

DILIMAN GOVERNANCE FORUM

REINVENTING, REENGINEERING
& REORGANIZING THE BUREAUCRACY IN
THE PHILIPPINES:

WHY WE SHOULD BE MORE HOPEFUL
FORUM HIGHLIGHTS

15 September 2003

National College of Public Administration and
Governance (NCPAG) Assembly Hall,
NCPAG Building, University of the Philippines,
Diliman, Quezon City

Sponsored by:

National College of Public Administration and Governance (NCPAG)
Philippine Society for Public Administration
NCPAG Alumni Association
Class of PA 201-B

FORUM HIGHLIGHTS

I. Background Information

A. Forum Abstract

1. Objectives

- to learn about the reinventing/reengineering efforts of administrations from the Pre-Martial Law era to the GMA administration
- to identify the successes and/or failures of the reinventing/ reengineering policies of these administrations
- to assess the impact of these efforts on Philippine public administration and governance
- to suggest and advocate for reforms on the present reinventing/reengineering policies
- to forge ties with PA scholars and practitioners and form an oversight committee/body that would monitor the implementation of the reengineering policies

2. Expected Outputs

- A Report on the reinventing/reengineering efforts of the Philippine government
- An inbody composed of PA scholars and practitioners

3. Scope

- Discussions on the past and present laws and policies on reinventing/reengineering the Philippine government; Detailed information is described in the *Primer* on Reinventing/Reengineering & Reorganizing the Philippine Bureaucracy which was distributed to the Forum's guests and participants. Assessment of the impact of these policies on the present administration

4. Methodology

'Presentation and discussion of the salient features of reinventing/reengineering policies of the present administration by:

- ⌚ Secretary Emilia Boncodin, DBM
- ⌚ Chairperson Karina David, CSC
- ⌚ Reaction from the Panel of Experts composed of former reorganization 'czars', i.e., Hon. Armand Fabella, Hon. Luis Villafuerte, Hon. Salvador Enriquez, and Hon. Leonor Briones
- ⌚ Open Forum

B. Program and Guest Speakers

The Forum Program is as follows

Fiscal Emerito Enginco, PA 201 Class member, acted as the Master of Ceremonies and Moderator.

Registration	1:30- 2:00
National Anthem	2:00
Invocation Mr. Pablo Renato Lucero	2:05
Opening Remarks Dean Alex B. Brillantes, Jr.	2:10-2:10
Introduction of Guest Speakers and Panel of Experts	
Fiscal Emerito 1. Enginco	2:20- 2:30
Presentation of the Guest Speakers	
Secretary Emilia T.: Bormodm	2:30- 2:50
Chair Kanna Congtanfino-David	2:50- 3:10
Comments and Reactions from the Panel of Experts	
Hon. Armand V. Fabella	3:10- 3:30
Hon. Luis R. Villaforte	3:10- 3:50
Hon. Salvador M. Enriquez, Jr.	3:50-4:10
Hon. Leonor M. Briones	4:10-4:30
Open Forum	4:30- 4:45
Presentetionof Tokens of Appreciation Dean Brillates	
Closing Remarks .Dr. Joel V. Mangahas	4:45- 5:00

2. Guest Speakers

NCPAG Dean Dr. Alex Brillantes provided a brief Opening Remarks, where he enjoined all guests and participants to take part in the "journey" "to reinventing the bureaucracy. NCPAG College Secretary Dr. Joel Mangahas formally closed the Forum.

The keynote speakers were: Secretary 'Emilia Boncodin, Department of Budget & Management and Chairperson Karina Constantine-David, Civil Service Commission. Secretary Boncodin and Chairperson David are the lead members of the Arroyo Administration's current Rationalization `Program Team.

The Panel of Experts was composed of Dr. Armand Fabella, Chariman of the Board of Trustees, Jose PVzal University, and the reorganization "czar" during the tirne-df President Marcos, Cong. Luis Villaforte, incumbent Congressman of the 2n^d District dfCamarines Sur, he was the author of President Aquino's reorganization plan ; Dr. Salvador Enriquez former Secretary of the Department of Budget & Management, was the "brains" behind the Reengineering the `Bureaucracy for "Better Governance: Principles and Parameters" during the Ramos Administration; and Dr. Leonor Briones, a Professor of the University of the Philippines National College of Public Administration (NCPAG), contributed to the reengineering efforts implemented during the Estrada Administration.

