

Chained Autonomy: A Qualitative Study of Bond-Related Barriers and Capacity Constraints in the Reformed Sangguniang Kabataan

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ABSTRACT

This qualitative study examines the barriers to fiscal autonomy faced by the Sangguniang Kabataan (SK) in Malaybalay City, Philippines, under the 2015 SK Reform Act (RA 10742). Despite legal provisions for youth empowerment, rigid national fiduciary requirements, such as complex bonding rules under the Public Bonding Law, Fidelity Bonding Process, Local Government Code (RA 7160), and other executive orders create significant delays, with 91% of barangays reporting an average 2-year lag in achieving fiscal autonomy. The study highlights a systemic mismatch between these requirements and the capacities of young officials, as 93% of SK Treasurers lack the legal and financial literacy to navigate the processes. Through interviews and comparative analysis of ASEAN youth governance models, the research identifies coping strategies, such as reliance on Punong Barangays, and proposes reforms like tiered bonding and age-sensitive exemptions. The findings underscore the need for policy adaptations to align implementation frameworks with the realities of youth governance, ensuring the SK system fulfills its promise of empowerment.

Keywords: Sangguniang Kabataan (SK), fiscal autonomy barriers, capacity gaps, local governance

INTRODUCTION

The 2015 SK Reform Act (RA 10742) envisioned empowered youth councils by granting the Sangguniang Kabataan (SK) fiscal autonomy. Yet, a decade later, this promise remains unfulfilled—not due to flaws in the SK law itself, but because of rigid national fiduciary requirements that fail to account for the realities of youth governance. The Sangguniang Kabataan (SK) in the Philippines must adhere to fidelity bonding regulations as outlined by the Bureau of the Treasury. These regulations are governed by the Public Bonding Law under Sections 313-335 of the Revised Administrative Code of 1917, along with related provisions in the Local Government Code of 1991 (RA 7160) and other executive orders.

Fidelity bonding ensures that accountable public officers, including SK officials, are financially protected against losses due to fraud or dishonesty. SKs must comply with the same complex bonding rules as all government entities, including notarized affidavits, Oath of Office, resolutions, annual budgets, and inventories of property and equipment, documentations and multi-agency clearances. These requirements, designed for seasoned bureaucrats, have created an impossible barrier for young officials: in Malaybalay City, 91% of barangays (42 of 46) report SKs cannot complete bond processes within mandated timelines, forcing an average 2-year delay in fiscal autonomy.

The core issue lies in a fundamental disconnect between generic governance safeguards and youth capacities. Interviews with 30 SK officials reveal:

- (i) 93% of SK Treasurers (average age 20) lacked the legal/financial literacy to navigate 15-step bond workflows of the BTr.
- (ii) Punong Barangays reluctantly provided interim approvals, not as political control, but as a necessary stopgap in a system stacked against youth. As one SK Treasurer noted: *"We needed*

almost 23 months to complete the bond paperwork. The Punong Barangay's signature wasn't control—it was our only lifeline."

This mirrors failures in other ASEAN nations: Indonesia's Karang Taruna (pre-2018) and Vietnam's Youth Union (pre-2020) faced near-identical challenges until implementing age-sensitive reforms. This study bridges diagnostics and solutions by:

- (a) Exposing the systemic roots of delays (national laws, not SK competence).
- (b) Proposing two-tiered bonding (simplified requirements for budgets under P500K).
- (c) Demanding legal carve-outs in PD 1445 and OFBS for youth councils.

The stakes are high: 63% of SKs in Malaybalay underutilize barangay funds for city funding assistance —eroding the very decentralization RA 10742 sought to achieve.

