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Whatever You Do, Never Use The C Word: an Overview of East Asian Anti-Corruption Research and Ap- plications

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This article takes stock of 40 years of anti-corruption (AC) research & practices, the progress made and challenges ahead. It takes an East Asia tour, thus carving out the pre-conditions for effective Anti-Corruption Agencies. These conditions are put in a wider context of organisation-technical, political-economic and micro-economic research. Surveying, modelling, mapping and risk-analyses, the main diagnostics of applied AC research; are used to single out country/sector specific AC strategies. The article main findings are: systemic AC research is only 10 years young, and progressing along the tangibles of procurement, financial-management and service-delivery, given the fast emerging body of political-economic country and sector studies, and identifying corruption and possible interventions. The academe and policy research should advance along the axes of financial control and political context.

AC research characteristics

Governance and corruption are invariably seen as one of the top problems in East-Asia. Corruption scandals and indicators are always well covered in the media, and NGOs, citizen organisations are increasingly rallying around the GAC theme. The need to research, understand and control corruption is obvious but comes with difficulties. Its "hidden" nature makes it hard to establish where, how and until what extend there is political and/or bureaucratic corruption. Effective AC initiatives drive corruption into darker corners, lower administrative levels and new sectors. As such, corruption gets more refined with its research. Another heavily disputed issue is the correlation between corruption and economic growth and stagnation. The latest economic crisis evoked a second wave of Governance and Anti-Corruption (GAC) awareness. Starting of with corporate banking miss-management, discontent rippled via high salaries and bonuses, to weak public sector regulation capacity. This improves the climate for lifestyle & asset checks and makes politicians campaigning on goverance and anti-corruption. A third corruption specific is the influence of the

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development sector in putting and keeping corruption on the political agenda. Since the World Bank report (source) identified corruption as a main source in sustaining poverty, there is an increasingly concerted effort to raise awareness, prevent and detect AC within programs and beyond. If only considering the influence donor money can yield, the governance notions of accountability, transparency and participation are in the vocabulary of any self-respecting bureaucrat and politician

AC in East Asian

The East Asian political systems are lump-summed as “neo-patrimonial”, with a public sector subject to “state capture”. Other common features are; the extend to which, political and business entangled elites, turn state policies and systems to their own advantage; economic growth & recession; collective & family oriented value systems; the presence of “strong” authoritarian leaders ..., ... and corruption induced public discontent toppling these leaders. Constructing a regional AC story helps in getting a better understanding of the commonalities, difference and challenges ahead. The AC tour trails the combined corruption indicators of TI and the WBI. Starting of with the AC historical-centers Hong-Kong and Singapore the travel goes via Malaysia and Thailand, to the Indonesian and Philippine backbenchers.

Singapore

Singapore is the least corrupt country of the region, with a culture of integrity in the public and private sector. Its first AC law, the Prevention of Corruption Ordinance (POCO) goes back to 1937. The Anti-Corruption Branch (ACB), within the Criminal Investigation Department (CID) of the Singapore Police Force, was responsible for its implementation. ACB was largely ineffective due to its dependence of the police force and insufficient (financial) resources. This weakness became public with the 1951 opium theft scandal, involving CIDs police detectives. However, corruption remained the Singapore way of life until its independence (1959). With the People’s Action Party (PAP) in power, AC became a top priority. Soon the AC laws and penalties strengthened and the ill-trusted ACB replaced for the Corrupt Practices Investigation Bureau (CPIB), has the extended mandate to investigate corruption complaints, public officials misconduct and propose approaches to reduce corruption. Singapore’s successful AC drive. turning corruption from a low-risk, high-reward activity to the opposite, is explained through; i) a fast-track legal, economic, and educational reform, ii) strong penalties for giver and receiver, iii) an independent and well-mandated ACA, iii) ongoing rationalization, improving the public sector efficiency, and a vi) a culture of shame. Contributing to this is the more recent, competitive public sector salary (Quah, 1995, 2007).

Hong Kong

Nowadays, Hong-Kongs corruption is under control, civil servants are honest, and bribery not accepted. This is a stark difference with the '50-'60's when its police force was deeply involved in corruption syndicates, and bribe-taking common throughout its administration. The turning point came with the 1973 massive public AC demonstration, after yet another corruption scandal involving senior police officers. This resulted in the Prevention of Bribery Ordinance (POBO) and establishment of the Independent Commission against Corruption (ICAC). Cashing in on public support thus political will, ICAC was able to break the main syndicates in only three year. Having curbed public sector corruption, it focussed successful on the private sectors. AC success-factors are: i) integrated legal, administrative and financial frameworks, ii) an independent ACA with sufficient mandate & resources, iii) balanced strategy of prevention, investigation & public education, and iv) the -island commissioner- authority to appoint, manage and dismiss officials without explanation. Above all, the HK case shows the importance of C prevention. The ICAC builds and maintains a culture of probity and integrity through; public and school education programmes, drafting codes of conduct, media-partnerships and citizen dialogues. It also prefers to warn then prosecute minor cases, thus reducing the cost of trials. Lately the ICAC owners are somewhat reduced (Ali, 2000).

Malaysia

Malaysia maintains its corruption on an "acceptable" level. Its first AC specific legislation, the Prevention of Corruption Ordinance goes back to 1950. The in 1957 established Anti Corruption Agency (ACA) with an over time gradually strengthened mandate (AC Agency Acts, 1982 & 1987) covers investigative, preventive, oversight, advisory and educational functions. This includes the selection and approval of high-level and political appointed officers. Over the years, ACA progressed in its investigation and prosecution, but has difficulties in taking on educational and preventive functions. Partly in response to this, the government endorsed in 2004 the ambitious National Integrity Plan (NIP) with the objective to improve integrity throughout state, sectors, administrative levels and even families. Bigger and more complex then the island-states of Hong Kong and Singapore, coordination and outreach issues hamper its AC activities (OECD 2004; Kassim Bin Mohamad, 2005).

Thailand

Due to its rapid changing economic-social environment, increased business competition, Thailand's (political) corruption is becoming more diverse and complex. Nepotism is a key factor in the process of civil service appointments. Its 1974 constitution states; "the State should organize efficient systems of government [...] and take all steps to prevent and suppress the quest for benefits by corrupt means". The hereto established Office of Counter Corruption Commission (OCCC, 1975) was

insufficient mandated and largely ineffective. The new constitution (1999) revamped the ACA with the extended mandate to initiate investigation & prosecution, including senior official's/politicians asset declarations. Unfortunately, the NCCC lacked the capacity and resources to cope up with the many -self-induced- high-level corruption cases. This resulted in a lost of reputation and public trust.

The NCCC is effectiveness is diminished by; i) political interference, with one third of its members political party representatives and ii) the fast expanding number of agencies involved in GAC. The NCCC has to coordinate its activities with: Administrative and Constitutional Court Election Commission, Anti-Money Laundering Office, Ombudsman and the Public Service Commission. It is yet to be seen what are the GAC effects, of Thailand recent political changes. The 2006 removal of Prime Minister Thaksin Shinawatra was (partly) motivated as a move to crack down on corruption. However, the military caretaker cabinet suspended constitution, undermined democratic institutions & rights and reduced accountability and transparency especially in procurement and (political) financing (GIR 2007).

Indonesia

Corruption is one of Indonesian major challenges, negatively influencing the country development and more specific the lives of the poor. The state weakness is reflecting in its AC measures. The government has repeatedly failed to enact major parts of AC legislation or provide adequate AC budgets. In 1967, President Suharto established his first Corruption Eradication Team. This is followed by many other AC initiatives: the Commission of Four, the Corrupt Criminals Acts Bill, civil servants assets return and the National Security Agency's Kopkamtib. The pre-Suharto (1997) governments continued in the same fashion enacted the; Law on State Organization, Clean Government Law, an Anti-Money Laundering Law, Anti-Corruption Law and establishing many AC bodies; the Team for the Eradication of Corruption. Commission for the Audit of the Wealth of State Officials (KPKPN), the National Ombudsman Commission; the National Law Commission; and the Commission for the Eradication of Money Laundering (ADB, 2004). It appears that AC legislation and institutions are a superficial commitment, designed to fail. After a series of high profile corruption cases, a more forceful KPK (2003) is charged with wider powers to coordinate/supervise, investigation and prosecution all institutions involved in AC. Government & civil service accountability are weak, weak regulation and control on political financing, helped by limited protection for critical media and whistleblowers, in the public and private sectors. Improvements are seen in the areas of; voting and citizen participation, taxes & customs, and transparency in procurement and privatization (GIR, 2008). The recent strengthening of AC agencies and national ombudsman translated in a re-election of president Widodo indicates there is momentum for improvement.

Philippines

Philippine corruption knows many shapes and forms; political financing, quota-fixing & resource dilution, electoral fraud, games & gambling, procurement and subsidies scams. The country holds the region record of AC regulations (7) and AC related agencies (13). Yet the Philippines knows its AC specific constitution, extensive regulatory regime, supported by presidential proclamations and decrees, executive and administrative orders and official memoranda. Most striking is the gap between AC rhetoric and reality. Previous president Joseph Estrada, commissioning the first national AC strategy, was ousted on corruption charges. The current president Gloria Macapagal-Arroyo cabinet, establishing Presidential Anti-Graft Commission (PAGC), is under continuous charges of corruption. The by post-Marcos constitution established Office of the Ombudsman (OMB, 1987), has over the years lost authority due to a shared and decaying prosecuting mandate, weak results, and more recently weak leadership. The effectiveness of oversight Agencies is hindered by political appointees, weak separation of powers including check-and-balance mechanism, and weak protection of whistle-blowers.

