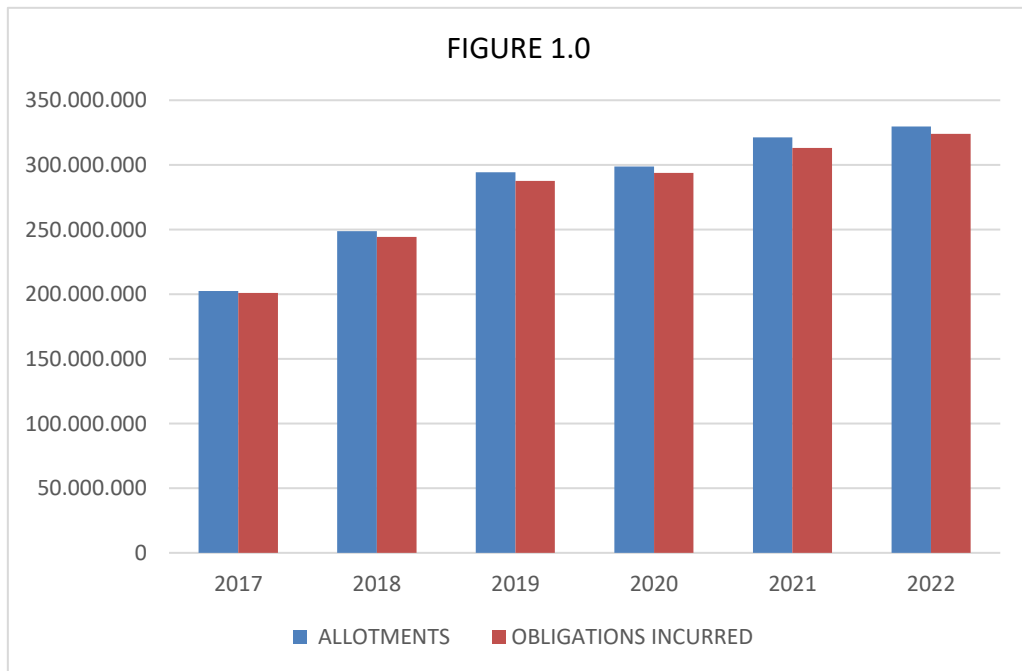


Figure 1.0. Graphical Condition of Allotments vs. Obligations of DILG FY 2017-2022

Obligations vs. Disbursements

Table 2.0 shows the disbursement rates for DILG in the pre-pandemic years (2017-2019) and post-pandemic years (2020-2022). The table also shows that the largest disbursement rate (% of obligations over allotments) was in 2022 (97.10%).

Table 2.0 DILG Disbursement Rates FY 2017-2022

	FY	OBLIGATIONS INCURRED	DISBURSEMENTS	DISBURSEMENT RATES
Pre-pandemic	2017	200,921,579	183,646,655	91.40%
	2018	244,247,064	234,362,609	96.00%
	2019	287,585,759	265,725,471	92.40%
Post-pandemic	2020	293,908,656	283,562,727	96.50%
	2021	313,025,134	302,708,147	96.70%
	2022	324,056,024	314,598,606	97.10%

Note: (In Thousand Pesos)

Source: DBM (www.dbm.gov.ph)

Figure 2.0 below shows a graphical presentation displaying each obligation and disbursement for 2017-2022. Just like in Figure 1.0, total disbursements are also constantly increasing from pre-pandemic (2017-2019) to post-pandemic (2020-2022).

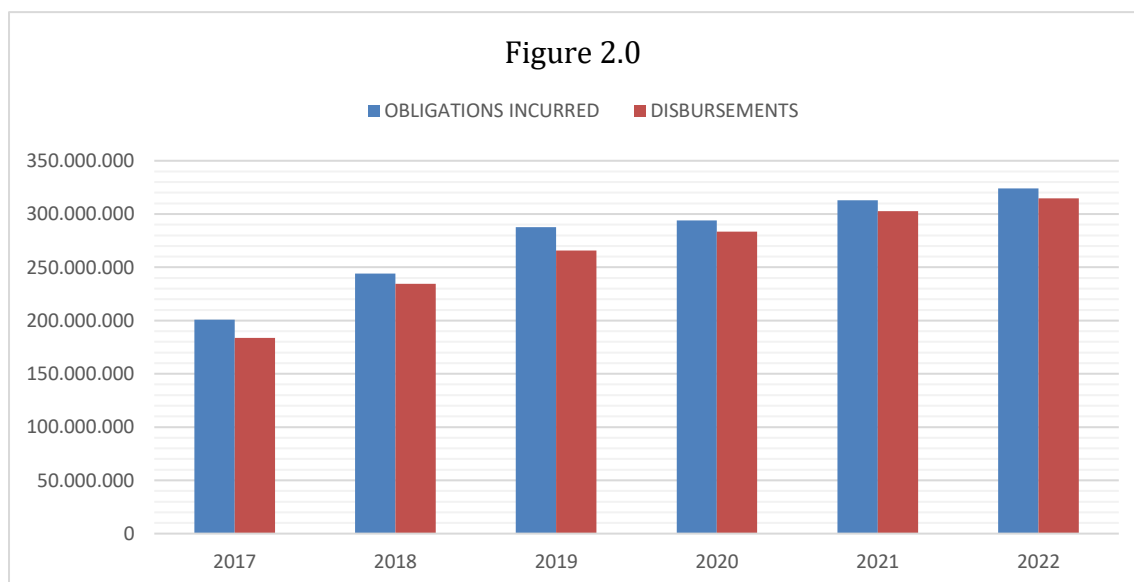
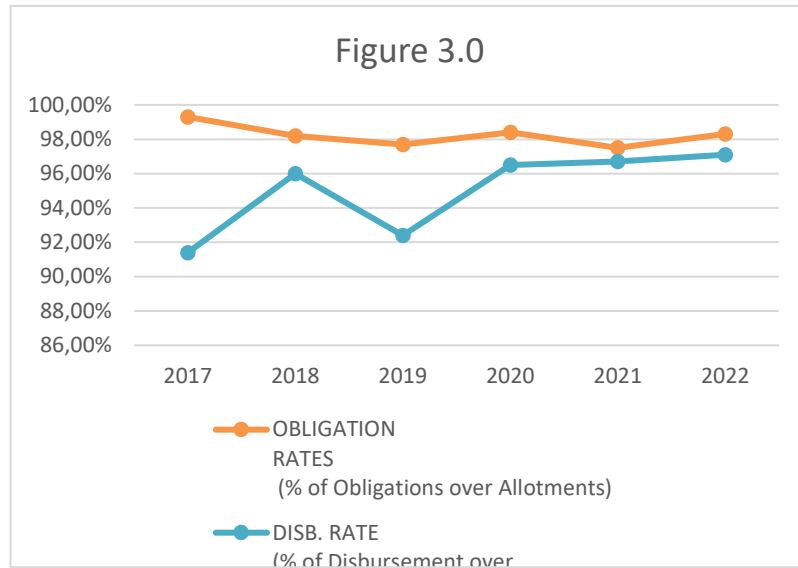