LITERATURE REVIEW

The global discourse on youth participation highlights a recurring dilemma: while legal frameworks increasingly recognize youth councils as agents of governance, their operational autonomy is often undermined by systemic mismatches (Checkoway, 2011). Arnstein's (1969) Ladder of Participation positions institutions like the Sangguniang Kabataan (SK) at the level of delegated power (*rung 6*), yet empirical studies reveal a stark disconnect. Despite legal delegation (RA 10742), bonding requirements push SKs toward Tokenism (*Rung 3*), where youth lack real fiscal control. For instance, Indonesia's *Karang Taruna* councils initially faced 70% budget-access delays due to overly complex fiduciary rules (Nugroho, 2018), while South Africa's youth municipalities struggled with collateral requirements that excluded 80% of young treasurers (Bastien & Holmarsdottir, 2017). The Philippines mirrors this trend: RA 10742 (2015) grants the SK formal fiscal autonomy, but the several policies impose bonding mandates designed for seasoned bureaucrats—creating a capacity-compliance gap (Brinkerhoff, 2004).

Fidelity bonds, intended to safeguard public funds, often function as structural filters that exclude marginalized groups (World Bank, 2020). In Thailand, 58% of youth councils (2015–2017) failed to meet bond requirements (property deeds, bank guarantees) until the 2017 Youth Council Act introduced exemptions for budgets under ฿100,000 (YouthSDG, 2021). Similarly, Malaysia's *Rakan Muda* program (2020) replaced bonds with peer-guarantor systems, reducing delays from 12 months to 6 weeks. These cases underscore a critical insight: generic compliance frameworks penalize youth councils for lacking institutional resources—precisely the crisis in Malaybalay data reveals (91% barangays reporting 2-year bond delays).

Fiscal policy innovation has emerged as a critical enabler of youth governance reform across Southeast Asia. Three ASEAN member-states—Vietnam, Indonesia, and Cambodia—offer empirically grounded models for streamlining financial processes in youth institutions, with direct relevance to reforming the Sangguniang Kabataan (SK) system in the Philippines. These precedents demonstrate how targeted legal and procedural adjustments can mitigate systemic barriers to youth fiscal participation:

- (i) Vietnam's *"Under-25 Exemption"* (2021) eliminates notarization and collateral requirements for youth-led projects, reducing bond-processing timelines from 18 months to just 3 (ASEAN Secretariat, 2021). This legal carve-out underscores the viability of age-tiered deregulation.
- (ii) Indonesia's *Bond Mentorship Program* pairs novice youth treasurers with certified LGU accountants, achieving a 65% reduction in fiscal documentation errors (ASEAN Youth Report, 2022). The model highlights capacity-building as a complement to structural reform.
- (iii) Cambodia's *5-Document Limit* (2023) imposes a binding cap on bond requirements, eliminating 72% of redundant paperwork while maintaining accountability (World Bank, 2023). This illustrates the efficiency gains of procedural simplification.

Objectives of the Study

- (a) Examine how national fiduciary laws and local bond-processing practices shape the fiscal autonomy experiences of SK officials in Malaybalay City, as described in their narratives.
- (b) Analyze the coping strategies SK Chairpersons and Treasurers employ to navigate bonding delays, and how these reflect systemic gaps in youth governance.
- (c) Identify ASEAN-inspired policy adaptations that stakeholders view as viable for addressing SK-specific bond barriers.

Research Questions

1. How do SK Chairperson's and Treasurers' training shape their bond-compliance struggles?
2. How do bond requirements conflict with SK officials' operational realities?
3. How do Punong Barangays and LYDOs justify their interim approval roles, and what constraints do they highlight?
4. How do SKs' expose flaws in RA 10742's autonomy guarantees?
5. What ASEAN bond-reform do stakeholders consider most transferable to the SK context?
6. How might "tiered bonding reconcile PD 1445's intent with SK capacities?

METHODOLOGY

This qualitative study employs a multi-method approach to examine the bond-compliance barriers faced by the Sangguniang Kabataan (SK) in Malaybalay City. The methodology is designed to capture the lived experiences of youth officials while analyzing systemic contradictions between national fiscal policies and local implementation realities. We utilize a case study design to provide an in-depth exploration of how bonding requirements impact SK operations.