Philippines AC failures are manifold and harder to point at, being a combination of political-economic and technical issues. The country suffers from systemic corruption and state capture by political and business elites. This is translated in a lack of political will & leadership towards a sustained AC drive, resulting in cynicism and tokenism. Recently progress is made on issue as procurement, AC safeguards and watch dogs, lacking behind are back-office issues as; information access, transparency in elections, juridical accountability, (political) financing and budgeting, sustained by a weak implementation of the rule of law (GIR, 2008).

AC institutional and Organizational Learning

Beyond the political-economics, this East-Asia AC tour out-lines the main conditions for an effective ACA driven effort. These are: i) a comprehensive legal framework, ii) clear oversight mechanisms, iii) independent, leading and coordinating ACA, iv) sufficient and balanced investigative, prosecution & preventive mandate, iv) adequate financial, human and technical resources, with v) strong and sustained political support; and ix) societal trust. Singapore & Hong-Kong make the case that corruption can be combated with limited resources, under conditions of sufficient political will and public support. In the mid-size countries of Malaysia and Thailand, AC efforts only gets momentum under the conditions of corruption cases, public awareness and political leadership. A comprehensive legal system and an ACA with clear oversight and coordinating responsibilities are vital in this. The large and peninsular states Indonesia and Philippines, share the characteristics of many AC regulations & institutions with weak implementation. The absence of a state orchestrated AC initiatives, comes with the importance of media and civil society

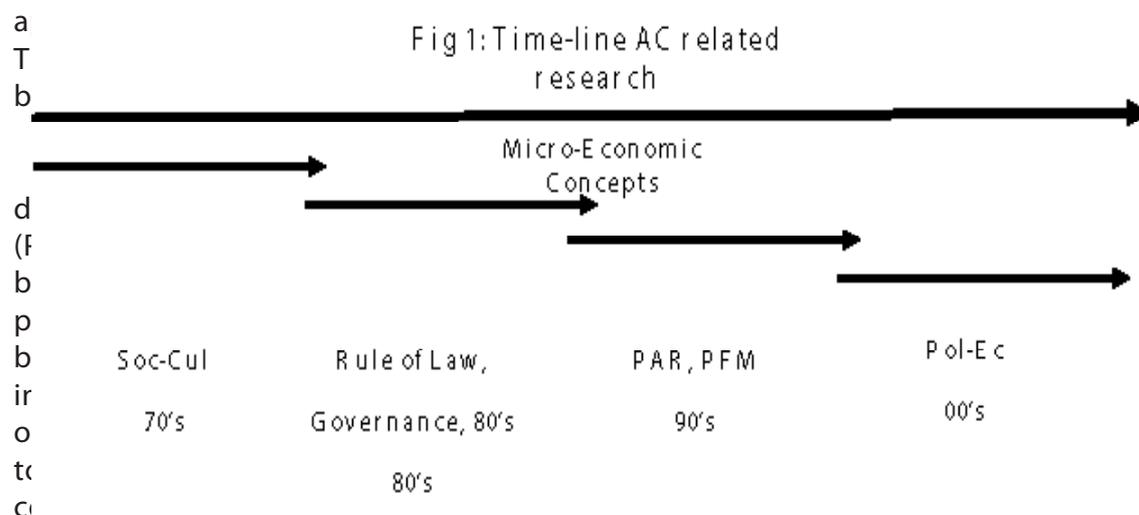
in reporting and monitoring GAC. Overall, we see that AC regulations and agencies can create conditions, but do not initiate neither sustain an AC drive. These are often the result of the convergence of high-level corruption, voiced public discontent and political leadership.

AC related research

To get a better understanding of (anti-) corruption, beyond the East-Asian institutional and organization experiences, this chapter look in the gradual evolvement in AC related studies and research. Over time the following thematic shifts can be identified:

Soc-Cultural: As indicated by Myrdal, systemic corruption research was sporadic before the 70's. Researchers avoided the topic as being too sensitive. If covered at all, it is treated as a cultural specific phenomenon of a traditional society adjusting to modern times (Riggs, 1967). In development aid the first notions appeared on the influence of government weakness and corruption on project failures, as reflected in the sharp rise in adjustment-loans;

Governance: The first AC related developmental strategies appear in the '80s, focusing on improved state processes (e.g. elections, legislation), establishment of rule of laws and building of effective institutions (e.g. legislature, executive, and judiciary). Specific attention goes into the quality of (police) investigation, prosecution and oversight, court judgement and attorneys independents. The research agenda becomes more normative with the emergence of the good governance agenda. Specific topics are; rules of behavior, information disclosure and conviction. Progress is made on AC specific legislation, codes of conduct and the



are less effective in tracking and explaining corruption.

Extractive industries & basic services; Identifying, tracking and preventing corruption is central in the studies looking in extractive & natural resource based industries. The East-Asian variation of the oil- and diamond-rich countries “resource curse” is corruption in mining and renewable like forestry and fish. Studies show that high value extractive industries invite political corruption through licensing, taxation, etc. More recently, the corruption studies also look in the energy, health and water & sanitation sectors. Using the business-sector originated “value chain” method, reveal corruption prone transactions in decision-making and service delivery. Complexity in corruption is another of the core problems. Many studies suggest fraud and parties and money involved, but lack detailed data. Show-casing such complexity is the distinction to be made between public-to-public, public-to-private and public-to-consumer transaction.

Political-economic: 90’s sees the emerging of studies emphasizing the contextual factors making corruption systemic. Political economic studies as the DFID’s “Drivers of Change” and Sida’s “Power Analysis” identify and analyse political-economic factors as i) client-patron relations, ii) politics and business entanglement, iii) leadership & political parties influence, iv) realism and implementation of national (socio-economic) strategies, v) judiciary independence, vi) bureaucratic capacity and politization, vii) media & civil society presence and ix) political & service delivery “demand”.

Micro-economics: Cross-cutting but highly-influential are the micro-economic analyses based on the Principle-Agent model, Neo Institutional Economic (NIE) Framework and New Public Management thinking. Central in the Principle-agent model relation in which the government (principal) has to motivate the government officials (agents) to use public resources with integrity. However, self-interested public officers can manipulate policies and legislation, take bribes under

the conditions that the gains will outdo the risk of detection. This risk becomes higher with the discretion and power they have. Research looks into the topics of decentralization and upwards and downward networks of corruption following a principle-supervisor-agent pattern. Compared with the Principle-Agent model, the Neo Institutional Economic (NIE) Framework turns the evidence around. If compared to public officers, citizens have to decide on incomplete information. It is this information asymmetry, which allows the civil servant to go in rent-seeking behavior. Lastly, New Public Management research deals with changing organizational mandates, service orientation and capacity in the public sector. More AC specific, absence or unclarity in contracts makes accountability, transparency and corruption hard to control.

This short AC review, cannot be exhaustive. Also relevant but harder to categorise, are studies looking in issues as: public sector accountability, transparency & participation mechanisms; corporate governance; the roles of civil society & media; the interconnectiveness between individual, organisational and institutional/societal corruption; impact of internationalisation/regionalism & decentralisation on corruption; and the role of the development sector.

AC shifts in time

In 40 years of AC related studies, the research focus has shifted considerable. Initially corruption is part of case-based social-cultural analyses (60s-70s), looking in the bureaucratic challenges of a modernising society. More systemic attention takes off with studies looking in the rule of law, state integrity and its capacity to control and prosecute corruption. This approach became part of a more normative governance agenda, prescribing mechanism to control corruption (70s-80s). More applied, technical and development driven are the PAR and PFM studies ('90s), looking in the public sector performance and fiduciary improvements. The AC focus is explicit in sector-specific studies ('00), using the value-chain to detect and curb corruption. The youngest branch are the political-economy studies, looking in those factors underlying systemic corruption. Cross-cutting and less time-defined, but highly influential are the micro-economic analyses using the Principle-Agent model, Neo-institutional Economic (NIE) framework and New Public Management perspective. The key notions of the different GAC approaches are combined in the following figure;

Applied research; towards an intervention model

Knowing and understanding corruption, and its underlying incentives, helps in deciding upon the most effective interventions. Building upon so far discussed AC theory and practises, this chapter covers the main diagnostics – surveying, modelling, mapping and risk-analyses- donors use, individual but increasingly

collective, to single out country/sector specific AC strategies.

Surveys

Governance & Anti-Corruption surveys took a high flight in the last decennia. The Corruption Perception Index (CPI) of Transparency International and the Worldwide Governance Indicators (WGI), of the World Bank Institute, are the most quoted and questioned. Most of the GAC surveys are triangulate there findings by asking business, policy-makers, analyst and civil society representatives on their perceptions. The WBI institutes aggregates these in indicators for six governance dimensions: i) Voice & Accountability, ii) Political Stability and Lack of Violence/Terrorism, iii) Government Effectiveness, iv) Regulatory Quality, v) Rule of Law, and vi) Control of Corruption. Some surveys take a specific more independent approach other try to ensure that the findings are owned and used by policy-makers. But, no matter the matter used, governance surveys latest findings are questioned on method, timing, validly and accuracy. Most of the critics concentrate around the following issue; i) the risk of comparing governance over time and across countries, ii) a bias towards commercial risk rating agencies & economic growth, iii) the self-fulfilling Halo effect, iv) definitions used and most important, v) interpretations given.