II. Highlights of the Forum

A. Current Efforts on Reinventing/Reengineering & Reorganizing the Bureaucracy

Chairperson Karina Constantino-David presented and discussed the current Rationalization Plan/Program of the Government. Chair David began her presentation with the following premises. First, the Rationalization Program a) was not dictated upon by any foreign funding agency; b) that it is not a means to cut down the number of people; c) that it is not aimed at solving the budget deficit; and d) that it is not an early retirement program. Second, it intends to avoid the following scenarios with its implementation: a) it will not result to losing the "good" people and retaining the "unwanted" in government; b) it will not result to having more people in government; c) it hopes to minimize abuse of discretion, and d) it intends to avoid the pitfalls of reorganization/streamlining which is political intervention.

The Rationalization Program intends to make government do the right things in the best way within affordable levels and in the most accountable manner. The Program hopes to achieve this goal through a two-track approach: Track 1: Reengineering the Bureaucracy through legislative measure; and Track 2: Administrative Rationalization of Government. In the Track 1 approach, through legislative measures, there will be basis for abolishing and/or merging departments/agencies including GOCCs, and even creating more relevant departments. The Track 2 approach is the administrative rationalization of the Executive Branch of government. This is embodied in a Rationalization Plan that will a) review existing mandates articulated in the Medium Term Philippine Development Plan (MTPDP); b) evaluate functions of programs, activities, and projects; and c) rationalize organization structure through abolition, deactivation, merger, consolidation, and/or strengthening. More importantly, the Plan incorporates impact mitigation strategies that will enable the government to continue carrying out its primary administrative functions after rationalization, and that will alleviate the effects of rationalization on the affected government personnel.

Implementation of the Rationalization Program involves consultation in every step of the way. Expected implementation period is from three to four months. To date, a total of 102 offices have been abolished and 23 have been transferred to the relevant departments. The consultations with DOH, DSWD, the Office of the Press Secretary, DND, and GOCCs like NPC, GTEB have been completed.

The Rationalization Plan/Program will enable government to determine how it will fund itself and how it will get its job done.

Secretary Emilia T. Boncodin initially expressed her appreciation for the holding of forums, like the Diliman Governance Forum which served as an opportune venue where the government can explain its rationalization plan/program to various sectors and to the public.

Expounding on the Government Rationalization Plan, Sec. Boncodin informed the body that the Plan is a result of studies, as well as, plans from previous administrations. She stressed on the fact that all agree on the need to rationalize because there is a problem but not all will agree as to how to do the rationalization plan. Through the Forum, the government can get various ideas as to how to do the plan. But as to who will do the plan, it has to be the government, according to Sec. Boncodin. She appealed for help from the public in order to do the rationalization plan in the most effective, efficient, affordable and transparent manner. She also appealed for the public's understanding on the current government's effort to solve the crisis.

Sec. Boncodin also discussed that Government Owned and Controlled Corporations (GOCCs) would be put under a rationalization program to check the salaries and expenditures of the GOCCs' top executives. She qualified that the rationalization plan is a demonstration of the resolve to bring back and clean the image of government.

B. Views and Recommendations to address current issues on Reinventing/ Reengineering Reorganizing, the Bureaucracy

The four members of the **Panel of Reorganization Experts**, were unanimous in recommending; the need to "change the government" as a response to reinvent the bureaucracy to address the current (fiscal) crisis. Each member of the Panel enumerated; and discussed the relevant reinventing propositions that should be applied to address the said crisis.

Dr. Armand Fabella. Dr. Fabella described that in *the 1951 Reorganization Plan*, the strategy was "all or nothing". Concentration was on the national government and reorganization efforts, for the local level and the government-owned, corporations were "dropped".

Dr. Fabella, considered that Presidential Decree No. 1, Reorganizing the Executive branch of the National Government, as effective because its timing was right.

He suggested; that finance and budget should be separate since these are two overlapping "empires". He also proposed that certain functions of the national government be transferred to the local government. For Dr. Fabella, the following reorganization pointers are very important: a) timing; b) substance what is being recommended or being suggested; c) doing marketing with the legislature; and d) get a group of "money boys".

Cong. Luis Villafuerte. Cong. Villafuerte believes that current reengineering strategies should take on the financial management track, without prejudice to the medium and long term rationalization plans.

There are three "key ideas" to be noted in reengineering: a) fundamental re-thinking, of governmental structures - "why do we do it in government, why we do it this way"; b) radical - redesign the root of things by throwing away the old; c) dramatic - the change should not be just marginal or incremental but should register quantum leaps in performance.