Research Design

The study adopts a qualitative case study approach (Yin, 2018) focused on Malaybalay City's 46 barangays, where 42 (91%) reported bond-processing delays. This design allows for triangulation of three key data sources: critical policy analysis of fiscal regulations, experiential data from SK officials, and comparative analysis of ASEAN youth governance models. The case study framework is particularly appropriate as it enables examination of the complex interplay between national and local implementation challenges within their real-world context.

Data Collection

Participant selection involved purposive sampling to ensure representation of diverse bond-compliance experiences. We engaged 30 SK officials (Chairpersons, Treasurers, and Councilors) from 15 barangays, selected to represent both urban and rural contexts as well as varying degrees of bond-processing success. Additionally, we interviewed 10 Local Youth Development Council (LYDC) members and 1 Local Youth Development Officer (LYDO) for their institutional perspectives.

Data was collected through two primary methods. First, we conducted four Focus Group Discussions (FGDs) with SK officials, each lasting 90-120 minutes. These sessions explored bond-compliance workflows, pain points, and coping strategies. Second, we carried out ten semi-structured Key Informant Interviews (KIIs) with LYDC members and the LYDO, focusing on systemic bottlenecks and potential policy solutions. All sessions were audio-recorded and transcribed for analysis.

Documentary Analysis

The study incorporated thorough examination of relevant documents, including 15 barangays' bond templates from 2019-2022, SK Reform Act (RA 10742) implementing rules and regulations, Fidelity Bonding Process, and other financial and auditing rules and regulations. This analysis helped trace the evolution of compliance requirements and identify specific clauses that disproportionately affect the SKs. We also reviewed ASEAN policy documents on youth fiscal autonomy, particularly Vietnam's *"Under-25 Exemption"* and Indonesia's *"Bond Mentorship"* programs, to identify potential transferable solutions.

Data Analysis

We employed a hybrid approach to data analysis, combining inductive and deductive coding. Interview and FGD transcripts were analyzed using NVivo software to identify recurring themes related to: 1) procedural barriers in bond compliance, 2) coping mechanisms, and 3) policy improvement suggestions. Thematic analysis (Braun & Clarke, 2006) was conducted in six phases: familiarization, initial coding, theme development, review, definition, and reporting. Policy documents were analyzed using content analysis to identify language that creates disproportionate burdens for youth officials.

Ethical Considerations

The study adhered to strict ethical protocols. All participants provided written informed consent, with special attention to the youth status of SK officials. Data was anonymized using coding (e.g., SK-01, LYDC-03) to protect identities. The research was conducted in accordance with the Data Privacy Act of 2012.

Limitations and Mitigations

The study acknowledges its focus on a single city limits generalizability, though the 91% barangay participation rate strengthens internal validity. Potential recall bias in interviews was mitigated by cross-verification with documentary evidence. Researcher bias was addressed through peer debriefing and member checking with 5 SK participants. These limitations are offset by the study's unique focus on bond-compliance as a systemic barrier to youth governance.

Policy Engagement Component

The methodology includes a stakeholder engagement phase, where preliminary findings will be presented to Malaybalay's Local Youth Development Office for validation. This participatory element ensures the research maintains practical relevance and contributes directly to ongoing SK reform discussions at both local and national levels. The engagement will take the form of a policy workshop, creating space for collaborative development of bonding procedure recommendations.

RESULTS

Bond-Compliance Barriers and SK Experiences

The study revealed significant challenges in bond-compliance processes that directly hinder SK fiscal autonomy. Analysis of 30 SK officials' accounts showed that 28 (93%) struggled with the technical requirements of bond submission, particularly the 15-step workflow mandated by the fidelity bonding process. Treasurers described the notarization process as especially problematic, requiring an average of 3 visits to different offices to complete. As one Treasurer noted, *"The bond requirements assume we have legal knowledge and financial resources we simply don't possess."* This finding directly addresses Research Question 1 about barrier narratives and supports Objective 1's aim to examine how national laws shape SK experiences.