Modelling

Basic modelling is done by pairing two or more variables; eg. political will vs AC measures; state capture vs administrative corruption, or in the presented case governance with corruption. While crude, certainly if backed up by metrics, they help to determine possible AC interventions

Figure 2. Key Notions of GAC

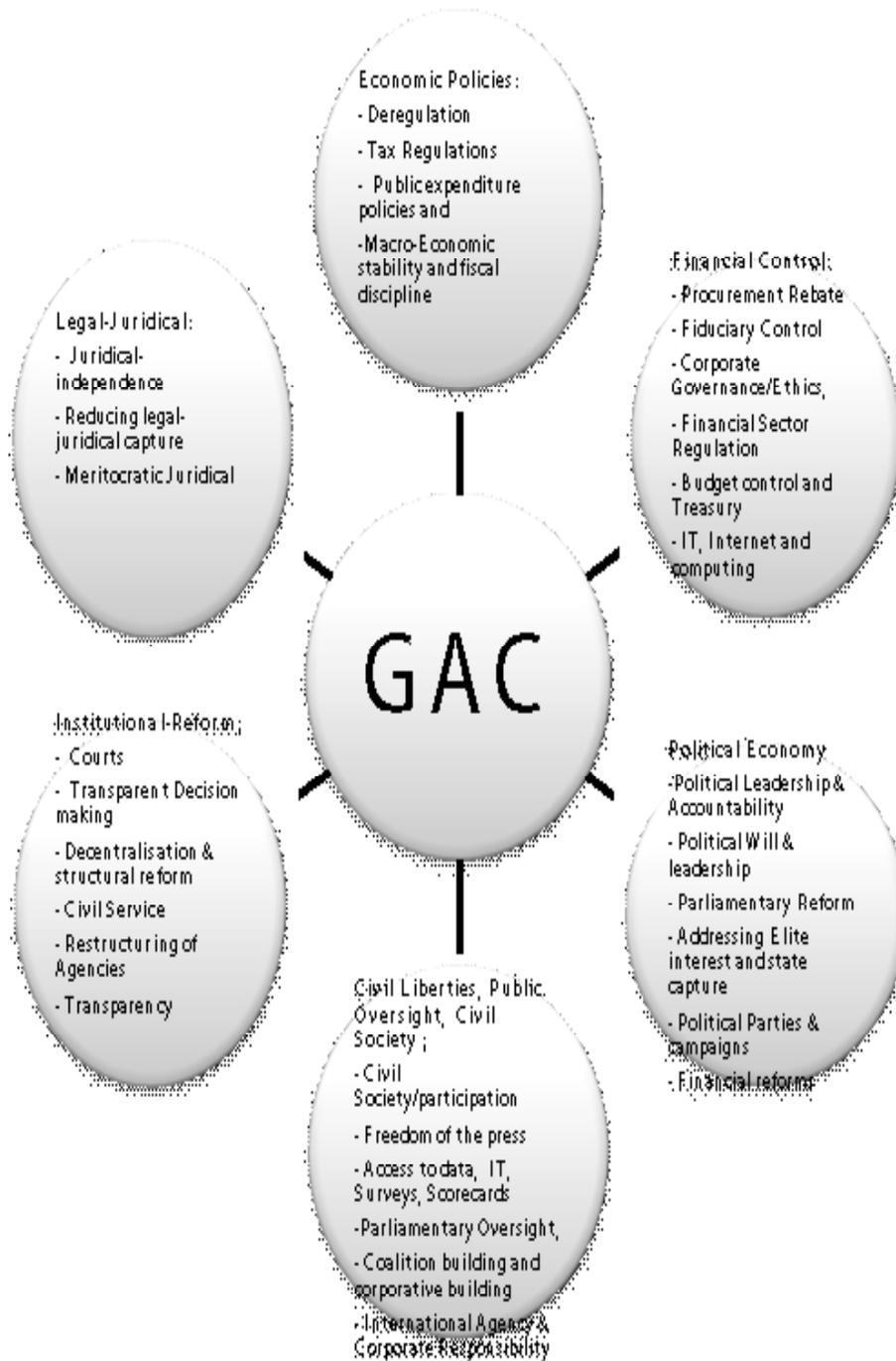


Table 1. Example of GAC Modelling

Governance Corruption	High	Medium	Poor	Preferred Policies, Programmes and Interventions
Low	Hong Kong Singapore			Anti-Corruption agencies; strengthen financial management; public and officials awareness; no bribery pledges, high-profile prosecutions, etc
Medium		Malaysia Thailand		Economic policy reforms; results oriented management and evaluation
High			Indonesia Philippines	Consolidate rule of Law; strengthen institutions of accountability; rationalize government interventions

Risk-Mapping & Analyses

Mapping and risk-analyses approaches go beyond the technical assumption that corruption is the result of institutional weakness, or lack of organisational capacity. While systemic “political-economic” research is still young, there is an emerging consensus on the main factors influencing corruption. Generic pol-ec models cover and combine the following factors, drivers and conditions:

i) Contextual Factors: an initial country or sector analyses reviews and synthesizes existing research & data on key contextual factors. This helps in getting a better understanding of the nature and magnitude of corruption. Based on this initial scan, it is decided which factors and drivers need a more in-depth treatment.

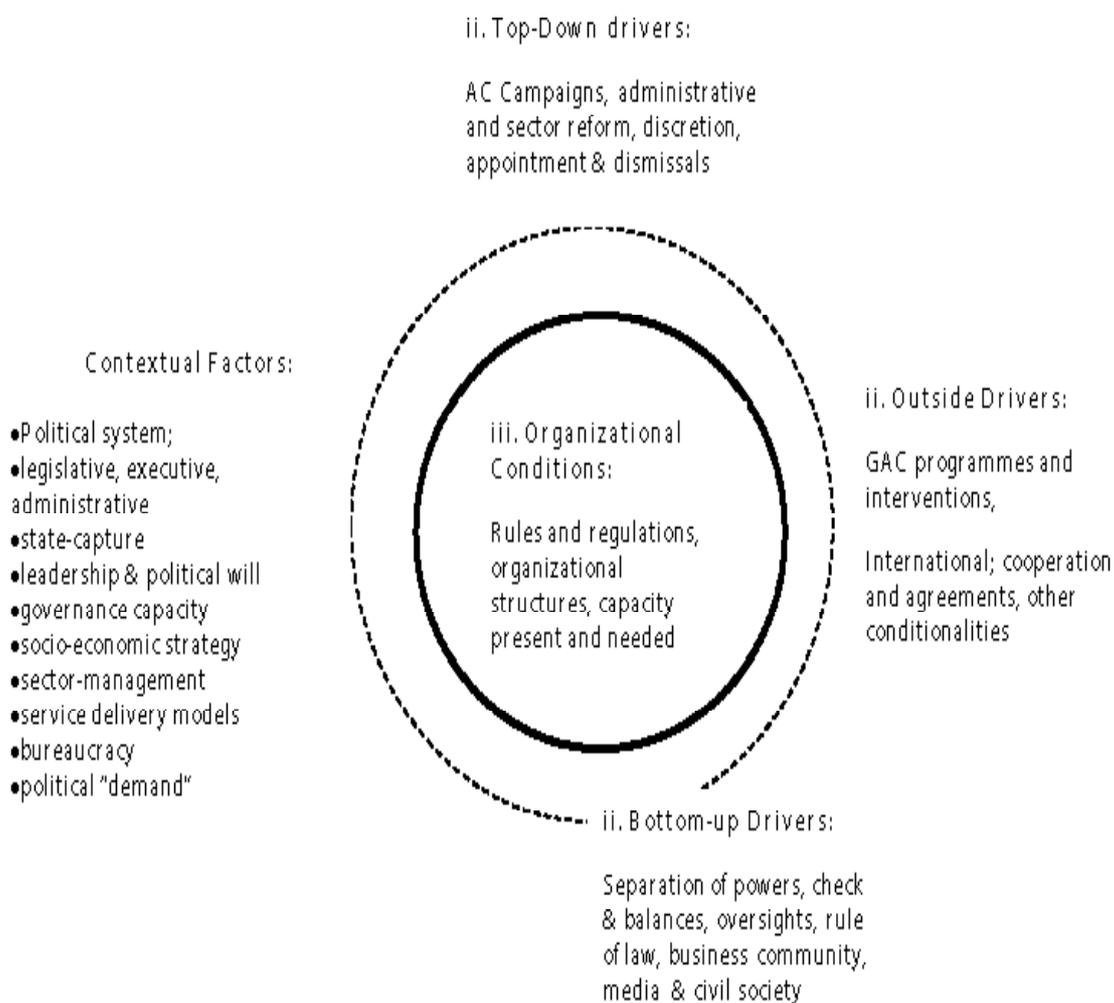
ii) Institutional Drivers: this part deals with the positive or negative forces influencing ACA or AC initiatives. Drivers, or forces, can be categorised as follow:

- Top-down; mainly executive or political influence through; campaigns, appointments & dismissals, orders, administrative discretion, etc,
- Bottom-up; this societal and citizen driven influence rely upon state fundamentals such as; separation of powers, rule of law, oversight, checks & balances and accountability of politicians and bureaucracy, transparency in information and participation of civil society.
- Outside; covers international agreements & covenants, donor conditions and

interventions part of public administrative and civil reform processes.

iii) Organizational Conditions; reflect on the technical aspects of rules & regulations, organisational structures and capacity present and needed for implementation and service delivery.