The urgent reengineering task is addressing first the debt-service obligations and, the maturity process, and second, the country's liquidity problem. There should be one organization that will a) manage, handle and solve the foreign and domestic debt; b) manage, the devaluation effects; c) manage, the liquidity, of the government; d) address the privatization of the GOCCs, Currently, there is no one organization tasked with this responsibility

In the rationalization program "right-sizing" rather than "downsizing" the bureaucracy is the

appropriate approach. "Downsizing." can lead to retention of the wrong people, and this will create more problems. It will require the release of a large sum of money which will, only worsen the already critical financial situation.

Government should not single-mindedly look at the budget deficit but should look at the performance deficit of government. It should optimize the remaining 85% of the budget (after debt-servicing). The DBM should: refrain from creating new budgets but focus on whatever the remaining budget is. It should identify its priorities, define its targets and schedule its timetable of accomplishments. While it pursues rationalization it should organize tasks for tasks and not for bureaucratic functions. To further explain this point he cited, as example, how to address the need for school buildings. Government should sequentially determine the following: How many school buildings are needed and

Second, it is important for government to focus on what it must do, what it can do, what it wants to do so that it will know what it will do. This is the advice of former DBM Secretary Dr. Salvador Enriquez, Jr. to the government to address the crisis it is facing, that is, to use and be guided by the following governance principles: a) Concentrate on its "steering" role, that is to provide the policy framework and environment rather than engage in actual provision of services; b) Apply the vertical compartmentalization approach where the roles and functions of each government instrumentality, namely, national government agencies, local government units, the GOCCs, and even the private sector are defined and distinct from one another; c) Ensure that its resources are properly leveraged against the highest impact alternative by engaging in operations that will generate the most and widest benefit for the least amount of effort and other inputs; and d) Apply proper horizontal compartmentalization of the functions of the executive branch into departments.

Prof. Leonor Magtolis Briones. Prof. Briones informed the body that the Philippines' fiscal crisis is affecting the reorganization plan because reorganization costs money. The money for reorganization efforts will come from the budget, and consequently, this will affect the budget deficit. As of September 2003, the public sector debt amounts to P5.39 Trillion. Debt payment represents 92.4% of the National Budget. The next question is: where will the funding come from? Figuratively, the problems of the country are bigger than the size of the bureaucracy.

For Prof. Briones, the crisis and challenges that the government is facing cannot be resolved by reorganization alone but by fundamental reforms in the government. Prof. Briones emphasized the importance of public participation of the following sectors: academe, civil society, and the legislature in the current rationalization program, and in any reorganization process that government undertakes.

how much money is there to build the school buildings? How many is the backlog or the shortage? For how long will the backlog remain? There is a need to address first the backlog. One approach is involving the LGUs by having them realign their local funds to solve this backlog. Cong. Villafuerte suggests a recasting of the budget to become an outcome budget.

Dr. Salvador Enriquez. For Dr. Enriquez, reforming the bureaucracy means realizing the challenge to bring about the good life for the Filipino people. This challenge involves the application of principles and philosophies of governance and one that brings out the virtues of whoever leads and manages the nation.

Past government reforms have not improved the Filipino's quality of life. Dr. Enriquez cited the root causes as follows: a) no common philosophy of nationhood; b) serious dysfunctions in governance, like unclear delineation of responsibility and accountability, overextension of government concerns and inefficient and lack of strategic use of government resources, poor vertical compartmentalization of government concerns, dysfunctional horizontal compartmentalization of national government functions, and unclear configuration of government agencies; and c) the political system failed to breed and ferret good leaders.

For reform efforts to succeed, Dr. Enriquez believes that these should address underlying fundamental governance issues.

First, it should be governed by a philosophy of nationhood that will serve as the foundation for national

development. This philosophy is based on the understanding that the common good is above the individual good and that there cannot be individual good if the common good is not achieved.

She reassured the body that there is still hope because, for one, there is no choice but to hope, Everyone's desire to continue to survive is an indication that hope is still in all of the Filipinos.

C. Open Forum

The Open Forum segment generated few relevant queries from the audience due to the very limited time left. Aside from queries, some participants voiced out their personal commentaries on the subject matter, one of whom was Mr. Ferdinand Gaiter, National President, COURAGE.

Municipal Councilor Romy Laracas of Boac, Marinduque inquired on how the national government can conduct its reorganization efforts without the influence of politics. Chair David's response was: there is no guarantee that politics will not influence the reorganization effort. And this is more uncertain at the local government level.