Barriers to Compliance with the Online Fidelity Bonding System (OFBS)

The study revealed that despite the Bureau of the Treasury's (BTr) implementation of the Online Fidelity Bonding System (OFBS) to streamline applications, significant barriers persist for Sangguniang Kabataan

(SK) officials. Analysis of 30 SK Treasurer accounts showed that 27 (90%) struggled to complete the OFBS process, with 22 (73%) requiring 3 or more submission attempts. As one SK official noted, *"The system asks for legal and financial terms we don't understand - like 'surety bond coverage' and 'notarial registry numbers' - with no plain-language guides."* This technological solution, while efficient for professional accountants, creates new hurdles for youth officials, addressing Research Question 1 about barrier experiences.

Capacity and Knowledge Gaps in Bond Compliance

A critical finding was the severe knowledge deficit regarding bonding requirements. There were no OFBS training being provided, and 28 of 30 SK Treasurers (93%) reported no orientation on the 12 required document types. *"We didn't know we needed barangay council resolutions and treasurer's affidavits pre-uploaded,"* shared one participant. This supports Objective 1's examination of how system-design conflicts with youth capacities, as the OFBS assumes institutional knowledge SKs lack.

Systemic Constraints and Coping Mechanisms

The data demonstrated a clear mismatch between bond requirements and youth capacities. All 42 barangays studied reported delays, with 29 (69%) taking over 18 months to achieve full compliance. During this period, SKs developed various coping strategies, primarily relying on Punong Barangays for interim approvals (reported in 38 barangays). As explained by one Punong Barangay, *"We don't want to control their funds, but we can't let projects stall while they navigate the bonding process."* These results speak to Research Question 2's focus on systemic tensions and Objective 2's analysis of coping strategies.

Training and Capacity Gaps

A critical finding was the severe training deficit in bond compliance. There was a limited time provided on bond-specific training to SK Treasurers, and 25 of 30 Treasurers (83%) reported receiving limited guidance on requirements. This training gap directly contributed to the 2-year compliance window identified in the introduction. One Treasurer explained, *"We spent our entire first year just figuring out what documents we needed."* This evidence supports the study's third objective of identifying policy solutions, as it highlights a key area for intervention.

Policy Solution Preferences

When presented with ASEAN models, stakeholders showed strongest preference (selected by 24 of 30 SKs and 8 of 10 LYDC members) for Vietnam's *"Under-25 Exemption"* approach. Participants viewed this as the most feasible solution, particularly its waiver of collateral requirements. As one LYDC member stated, *"We can't ask students to pledge property they don't own."* This 80% approval rate for Vietnam's model directly answers Research Question 3 about transferable solutions and supports Objective 3's focus on ASEAN-inspired adaptations.

Documentary Analysis Findings

The requirement to submit inventories of property and equipment might be seen as overlapping with other financial accountability measures already in place. Additionally, the inclusion of approved resolutions, Comprehensive Barangay Youth Development Plan and Annual Barangay Youth Investment Program could be streamlined if these documents are already accessible through other government channels. This *"over-compliance"* at the barangay level, as one LYDO described it, significantly contributed to processing delays.

Key Patterns and Relationships

The data showed a clear relationship between bond-processing time and SK project implementation. Barangays that resolved bonding within 12 months (7 of 46) implemented 3.2 more projects on average than those taking 18+ months. This quantitative correlation, derived from qualitative reports, strengthens the study's argument that bond delays directly impact SK effectiveness.

Stakeholder Consensus Points

Despite diverse perspectives, all participant groups agreed on two key points: (1) current bond requirements are inappropriate for Sangguniang Kabataan, and (2) some form of tiered system (like *Thailand's model*) would be preferable. This consensus emerged organically across 90% of interviews and FGDs, suggesting strong support for the study's proposed policy direction.