Fig 1: Generic Framework for
(Anti-) Corruption Mapping



AC interventions

AC diagnostics, serve often as the starting-point and reference in the design and implementation of AC interventions. Considering its complexity the learnings on GAC interventions are still emerging, but it is recognised that these cannot be imposed, and credible leadership and sustained ownership is vital. Conditionalities, corruption filters, integrity programmes, governance and organisation assessments and trainings are some of the instruments for this. Another critical issue is deciding on the entry/intervention points with the highest leverage. Developmental projects become increasingly result-based and out-put focussed, combining service delivery, and related business processes with the hardware of procurement and financial management. It also appears wise to focus on tangible activities with short-term impact for supported agency and end-user. Some of these measures are; i) training of middle managers, ii) building coalitions with interest groups (media, political leaders, civil and business groups), iii) design of actionable GAC indicators and iv) monitoring through watch-dogs and/or user-satisfaction instruments.

The Big Bang theory

In retrospect, GAC theories and practises are somewhere on the scale of political-economic defeatism and institutional-organisational positivism. They describe the societal, organisational and individual conditions under which corruption prevails or AC efforts can take off. Lacking and still infant is the understanding of the societal/system change needed to curb and control corruption. This last chapter, explores the emerging thoughts on how citizens choose, organization play and political cultures and social orders change.

A starting point in this new area is the apparent positive correlation between high social trust and low level of corruption (Rothstein and Stolle, 2008). Trust appears to determine a "default position" for dealing with "unknown" civil servants, organisations and institute rules & regulations. Under conditions of high social trust, citizens are more likely to go in a non-personal public sector relation. However, in low social & institutional trust environments, citizen try to avoid, or personalize, transactions by bringing in social, ethnic or kinship elements. Reference to these common, when needed together with speed-money, are also used to ease bureaucratic dealings. These all too common practices are at the same time "black holes" through which potential institutional trust is levelled off by personal aspects. The 'trust-corruption' correlation also challenges the prevailing developmental approach of building a sound framework of state, political and social institutions over time (Johnston, 2005). Such a cautious and gradual approach might not be enough to bridge the, for developing country specific, gap between personal-particularistic relations and impersonal-universal based institutions (Mungiu-Pippidi, 2006). Hong Kong and Singapore AC success are partly caused by societal "Big-Bangs", characterised by rapid and simultaneous economic, institutional and political

changes, making believe that things can change for the better. This indicates that changing social trust & people perception and actions requires multiple key changes in a short time. Indeed, a combination of social awareness, political will and actions. Such a tipping point also prevents that corruption hop-frogs from the clean to the tainted.

Summary

First of all, it should be noted that systemic AC research is young, and there is no Holy Grail of a unified corruption theory with a corresponding strategy to curb. AC practises vary between revealing political corruption and cleaning up the bureaucracy. The first is tempting, large-scale corruption is likely to make headlines, with a ripple-down effect to the business community and general public. Question is if these effects can be sustained over a longer period. Controlling petty bureaucracy and improving the quality of public services is more time-consuming, less spectacular but likely more lasting. Sustained approaches manoeuvre between these, revealing political corruption towards a cleaner bureaucracy. Many of the public administrative reform and service delivery programs try to do so, without even mentioning the C word. 40 years of AC initiatives brings an understanding of the institutional and organizational pre-conditions for an effective AC drive. These are: i) a comprehensive legal framework, ii) clear oversight mechanisms, iii) independent, leading and coordinating ACA, iv) sufficient and balanced investigative, prosecution, preventive mandate, iv) adequate financial, human and technical resources, with v) strong and sustained political support and ix) societal trust.

These findings are partly backed up by the AC related studies and research. Before the 70's, research was overtly case-based and social-cultural oriented. More systematic corruption research took off in the '80s, initially focusing on the institutional state aspects of power-separation, rule of law and integrity. In the 90's these are integrated in a more normative governance agenda, setting the conditions for more systemic AC research. The Asian economic crisis, and a series of high-level political corruption cases, provide the background for studies on administrative reform, financial management and organizational capacity. Emerging are the country-sector specific, value chain based political-economic research which focusses on AC. Cross-cutting, but highly influential are the micro-economic analyses such as the principle-agent model, neo-institutional economic framework and new public management perspective.

Surveys, modelling and mapping & risk-analyses are the main diagnostic instruments were learning's and theory come together.

Considering these findings, what are the challenges to advance AC research

and curb corruption? The research agenda can progress along the axes of control and context. Advancing technical and applied research will help identifying and controlling incentives; political-economic research will put these in them in their specific context. The review suggest that applied research, looking into issues of procurement, financial management, and expenditure, are increasingly effective in detecting and controlling corruption throughout the project cycle; planning, budgeting, procurement and spending. Possible research-questions here are; corruption in revenue-raising; the extend corruption is influenced by (the combination of) weak legal and institutional frameworks, organizational weaknesses and individual choices; comparative analyses of AC initiatives. Arguably, it is political-economic research, with the developmental sector has a limited mandate, were the academe can make significant contributions. Value-chain analyses can be expanded over sectors and lower levels, corruption incentives matched antidotes. The relation between decentralisation and corruption, engagement and impact of media, business and civil-society and some of the many research-topics.

Lastly, a central assumption in this review was that AC research and practise are to a large extend donor driven. Development-partners outsiders-view, opinions and budget still yield disproportional influence and soc-pol leverage. The challenge is here how to go beyond the creation of islands of good governance. What needs to be worked out, if and how the scattered pieces of GAC wisdom, can be brought together in one comprehensive yet flexible approach. Academe and politicians alike have yet to identify the specifics to curb corruption. Another option is waiting for a societal big-bang.

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Toward Improving the Quality of Life through Controlling the Culture of Corruption: Focusing on Strategies for Preventing Lobbying Corruption in Korea, Philippines, and United States

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The causation of the phenomenon of corruption can be attributed to numerous factors, which are intricately intertwined altogether. Among the many factors that may affect corruption, one factor to be considered in understanding its occurrence is that of the cultural factor. Countries such as Korea and the Philippines exemplify the significant role that corruption cultures take part in the overall corruption phenomena. Although corruption levels among different countries are hard to measure, Transparency International, a nongovernmental organization that addresses the issues of corruption, releases yearly index of corruption perceptions in countries worldwide. According to the Corruption Perception Index of 2009, Philippines ranked 139th (2.4/10), while Korea ranked 39th (5.5 /10). The U.S., however, placed a relatively high score of 19th (7.5/10) out of 180 countries surveyed for the indexing. Although there are many factors that cause the occurrence of the corruption phenomena in any country, the authors suggest that the cultural aspect of corruption is the primary factor that induces corruption. The quality of life (QOL) and corruption levels in a country have high correlation where a society with high QOL has a rather transparent society with fewer instances of corruption. On the contrary, a society with low QOL has revealed higher instances of corruption than those of high QOL societies. Thus, by improving the QOL in Philippines, Korea, and U.S., a more transparent society without corruption can be achieved.

This article focuses on anti-corruption policy that recommends a somewhat diverse paradigm, compared with other strategies for corruption, toward improving the quality of life in Korea and Philippine or USA. More specifically, a comparative perspective is employed by utilizing the preexisting "Lobbying Disclosure Act in 1995" of U.S. legislation. Corruption in the lobbying context is rampant in Korea as well as the Philippines where lobbying can become a way of pavement for corruption. In particular, since corruption in lobbying is so widespread that it is part of the culture of corruption in Korea and Philippines, a further examination of the Lobbying Disclosure Act of the U.S. is helpful for the two countries. The authors also suggest self-innovation and external paradigm legislation for corruption prevention mechanism in Korea and Philippines. In conclusion, it is strongly suggested that Korean and the Philippines implement legislation to control lobbying corruption, which includes the control of criminal activities related

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to such activities.

Introduction

The fundamental purpose of public administration is to improve the quality of life (QOL). If this is agreeable, observing the major factors of obstacles in the process of improving QOL is indispensable. In order to improve QOL, developing an effective anti-corruption strategy is imperative. Regarding the anti-corruption strategies, although there can be a variety of measures; one of the key factors for anti-corruption strategy is to implement a useful systematical and behavioral change.

In order to identify effective anti-corruption strategies, comparing strategies among diverse countries are useful. For the purposes of this article, systems implemented by Korea, Philippines and U.S. will be discussed. In cases of the Philippines and South Korea, the two countries have maintained mutual diplomatic relationship for over 60 years. In 1950s, Philippines dispatched a total of 5000 military soldiers to Korea, and more than several hundred soldiers were killed during the war while fighting against communists' attack.