The query of Prof. Partriarca of the University of Makati was: why are we still using reengineering and reorganization as banner programs to improve the bureaucracy when these efforts have failed in the past? The response of Cong. Villafuerte was: downsizing in the government should start with the GOCCs because these are the biggest contributor to the country's financial problems and government has not addressed the issue of privatization.

Ms. Gilda Corpuz of the MMDA inquired if the NOSCA will be subsumed under the rationalization program of the DBM? According to DBM Secretary Boncodin, it will be subsumed under the rationalization program but has to satisfy certain conditions of the Executive Order.

Former Education Secretary Ricardo Gloria inquired, on the possibility of lowering the retirement age in government from 65 years old, to 58? Chair David's answer was: On the personal level, my stand with regards to the retirement age is it should be 55 years of age with the option, upon mutual agreement of both management and the person retiring, that you can stay and, be reappointed for a 3-year period up to the age of 65. So, it is compulsory retirement at 55, but if you, are good and still needed in government you can be extended every 3 years but extension should not go beyond the age of 65.

ANNEX 1. Profile of Forum Guests and Participants

1. Distinguished Guests

The Forum was graced by a number of distinguished guests, namely:

- Vice Mayor Herbert Bautista, Quezon City
- Dr. Raul de Guzman, Former Dean, NCPAG and President of the NCPAG Alumni Association
- Undersecretary Laura Pascua, Department of Budget and Management (DBM)
- Ms. Amelita Castillo, Director of the Organization and Productivity Incentive Bureau, DBM
- Former Mayor Fajardo, and presently, the Chairman of the LRTA or Light Railway Transportation Authority
- Dr. Ledivina V. Carino, former Vice- President, University of the Philippines, and Director of Pahinungod; her name is almost synonymous to the voluntary sector movement
- Prof. Jose N. Endrigo, a Professor and former VicePresident of the University of the Philippines
- Dr. Roman Dannug, President of the Association of Schools of Public Administration
- President Camar Umpa, former Vice-President, Mindanao State University
- Former Secretary of the Department of Education Ricardo Gloria

2. Forum Participants

The first Diliman Governance Forum had approximately 550 participants representing the following sectors:

Government Sector: 198

a. National Government Agencies/Attached Agencies/GOCCs:

- Office of the President, Malacanang
Presidential Management Staff Committee on Government Reorganization
- Department of Budget and Management
- Department of Agriculture - Central Office, National Dairy Authority, NAFC, SRA, BAI
- Department of Agrarian Reform - Central Office, BARIE
- Department of Education
- Department of Environment and Natural Resources - FMB, EMB, PAWB
- Department of Interior and Local Government
- Department of Trade and Industry
- Department of National Defense - PNP, CPD, Camp Aguinaldo, AFP, Philippine Coast Guard
- Department of Finance - Central Office, BIR
- Department of Justice, Commission on Human Rights
- Department of Science and Technology - PCARRD
- Department of Social Welfare and Development
- Department of Public Works and Highways
- Congress - Senate and House of Representatives
- Civil Service Commission, CESB
- Commission on Audit
- National Economic and Development Authority Philippine Ports Authority
- Philippine Tourism Authority
- National Housing Authority

Metro Manila Development Authority
National Statistics Office
Government Service Insurance System
TIDCORP
LTA
PNOC
Development Academy of the Philippines
National Computer Center
NSCB
NCIP
National Book Development Board
Landbank

b. Health Sector

Philhealth
Jose Reyes Memorial Medical Center
San Lazaro Hospital
Phil. Medical Center

c. Local Government Units

Quezon City Government
Malabon City Government
LGU of Olongapo City
Boac LGU
Zariboaqga del Norte LGU
Guniguinto, Bulacan LGU
Municipality of GTO
Piliia LGU
Barangay Pansol Council
Liga ng mga Barangay
LGSP

NGOs/Civil Society Representatives: -11

- Courage
- ONLGOA
- NFAEA
- NGO
- ODA Watch
- ATPN-ANGOC
- OC-NGO
- Article 64 Movement
- Salika Foundation Inc.