Figure 2.0. Graphical Condition of Obligations vs. Disbursements of DILG FY 2017-2022

Meanwhile, Figure 3.0 below shows a graphical presentation displaying the obligation and disbursement rates for 2017-2022.



Significance of COVID-19 pandemic

To compare paired data sets, the paired samples t-test is utilized. The null hypothesis for this study is that the COVID-19 pandemic does not affect the disbursement rates of the Department of the Interior and Local Government. Examining the results of the paired t-tests, the author concluded that the null hypothesis should be accepted because the p-value is greater than 0.05 level of significance ($p = 0.130$ under Student Test). Thus, the COVID-19 pandemic does not affect the disbursement rates of the Department of the Interior and Local Government.

Table 3.0. Significant Difference between the Disbursement Rates Before and After the COVID-19 Pandemic

Paired Samples T-Test

Paired Samples T-Test

Measure 1	Measure 2	t	df	p
Pre-pandemic period	- Post-pandemic period	-2.492	2	0.130

Note. Student's t-test.

Assumption Checks

Test of Normality (Shapiro-Wilk)

	W	p
Pre-pandemic period - Post-pandemic period	0.818	0.157

Note. Significant results suggest a deviation from normality.

According to the findings, the Department of the Interior and Local Government has been consistent in their performance in the utilization of financial resources allotted to them by the Government. It also shows that the agency has allocated and disbursed funds effectively in the rapidly evolving situation. The paired sample t-tests were used to determine whether the COVID-19 pandemic affects the disbursement rates of the Department of the Interior and Local Government.

DISCUSSION

This part allows you to elaborate on your results findings academically. You must not put numbers related to your statistical tests here; instead, you have to explain that numbers here. You have to compile your discussion with academic supports to your study and a good explanation according to the specific area you are investigating.

CONCLUSIONS AND RECOMMENDATIONS

According to the thorough analysis and statistics presented in this study, the Department of the Interior and Local Government's disbursement rates do not appear to be significantly impacted by the COVID-19 pandemic. Despite the pandemic's unprecedented challenges, the department has kept its disbursement rate relatively constant. This shows that the department's financial management and disbursement systems and processes have proven resilient and adaptable during this crisis. Although the epidemic has tested the department's financial management, its disbursement rates have remained relatively high. This finding may have important implications for policymakers and public administrators, as it suggests that certain government agencies can adapt and respond effectively even in the face of unforeseen crises, ensuring the continued delivery of essential services to the public. This conclusion may have significant implications for public servants and lawmakers since it implies that some government organizations may adapt and respond successfully even in the face of unanticipated crises, assuring the ongoing provision of vital services to the general public.

Even though the immediate impact of the COVID-19 outbreak seems to be minimal, the researcher advises the Department of the Interior and Local Government, and other government agencies to continue constantly monitoring their disbursement rates. Continuous vigilance is necessary due to the pandemic's unpredictable nature and its possibility of long-lasting, unforeseen repercussions. Even if the data shows financial resilience in disbursement rates, government agencies should actively work to improve it. This can be accomplished by diversifying sources of income, accumulating cash reserves, and updating contingency plans to consider diverse situations, such as public health emergencies. A further way to improve efficiency and transparency in the disbursement procedures is to invest in cutting-edge financial technologies and management systems. The combination of resources and skills for disaster preparedness and response should be encouraged through collaborative efforts with other government agencies and local authorities. Creating a support system and exchanging best practices will help the department be more resilient

in the face of upcoming challenges and guarantee the community's access to essential services without interruption.

FURTHER STUDY

Further research and monitoring will be necessary to track any potential long-term effects and assess these trends' sustainability. More investigation and monitoring are essential to assess the sustainability of these patterns and follow any potential long-term repercussions.

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