Recently, the Prime Minister's Office of Korea released a report that indicates the extent of corruption in Korean society. According to the report, "Public surveys show that Koreans believe that corruption in Korean society is unacceptable level. More than 90 percent of the survey respondents recognize the seriousness of corruption in Korea. The number of the criminal prosecutions of corrupt officials, which had been decreasing slowly since the 1970s, has skyrocketed during the 1990s as the government has more strictly enforced anti-corruption measures."²

According to report, Korean people distrust the government so much. Just 18% of people trust the legislature, while only 33% of people believe the function of government. Meanwhile, 48% of the people trust the jurisdiction. In addition, 52% of citizens believe public officials involve in corruption, 71% of them agree that public officials work for the privileged class. Finally, 60% of the people agree that public officials waste taxpayers' public budgeting³

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Although some movements of removing corruption by previous governments have been attempted, the results were far from achieving successes. For quite some time, politicians and scholars have contended their own prescription to cure the widespread corruption phenomena. This paper suggests a paradigm for controlling culture of corruption in Korea and Philippines that utilizes both external and internal avenue. This paradigm focuses on internal paradigm that concentrates

on the Quality of Life (QOL) by addressing the significance of morality and values in controlling cultures of corruption. In addition, the external paradigm suggests that effective and efficient regulations are also indispensable to reducing the cultures of corruption.

Implications and Limitation of the Study

Considering the levels of CPI, we may strongly contend that one of the most important tasks of Korea, Philippines, and the U.S. is to prevent the prevalent corruption phenomena. The corruption structure in the Korean society presents obstacles to democracy and national development as well. An obstacle in the anti-corruption policy is the structural culture of corruption that is deeply embedded into society. Consequently, efficient and effective management for controlling the culture of corruption (COC) is indispensable for improving the quality of life (QOL).

Furthermore, this paper is limited to the culture of corruption and means to improve quality of life, with particular emphasis on Korea and Philippines. Also, this paper is limited to the theoretical discussion of the subject matter in descriptive approach. Therefore, the empirical approach may be utilized for further study.

The Concept of Corruption

The concept of corruption varies depending on different approaches or scholars:

Johnston distinguishes two groups: behavior oriented group and relationship oriented group (1996). The first group holds that corruption is the abuse of public office, power or authority for private gain. (Nye, 1967; Friedrich, 1966; Van Klaveren, 1989; Heidenheimer, 1989). The second group holds that corruption is relational. It ropes relationship between and among the principal agent-client relationships (Rose-Akerman, 1978; Klitgaard, 1988). The main focus of this group is the interaction between the principal, agent and clients. Other definitions of corruption include the following: Waterbury (1973) defines corruption as 'the abuse of public power and influence for private ends'. Nye (1967) defines it as 'behaviour which deviates from the formal duties of a public role because of private-regarding (personal, close family, private clique) pecuniary or status gains; or violates rules against the exercise of certain types of private-regarding influence'. The two authors are categorized under Johnson (1996)'s behavior orientated typology. On the other hand Senior (2006) also cites Alam (1989)'s definition which represents Johnston (1996)'s second strand of definitions showing the relationships between principals and their agents. According to Alam (1989) corruption is defined as '.... (1) the sacrifice of the principal's interest for the agent's, or (2) the violation of

norms defining the agent's behavior'. Alam (1989) pays attention to the interactions between and among the parties involved.²

For example, Arnold J. Heidenheimer (1978) focuses on the third category of political phenomenon, while RW. Friedrich and LD. Lasswell emphasizes the result of violations of public interests in the process of decision making.⁴ Michael Johnston points out the reality of corruption, focusing on personal explanations as a consequence of human nature, institutional explanation as a consequence of loopholes, hidden dynamics or unintended side effects inherent in our institutions and laws, and systematic explanations focusing on a form of influence within the political system, rather than as some sort of despoiling force (Johnston 1982). In Samuel Huntington's views, the political corruption is a result of social frustration and dissatisfaction (Huntington, 1968), where as David J. Gould seems to emphasize the bureaucratic corruption, especially focusing on the case of developing countries rather than developed countries. That is, Gould mainly points out the special circumstances such as rapid economic and social change, strong kinship and ethnic ties, overlapping, resulting in monopoly of economic activities, condition of political softness, widespread poverty and socio-economic inequalities, imbalance in the legitimacy of governmental organizations, and systematic mal-administration as the main reasons of bureaucratic corruption in those countries (Gould 1983).⁵

The author attempts to combine different approaches in terms of integrated perspective, since it is applicable since it can combine and complement different perspectives on the concept of corruption. Therefore, in the context of the integrated perspective, we may define the concept of corruption as follows:

Corruption refers to a complex, political, and bureaucratic phenomena of politicians or bureaucrats or related citizens' deviant behavior resulting from violation of socio-cultural norms, political, and administrative expectations. This concept originated from the analysis of maladjustment among political or bureaucratic systems, political, administrative, socio-cultural environment, and politicians or bureaucrats' behavior (Kim 2003: 23,463).

The corruption phenomenon is a perplexing problem that needs to be carefully analyzed with an "eagle eye" view⁶(Kim 2001). Corruption can be seen as a global phenomenon that is based upon its own economy, political structure, and social culture that exists in every type of society. Therefore, the possible classification of corruption can be made based on the characteristics of that individual society.

The Definition of Quality of Life (QOL)

The concept of Quality of Life is a concept that embraces many attributes.

Various frameworks, approaches, theories and philosophies have been developed to describe this concept. Several scholars define QOL on different basis.

For instance, on one hand, C.R.B. Joyce (1999: 24-25) discusses the issue of QOL by questioning the need for QOL measurement. One definition of QOL is closely linked to the concept of need. Under this concept of QOL, the fulfillment of our need is both a necessary and sufficient condition for our having a high quality of life. The author points out the attributes for measuring QOL include economic, clinical, and humanitarian reasons. On the other hand, Myles I. Friedman (1997: 3-17) discusses the reality of QOL by focusing on self-preservation and enhancement. Self-preservation, for example, refers to the life extension promotion and enhancement identifies the aspiration to make lives and lives of their loved ones better in the future than the present (Kim 2003: 481-485)

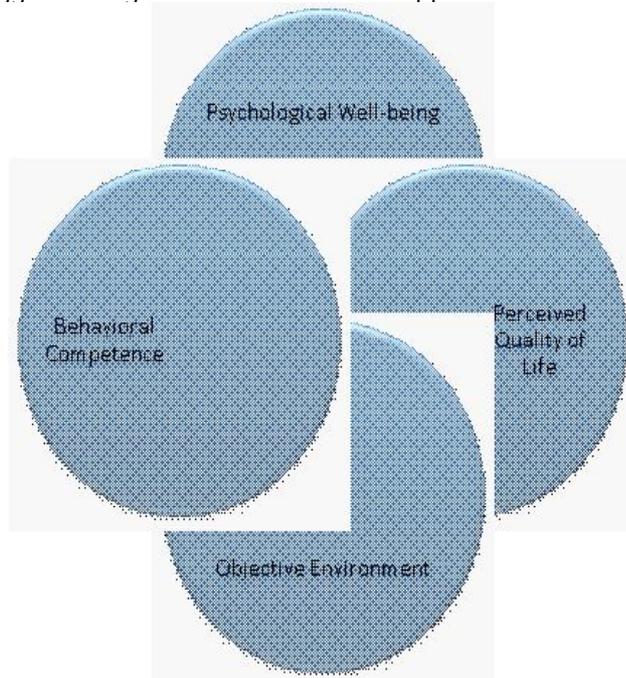
QOL can also be construed from perspectives of ideals, happiness, just society, social judgment, and culture. Many researchers have used a cultural perspective to define and explain QOL. This perspective recognizes the strong influence of culture on QOL. To illustrate this point, consider religion and its relationship to QOL in different cultures. Islamic countries such as Iran, for example, are very likely to perceive religion as an important attribute to measuring their QOL. Thus, the measurement of QOL and the contentment in their religion are highly correlated. In other cultures, people may place a greater importance on occupational success and income.⁷ Culture determines our personal values in our work, family, education, religion, and leisure. Thus, QOL is greatly affected by ones culture.⁸

Figure 1 Four Sectors of Quality of Life

Source: C.R.B. Joyce, *Individual Quality of Life*
(Amsterdam: Harwood Academic Publishers, 1999): 188.

More specifically, QOL has been classified into four sectors: psychological well-being, perceived quality of life, behavioral competence, and objective environment. [Figure 1] provides a comprehensive view of the sectors and the correlation to QOL. [Figure 1] suggests categories/domains that are applied as indicators of the QOL. The

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In addition to the above listed domains in Table 1, the author suggests the following domains to be included in measuring QOL.

Table 2 Individual and Societal/Community Level

Individual Level	Societal/Community Level
Medical Condition	-Peace/Freedom/Justice
-Health and Safety Risks	-Employment/Income
-Functional Status	-Food, Housing, Clothing
*Physical	-Public Safety
*Cognitive	-Environment
*Emotional	-Health and Social Services
*Social	-Transportation/Communications
-Health Perceptions	-Education/Culture
-Personal Health Resources	-Recreation/Leisure
-Opportunity	-Racial Equity
-Spirituality	
-Unmet Needs	
-Personal Network/Household/Family	
-Social Support	
-Family Functioning	

also be healthy and vital. The societies with high level of QOL in the area of public confidence, integrity, and public transparency also tend to have fewer occurrences of corruption. Therefore, those two indicators should be included in measuring and improving QOL (Kim 2003: 481-485).

The Concept of a Culture of Corruption (COC)

Individual Level	Societal/Community Level
Confidence	Public Confidence
-Transparency	-Public Transparency
-Integrity	-Public Integrity

corruption.”