Media Representatives: 12

- PCIJ
- RTV4
- Today

- ABS-CBN
- Channel 9 Newsbresk
- Manila Times
- NSN 4

Academe: 329

Majority of the participants arerepresented the academic community.
Schools represented were:

- UP Diliman ,campus
- UP Cebu
- Abra SUC
- Ateneo de Manila University, Ateneo School of Government
- Caloocan Polytechnic College
- GS ISU, Echague, Isabela
- Kalayaan College
- Miriam College
- Mindanao State University
- Rizal Technological University
- NCC, Caloocan City
- Polytechnic University of the Philippines
- Philippine Collegian
- PLM
- South Luzon Polytechnic College
- St. Paul University
- University of Asia & the Pacific
- UNP, Vigan City
- Western Mindanao State University

Guest Speakers of the first Diliman Governance Forum
"Reinventing/Reengineering & Reorganizing the
Bureaucracy in the Philippines:
Why we should be more hopeful"

From left: NCPAG College Secretary Dr. Joel Managahas; Dr. Armand Fabella, Chairperson Karina Constantino David, CSC; Secretary Emilia Boncodin, DBM; NCPAG Dean Alex Brillantes; Cong. Luis Villafuerte; Former DBM Sec. Salvador Enriquez; Fiscal Emerito Enginco, Forum Moderator; and *standing at the podium*, NCPAG Professor Dr. Leonor Briones



PA 201 class members and friends:

Front row, left to right: Gilfred Aranas, Ann Santiago, Ivy Tolentino, Jane Demegillo, Doan Igharas, Dean Alex Brillantes, Vince Caceres, Rodel Macalino, Ron Demabasa, Cristina Triumfo, Jerome Jovellanos, Bobby Sario, George Noble, PA 209 class member

Second row, standing left to right: TJ Songco, Celia Joven, Jesse David, Lou Caluag, Rey Tagundando, Fe Bergancia, Marife Duatin, Winnie Mariano, Fenny Tatad, Jenny Solayao, Pabs Lucero, Jasmine Rey, Jhane Lacsamana, Rhoss Abrera, Adel Abaya, MC Esplana, Emer Enginco. Not in the photo is Ariel Arceo.



Guest Speakers of the first Diliman Governance Forum
"Reinventing/Reengineering & Reorganizing the
Bureaucracy in the Philippines:
Why we should be more hopeful"

From left: NCPAG College Secretary Dr. Joel Managahas;
Dr. Armand Fabella, Chairperson Karina Constantino David,
CSC; Secretary Emilia Boncodin, DBM; NCPAG Dean Alex
Brillantes; Cong. Luis Villafuerte; Former DBM Sec.
Salvador Enriquez; Fiscal Emerito Enginco, Forum
Moderator; and *standing at the podium*, NCPAG Professor
Dr. Leonor Briones



NCPAG Dean Alex Brillantes giving the Opening Remarks of
the first
Diliman Governance Forum held on September 15, 2004,
1:00 p.m. to 5:00 p.m. at the NCPAG Assembly Hall



CSC Chair Karina David discussing the government's Rationalization Program



Dr. Salvador Enriquez, reorganization czar during Pres. Fidel Ramos' administration, discussing the pointers on good governance



Shown in this photo are some of the Forum's distinguished guests, *from extreme left*, Dr. Raul de Guzman, Vice-Mayor Herbert Bautista, Dr. Ledevina Carino.



Photos *above and below* depict that the Forum has successfully achieved its objective of gathering as many guests and participants to whom knowledge and information on current government reform efforts were shared.



Sectoral representation of the Forum guests and participants included *national and local government, GOP attached agencies, GOCCs, and health sector representatives; academic community; NGOs and civil society; media; private sector; and the donor community.*

IV. Forum Organizers

The first Diliman Governance Forum was an innovation at enabling the PA 201 class students to learn both the theory and practice of public administration, and specifically, to acquire knowledge on governance and public administration from the technocrat's experience in government.

This innovation was spearheaded by NCPAG Dean Alex Brillantes, professor of PA 201 class, AY 2004-2005.

The members of PA 201 class, AY 2004-2005 are presented in the attached photograph.



PA 201 class members and friends:

Front row, left to right: Gilfred Aranas, Ann Santiago, Ivy Tolentino, Jane Demegillo, Doan Igharas, Dean Alex Brillantes, Vince Caceres, Rodel Macalino, Ron Demabasa, Cristina Triumfo, Jerome Jovellanos, Bobby Sario, George Noble, PA 209 class member

Second row, standing left to right: TJ Songco, Celia Joven, Jesse David, Lou Caluag, Rey Tagundando, Fe Bergancia, Marife Duatin, Winnie Mariano, Fenny Tatad, Jenny Solayao, Pabs Lucero, Jasmine Rey, Jhane Lacsamana, Rhoss Abrera, Adel Abaya, MC Esplana, Emer Enginco. Not in the photo is Ariel Arceo.