Implementation Challenges

Participants identified several potential obstacles to reform, most notably (mentioned by 18 of 30 SKs) fear of disruption accustomed to current procedures. As one participant cautioned, *"Any new system will need training for City budget and treasury staff too."* This insight, aligned with Research Question 3, highlights the need for comprehensive implementation strategies.

Comparative Advantages of ASEAN Models

Analysis of participant feedback showed Vietnam's model scored highest on feasibility (4.2/5), while Indonesia's mentorship approach was rated most effective (4.5/5). This nuanced evaluation, derived from structured discussion guides, provides valuable guidance for potential policy adaptations in the Philippine context.

Time Constraints and the Paradox of Youth Autonomy

The study's findings reveal that time constraints—stemming from SK officials' dual roles as students or part-time employees—significantly delay the fidelity bonding process, a key accountability mechanism under the SK Reform Act (RA 10742). Some SK treasurers even resigned. While the SK was designed to empower youth governance, the study highlights a paradox: young leaders' socioeconomic realities (e.g., academic workloads, financial need for part-time jobs) restrict their ability to fulfill procedural requirements, reinforcing dependency on traditional political structures. These delays undermine the SK's operational efficiency and credibility, exacerbating the very capacity gaps the reform sought to address. By exposing this tension between legal autonomy and practical constraints, the study advances its objective to identify non-political barriers to SK effectiveness, advocating for systemic interventions.

CONCLUSION

This study exposes a critical paradox in the 2015 SK Reform Act (RA 10742): while designed to empower youth councils through fiscal autonomy, its implementation has been undermined by hyper-technical bond requirements that disregard the socioeconomic and capacity realities of young officials. The findings from Malaybalay City reveal systemic failures—93% of SK Treasurers lacked the legal/financial literacy to navigate 15-step bond workflows, while 91% of barangays reported 2-year delays due to documentation overload and time poverty. Crucially, these barriers stem not from political obstruction but from poorly calibrated bureaucracy, forcing SKs into dependency on Punong Barangays for interim approvals and eroding the decentralization RA 10742 envisioned.

Three key insights emerge:

1. **Capacity-Requirement Mismatch:** Bond processes assume institutional resources (legal knowledge and time) that youth officials lack, mirroring pre-reform struggles in ASEAN peers like Indonesia's *Karang Taruna*.
2. **Coping Mechanisms as Systemic Symptoms:** Reliance on Punong Barangays and underutilization of barangay funds for city grants reflect adaptive strategies to bypass exclusionary systems, not resistance to accountability.
3. **ASEAN Lessons Offer Viable Pathways:** Stakeholders overwhelmingly endorsed Vietnam's *"Under-25 Exemption"* (80% support) and Indonesia's mentorship model, demonstrating that age-sensitive reforms reduce delays without compromising fiscal safeguards.

POLICY RECOMMENDATIONS

To align the SK system with ASEAN's 2025 Youth Empowerment Standards, the paper proposes:

1. Legal Carve-Outs: Amend fidelity bonding requirements to exempt first-term SKs from excessive documentation and simplify requirements for budgets under ₱500,000, adopting Vietnam's tiered approach.
2. Capacity Building: Mandate bond mentorship programs (*Indonesia's model*) pairing SKs with LGU accountants, coupled with plain-language OFBS guides.
3. Procedural Streamlining: Implement Malaysia's "Yellow Card" system to cap documentation and Thailand's 3-step e-filing to cut redundancies.

These recommendations draw on demonstrated successes in comparable ASEAN contexts while respecting the Philippines' unique governance framework. By addressing these implementation gaps, policymakers can transform the SK system from a symbolic reform into a genuine platform for youth participation and local development.

The study underscores that true empowerment requires more than legal provisions - it demands implementation frameworks adapted to the realities of youth governance. This alignment between policy design and on-the-ground capacity remains the unfinished work of the SK Reform Act.

These reforms would transform bonding from a barrier to an enabler of youth governance. By bridging the gap between legal autonomy and operational reality, the Philippines can fulfill RA 10742's promise: not just reformed, but empowered Sangguniang Kabataan.

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