In other words, a culture of corruption indicates an internalized cultural structure where corruption occurs in the everyday life in the form of bribery, and other immoral and illegal wrong doings in the public sector or private sector of a community. In many cases, countries which show high volume of transactions in corruption phenomenon exhibit cultures that are exceedingly tolerant to corrupt behavior. Korea and the Philippines are some of the countries that exemplify the

culture of corruption. Recently TI reported s the CPI of 2009 of 180 countries in the world as the following Table 3. According to this Table 3, the Philippines are one of serious corrupted countries in Asia. In case of Philippines, CPI in 2009 reported in TI refers to 2.4/10 ranked 139/180 in the world. In case of Korea, CPI in 2009 reported in TI refers to 5.5/10 rank 39/180, but US ranks 19/180 and 7.5/10 score. We may see that most of the corruption incidences were based upon the prevalent culture of corruption in these countries referring to lobbying corruption.

Table 3 Comparison of Corruption Level of Korea, Philippines, and U.S.

Rank	Country/Territory	CPI 2009 Score	Surveys	Used
Confidence Range				
1	New Zealand	9.4	6	9.1 - 9.5
2	Denmark	9.3	6	9.1 - 9.5
3	Singapore	9.2	9	9.0 - 9.4
3	Sweden	9.2	6	9.0 - 9.3
5	Switzerland	9.0	6	8.9 - 9.1
6	Finland	8.9	6	8.4 - 9.4
6	Netherlands	8.9	6	8.7 - 9.0
8	Australia	8.7	8	8.3 - 9.0
8	Canada	8.7	6	8.5 - 9.0
8	Iceland	8.7	4	7.5 - 9.4
11	Norway	8.6	6	8.2 - 9.1
12	Hong Kong	8.2	8	7.9 - 8.5
12	Luxembourg	8.2	6	7.6 - 8.8
14	Germany	8.0	6	7.7 - 8.3
14	Ireland	8.0	6	7.8 - 8.4
16	Austria	7.9	6	7.4 - 8.3
17	Japan	7.7	8	7.4 - 8.0
17	United Kingdom	7.7	6	7.3 - 8.2
19	United States	7.5	8	6.9 - 8.0
.....	
37	Botswana	5.6	6	5.1 - 6.3
37	Taiwan	5.6	9	5.4 - 5.9
39	Brunei Darussalam	5.5	4	4.7 - 6.4
39	Oman	5.5	5	4.4 - 6.5
39	Korea (South)	5.5	9	5.3 - 5.7
.....	
139	Bangladesh	2.4	7	2.0 - 2.8
139	Belarus	2.4	4	2.0 - 2.8
139	Pakistan	2.4	7	2.1 - 2.7
139	Philippines	2.4	9	2.1 - 2.7
....				

179	Afghanistan	1.3	4	1.0 - 1.5
180	Somalia	1.1	3	0.9 - 1.4

Source: http://www.transparency.org/policy_research/surveys_indices/cpi/2009/cpi_2009_table
(Accessed on Nov.23, 2009).

Teresita N. Angeles describes the seriousness of corruption in the Philippines as follows:

In 1982, the cost of corruption to the national economy was estimated at roughly and 10% of GNP or p 8 billion in the country. Five years later the NGO, Gising Bayan estimated that p100 million was being lost daily. In 1996, the office of Ombudsman disclosed that the Philippines government had lost p 1.4 billion annually in the previous six years as indicated by court cases for the recovery of lost funds and assets. ¹²(Angeles: 1999)

Further, in case of Philippines, the Marcos regime is the most noted for its prevalent corrupt activities. Later he was expelled by the power of the people. His corrupt regime is described in the following:

"Marcos himself emerged from this corrupt environment. He learned the political trade from his father's prewar campaigns for the National Assembly. His first political presence was as a defendant charged with murdering his father's rival, and his wartime experience included significant black marketeering and fraud. It's not surprising that he brought the violence-oriented philosophy of the provincial politician to the national level. Marcos, of course, took corruption to unprecedented heights through systematic plundering of the Philippine economy. Members of the Marcos family and key associates accrued tremendous wealth from bribe-taking and kickbacks from crony monopolies. They also diverted government loans and contracts into their own pockets, made fortunes from profits from over-priced goods and construction projects, and directly skimmed from the public trough."¹³

Furthermore, Bacani points out the reality of COC in Philippines more directly. According to his report, corruption is widely spread to the point that it is hindering economic development and poses problems as well. Bacani further argues that it is a sickness of the soul and writes, "Corrupt people are spiritually dead man and women walking. Thus, corruption makes our country spiritually backward also. We are losing our souls through corruption."¹⁴

Although there are numerous variables that influence how values form and eventually takes places, the QOL encompasses a effective strategy to diminish corruption in various cultures.

The Causes of Corruption

January-December

Table 3 Comparison of Corruption Level of Korea, Philippines, and U.S.

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2	Denmark	9.3	6	9.1-9.5
3	Singapore	9.2	9	9.0-9.4
3	Sweden	9.2	6	9.0-9.3
5	Switzerland	9.0	6	8.9-9.1
6	Finland	8.9	6	8.4-9.4
6	Netherlands	8.9	6	8.7-9.0
8	Australia	8.7	8	8.3-9.0
8	Canada	8.7	6	8.5-9.0
8	Ireland	8.7	4	7.5-9.4
11	Norway	8.6	6	8.2-9.1
12	Hong Kong	8.2	8	7.9-8.5
12	Luxembourg	8.2	6	7.6-8.8
14	Germany	8.0	6	7.7-8.3
14	Ireland	8.0	6	7.8-8.4
16	Austria	7.9	6	7.4-8.3
17	Japan	7.7	8	7.4-8.0
17	United Kingdom	7.7	6	7.3-8.2
19	United States	7.5	8	6.9-8.0
...
37	Botswana	5.6	6	5.1-6.3
37	Taiwan	5.6	9	5.4-5.9
39	Brunei Darussalam	5.5	4	4.7-6.4
39	Oman	5.5	5	4.4-6.5
39	Korea (South)	5.5	9	5.3-5.7
...
139	Bangladesh	2.4	7	2.0-2.8
139	Belarus	2.4	4	2.0-2.8
139	Pakistan	2.4	7	2.1-2.7
139	Philippines	2.4	9	2.1-2.7
...
179	Afghanistan	1.3	4	1.0-1.5
180	Somalia	1.1	3	0.9-1.4

Source: http://www.transparency.org/policy_research/surveys_indices/cpi/2009/cpi_2009_table

Numerous scholars have extensively dealt with discussions on the major causes of corruption. Kim (2009) argues though many factors come to play in causing occurrences of corruption, he mentions five factors.

This means that considerations for understanding causes of corruption is an intricate task that will have to take into account multiple factors. Primary causes of corruption in local governments can be summarized as excessive authority of public officials, poor accountability mechanisms, inadequate incentives for public officials, financial strain on local governments, insufficient education toward costs of corruption, nepotism (Kim, Y.J. & Kim, E.S.: 2009).

According to the World Bank(1998), the opportunity for corruption is a function of the size of the rents under the control of a public official, the discretion that an official has in allocating these rents and the practical accountability that an official faces for his decisions. In a paper by Bottelier (1998), an equation by Klitgaard is mentioned: $\text{Corruption} = \text{Monopoly} + \text{Discretion} - \text{Accountability}$. Under this formula, this implies there are three causes for corruption and three ways to reduce it by targeting the causes. The first way is to eliminate or control monopoly power. Second, to reduce discretion by promoting transparency and the rule of law. And finally, to increase the accountability standards and practices.

The first cause is monopoly power. By creating this monopoly power, public officials gain power over certain economic decisions. And incentives to make and ask for payoffs occur whenever a government official has this economic power over a private firm or individual (Pope 1997). Once a pattern of successful payoffs is institutionalized, corrupt officials have an incentive to raise the size of bribes demanded and to search for alternative ways to extract payments. The second cause pointed out by Klitgaard is the discretion that politicians and officials have. For example, discretion over the creation of counterproductive regulations. This means they can create excessive regulation that in turn decreases the transparency. One of the key characteristics of corruption is that it is a secret. Public officials have the discretion to make all these decisions in secrecy. This makes it harder to find corrupt activities and eliminate them. A third cause is accountability. Public accountability covers the spectrum of approaches and practices used by governments to ensure that activities and output meet intended goals and standards (UNDP 1997). Improving integrity, or developing and implementing strategies for the prevention or control of corruption, is an integral part of ensuring accountability (UNDP 1997).

Also, there are three major factors of corruption phenomena such as micro factor or behavioral factor caused by lack of individual ethical standard. The second factor refers to mismanagement or good opportunity of system for corruption. In case of this system, all sorts of irrational systems can be good opportunities of corruption occurrence in any society. This cause might be a macro factor of corruption. Final cause is a socio-cultural environmental factor caused by micro or macro context. The reason is that a culture of corruption in society or bureaucracy is

the main factor because we human beings are cultural animals. Culture controls our everyday life. Even though we attempt to maintain our own life style, consciously and unconsciously, the culture around us influences our living. If we live in a corrupted society, it is highly probable that we will be strongly influenced by internal or external society, meaning that cultural factor should be a string impact of corruption occurrence. There are other factors such as traditional, structural, spiritual, biological, internal, political, economical, psychological, religious, and historical causes as well.

Strategies for Anti-Corruption Culture: Towards Improving QOL Overview Strategies for Anti-Corruption Typology

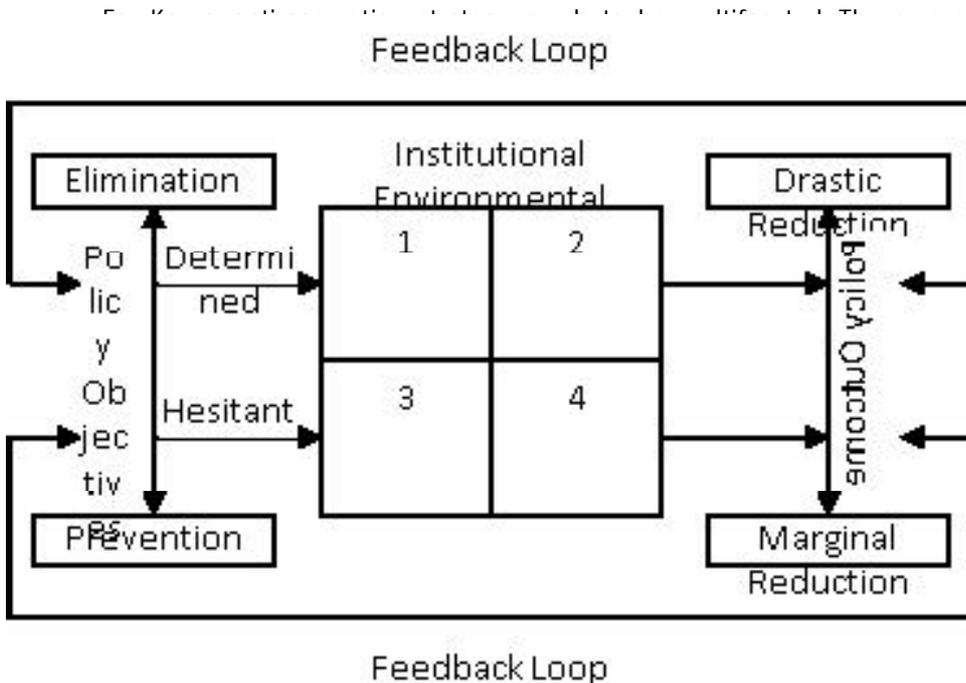
This chapter will discuss anti-corruption strategies based upon fourfold typology in Ledivina V. Carino(ed.)'s book(1986).

Figure 2 Typology of Anti-corruption Strategy

First, in case of Korea, the case refers to determined environmental strategy, which emphasizes "moral and value aspects focusing on raising moral awareness of individuals, groups, and total society against pernicious effects of corrupt effects of corruption behavior." (Carino 1986: 115) This model has both its strengths and weaknesses. The strengths of this model are the systematic efforts made to instill anti-corruption values in various institutions and structures. But the weaknesses of this model is that "they place either nominal or effective emphasis only on moral,

societal and extra-legal and non-bureaucratic measures. In turn, this strategy is the near absence of a powerful and technically competent anti-corruption agency or agencies with a fairly string resource position.” (Carino 1986: 115)

In terms of determined environmental strategy, Korea has identified internal and external measures to combat corruption since Yi Dynasty (1392-1910). Even since Korea's independence of Japanese occupation of the peninsula (1945), she has struggled to fight corruption by using political and legal mechanism. The results, however, were less than successful. Most of previous regimes involved seriously political corruption incidences, resulted in failure. For example, in case of the 1st Republic of Korea led by President Lee the government was collapsed by student revolution in 1960 involved in election-corruption and dictatorship. The 4th Republic of Korea ruled by President Park was also collapsed in 1979 caused power related internal, political corruption. Unfortunately, President Roh and Jun of the 5th and 6th Republic of Korea involved in notorious political corruption, and they were in jail for a few years after their term. In case of previous Presidents Kim, YS and Kim, DJ their sons involved in serious corruption, and they were prosecuted. In case of previous President Roh involved in political fund scandal, and finally unfortunately he made a suicide in 2009.



Source: Ledivina V. Carino (ed.), *Bureaucratic Corruption in Asia* (Quezon City, Ph.: JMC Press, Inc., 1986): 114.

measures to punish and prevent bureaucratic corruption were introduced, evidence shows that these measures were not effectively implemented. For these reasons, we characterize the Philippines as having a hesitant-institutional strategy (Carino 1986:132).

In brief, in case of Philippines, a kind of strong anti-corruption strategy is required to pursue successful policy, because they are suffered from organizational instability, frequent changes in leadership of these agencies, political pressures in recruitment of their employees, public apathy towards them, and strained relationship with the judicial and legislative branches and other governmental agencies etc.(Carino 1986: 132) Above all, in case of Philippines, social campaign and strong political will of anti-corruption policy are necessary to obtain the goal of preventing corruption. In particular, the anti-corruption education and training for the public officials as well as political leaders are essential. Furthermore, it is also emphasized that the special citizen education toward anti-corruption must be important as well. As such, the anti-corruption model of the Philippines should experience transition from the hesitant-institutional strategy to determinant-institutional strategy.

The Strategy for Anti-corruption Culture: Towards a Culture of Anti-corruption

By nature, humans are born as a being of culture. Then, what exactly is 'culture'? Many discussions attempt to conceptualize the definition of culture. In terms of holistic view, culture refers to complex entity of human beings' life itself. In turn, culture means the complexity of human beings' value system, life style, mentality, and customs, to name a few. More specifically, culture consists of patterns—explicit and implicit—of and for behavior acquired and transmitted by symbols, constituting the distinctive achievement of human groups.¹⁵ Humans are totally and inextricably immersed in culture, where people are conditioned by the members of their society in countless, largely unconscious, ways to accept as natural and to follow rather uncritically the cultural patterns of that society. Thus, human beings are interwoven with everyday cultural life.

Culture is our everyday life itself, which means that we routinely take for granted on occurrences and happenings around us. A culture where corruption is a process of everyday life, to some, would consider corruption as a norm. In other word, corruption is a routine and modus operandi in the process of living in that society. People living in the culture of corruption become so accustomed to the existence of corruption that it is accepted as a norm, a necessary component of transaction between people.

Korea, for instance, is a society where culture of corruption exists. As mentioned in the previous chapter, corruption still prevails in Korean society. To some extent, the prevalent corruption phenomena in the fabrics of society have been both internalized and structuralized within the Korean culture. For some, corruption is an accepted norm that does not require one to think of the consequence of such action. To reduce corruption in these cultures, therefore, strategies focusing on changing the culture of corruption is necessary, because reform must take place in the context of culture.

Specifically, managing efficient and effective control and taking account of the reality of corruption can decrease corruption. This can be achieved by measuring the pervasiveness of corruption through survey, studies, investigation of incidences, and so on. Once the assessment of the pervasiveness of corruption is understood, the next step is to target different groups in societies. For instance, for government workers, better training and education would lead to the decrease of the corruption phenomena. Despite these different strategies depending on the organizations or type of corruption involved, the ultimate task, however, is to create a reform in the minds and mentality of people living in the cultures of corruption.

First, they must understand the wrongdoing of corruption act. This can be achieved through explaining the costs involved and the consequences of corruption. Second, ordinary people must believe that we are capable of breaking the culture of corruption through change. Third, actions that break the chain of corruption must occur. By refusing to cooperate in acts of a corrupt behavior, the sequence of giving and receiving corrupt behavior can stop.

As previously mentioned, the correlation between cultures of corruption and QOL are greatly intertwined. In cultures with higher QOL, it is proved that less incidences of corruption occur. The lower the QOL, however, corruption is likely to be higher and possibility of forming a culture of corruption is highly probable. In case of the Philippines, corruption is so entrenched that it is a norm. Involvement in corrupt acts is necessary to procure government services. For example, the acquisition of a driver's license requires the payment of 'grease' money to facilitate the processing of one's application by the licensing office. "The sad fact is that people aware of that corruption is prevalent to most government agencies but no action is taken to oppose it because of the time and effort involving in filing cases and appearing as a witness when it is uncertain that erring public servants will be punished"¹⁶.

In the Philippines, in an effort to control corruption, the agency has been organized by executive order No.12 in April 16, 2001. The detailed of the order are as follows:

Executive Order No.12

Whereas, Article VII, Section 17 of the Constitution provides that the President shall have control of all executive departments, bureaus, and offices; Whereas, in terms of personnel and funding, the Executive Department is the largest of the three branches of government; Whereas, there is a need for commission under the Office of the President, to conduct the task of investigating and hearing administrative cases and complaints against personnel in the Executive Department; Whereas, by virtue of the Executive Order No. 268 dated July 18, 2000, the Presidential Commission Against Graft and Corruption was abolished and replaced with the National Anti-Corruption Commission; Whereas, the National Anti-Corruption Commission was never activated; Whereas, there is a need to create a new commission to assist the President in the campaign against graft and corruption, whose jurisdiction and authority are clearly defined; Now, therefore, I, Gloria Macapagal-Arroyo, President of the Philippines, by virtue of the powers vested in me by the Constitution and the laws, do hereby order: Section 1. Creation - The Presidential Anti-Graft Commission hereinafter to as the "Commission", is hereby created under the Office of the President, pursuant to Article VII, Section 17 of the Constitution. Sec. 2. Composition - The Commission shall be composed of a Chairman and two (2) Commissioners to be appointed by the President. All the members of the Commission shall serve on a full-time basis and a majority shall be members of the Philippine Bar. The Chairman shall have the rank, emoluments and privileges of a Presidential Assistant II. The Commissioners, on the other hand, shall have the rank, emoluments, and privileges of a Presidential Assistant I. The Chairman shall preside over the meetings of the Commission and shall direct and supervise the implementation and execution of policies, standards, rules and regulations¹⁷

In particular, the Philippines government anti-corruption agencies show Table 4. As we see the Table 4, the anti-corruption agencies are complex and diverse, but the system does not work very well. The system need to be simplified and systematized for efficient and effective control of prevalent corruption.

Toward Preventing the Lobbying Corruption Culture

Corruption is like a social disease. Once it starts to infect one sector of society, spreading through the entire society can happen in just matter of time. In case of Korea, corruption is prevalent among the government officials, significant number of public officials or bureaucrats, businessmen, or even ordinary citizens. Because few incidents are reported and only those of grave facts get noticed by the public, it is necessary to observe corruption with great care and comprehensiveness since in reality it just demonstrates a tip of the iceberg. Mass media have frequently called Korea as ROTC (Republic of Total Corruption) or ROTB (Republic of Total Bribery) on the basis of statistical data of corruption incidences. Korea could also be the ROTL (Republic of Total Lobby). Lobbying behavior among citizens and bureaucrats, citizens and politicians, and business men and politicians have been so widely practiced, to a certain extent corruption related to lobbying activities is set as a

norm.

How is lobbying defined? Lobbying means “contacts and effort in support of such contacts, including preparation and planning activities, research, and other background work that is intended, at the time it is performed, for use in contacts, and coordination with the lobbying activities of others”.¹ Most of corruption in lobbying involves dealing with unethical and illegal offers. This type of corruption erodes the moral fabric of Korean society; undermines democracy; violates the social and rights of the poor and the vulnerable; subverts the rule of law which is the basis of every society; retards development; denies societies’, particularly the poor, benefits of free and competition (Lima Declaration 1997).

Besides, corruption discourages productivity and brings distrust, but encourage social conflict, dissatisfaction, and complaining. As a result, people respond against their government as modes of collective behavior and social movement in terms of psychological perspective. The collective behaviors of the people might even accelerate against their government. At this point, corruption problems become so severe that there is no public confidence in the government, and people often approve more drastic measures to correct the economic or political situation without any sound rationale basis.

In the case of Korea, most of corruption, especially political or administrative corruption has been created in the process of lobbying of interest groups. Interest groups assert their rights to be reflected in legislation or policymaking and to serve for their benefit. During the lobbying process, secret dealings of money or other special offerings are transacted. This is a typical form of corruption in lobbying. Corruption in lobbying is widespread, and is similar to a culture of lobbying among interest groups or individuals.¹⁹

In addition, the lobbying culture in Korea is not only on the basis of interest groups but also on the basis of nepotism such as school background, same home town or similar geographical background, and relative backgrounds, which adds to the complexity of the matter. This fact makes it difficult for anyone to measure the exact degree of lobbying corruption in Korea. Although much is left to speculation, recent cases do shed some light in viewing the tip of the iceberg of lobbying corruption.

Some of the recent cases involving lobbying corruption is staggering in its scale. For example, the former President, Kim Young Sam's son was arrested and sentenced in the court as the case of lobbying bribery (corruption) of President's family.²⁰

Ending one of the most publicized trials in the country's history, a South Korean court on Monday found President Kim Young-sam's son, Kim Hyun-chul

Table 4 Philippine Government Anti-Corruption Agencies

Agency	Mandate
Office of the Ombudsman Legal Status: Constitutional Established: 1986	Investigates and prosecutes. Adjudicates administrative cases and takes criminal cases to court or Sandiganbayan, depending on a government official's rank.
Commission on Audit Legal Status: Constitutional Established: 1986	Conducts independent audits of government agencies and refers financial irregularities discovered in audits to Office of the Ombudsman (OMB).
Civil Service Commission Legal Status: Constitutional Established: 1986	Plays preventive role in setting standards and norms for civil service appointments and punitive role for meting out penalties and punishments for violations.
Sandiganbayan Legal Status: Constitutional Established: 1986	As main anti-graft court, adjudicates criminal cases brought to it by OMB. Deals only with cases brought against high-ranking government officials.
Judiciary (headed by the Supreme Court) Legal Status: Constitutional Established: 1901	Adjudicates law in all areas.
Department of Justice Legal Status: Executive Branch	Acts as Government's primary criminal prosecution arm.
Department of Budget and Management Legal Status: Executive Branch	Oversees reforms in procurement systems, tax and expenditure management, bureaucracy streamlining, and civil service.
Commission on Elections Legal Status: Constitutional Established: 1986	Tasked with promoting free, orderly, honest, peaceful, and credible elections and handling expeditiously every action brought before it.
Presidential Commission on Good Governance Legal Status: Executive Order No. 1 Established: February 1990	Assigned at its inception with recovering ill-gotten wealth from the Marcos family. Now also tasked with similar recovery from President Estrada.
Bangko Sentral ng Pilipinas Legal Status: Constitutional (New Central Banking Act); Established: 1993	Performs central banking functions. Replaced old central bank created in 1946.
Securities and Exchange Commission Legal Status: Commonwealth Act No. 83 (Securities Act); Established: October 1936	Oversees registration of securities, evaluation of financial condition and operations of applicants for security issues, and supervision of stock and bond brokers and stock exchanges. Tasked with strengthening corporate governance.
Inter-Agency Anti-Graft Coordinating Council Legal Status: Executive Order No. 79 Established: August 1999	Shares information and resources to enhance coordination of its members' activities (Civil Service Commission, Commission on Audit, Department of Justice, National Bureau of Investigation, Office of the Ombudsman, and Presidential Commission Against Graft and Corruption)
National Bureau of Investigation Legal Status: Executive Order No. 94 Established: October 1947	Gathers evidence for probable cause hearings and files appropriate charges.
Presidential Commission on Effective Governance Legal Status: Executive Order No. 165 Established: October 1999	Formulates public sector institutional strengthening and streamlining agenda. Chaired by executive secretary, vice-chaired by Department of Budget and Management. Members include heads of Civil Service Commission, Commission on Audit, Department of Finance, National Economic and Development Authority, and Presidential Management Staff.
Presidential Anti-Graft Commission Legal Status: Executive Order No. 12 Established: April 2001	Investigates violation of anti-graft laws by presidential subappointees and can recommend suspension of individual to presidents. (Same mandate as the Ramos administration's Presidential Commission against Graft and Corruption, which it superseded.) Also superseded the Estrada administration's National Anticorruption Commission.
Governance Advisory Council Legal Status: Executive Order No. 25 Established: July 2001	Advises presidents in formulating governance reform agendas. Consists of private sector appointees.
Anti-Money Laundering Council Legal Status: Republic Act No. 9160 Established: September 2001	Consists of governor of Bangko Sentral ng Pilipinas, commissioner of Insurance Commission, and chairman of Securities and Exchange Commission. Receives reports on covered transactions and can freeze suspicious accounts 15 days without recourse to courts.

Source: World Bank 2001b.

guilty of accepting bribes and evading taxes. Kim Hyun-chul, 37, was sentenced to three years in prison and ordered to pay a fine of more than \$1.5 million. The court also confiscated more than \$500,000 in illegally amassed assets. He was arrested on charges of taking more than \$7 million in bribes from six businessmen seeking government favors. He admitted receiving the money, but said the funds were gifts with no strings attached. However, two businessmen testified during his trial that they paid him for political favors. The prosecution had sought a seven-year term and \$5.2 million in fines for Kim Hyun-chul, the president's second-oldest son.

Furthermore, former President, Kim, Dae Jung's two sons were also arrested because of lobbying corruption. In fact, Kim, Dae Jung was the opposition party leader when Kim, Young Sam's son was arrested. He strongly criticized the President, but ironically Kim, Dae Jung's sons were also involved in lobbying corruption.²¹ Kim Hong-Gul, the youngest of the president's three sons, being led by two prosecution officials into a passenger car and driven to the Seoul Prison after an arrest warrant was issued for him. He has been charged with receiving cash and shares worth 1.5 billion won (1.2 million dollars) in bribes from a sports betting firm.

Also, unfortunately, former President, Roh Mu Hyun made a suicide in 2009 in the process of investigation regarding political fund and lobbying corruption from Park, Yeon Cha who was the president of big business. These are just a few incidents that appear as a tip of the iceberg. When all the activities of lobbying corruption is taken into account, Korea could be viewed as a Republic of Lobbying Corruption (ROLC). The culture of corruption seems to have deeply rooted in the process of power related structuring. It might be included institutionalized corruption in various pockets of our society as follows:

"Two of the closest aids of the new president accused of accepting illegal contributions, an ex-president facing forfeiture in the amount of hundreds of billions of won for bribery while in office, and a ruling party leader serving his time in connection with a payoff scandal involving a bankrupt merchant bank."²²

Surprisingly, the investigation by Special Counsel Song Doo-Hwan which began in mid-April 2007, has revealed officials from the National Intelligence Service played a leading role in sending money to North Korea. That is, the lobbying culture also involved in the process of inter-Korean summit as follows:

Such findings have weakened the validity of the explanations given by Kim and his aids, leading the special counsel to come to a temporary conclusion that the money transfer effectively paid for the inter-Korean summit.²³

Furthermore, the BPI reported by the TI in 2008 shows that Korea is one of countries most likely to offer bribery. As seen in Table 5, Korea scored only 7.5/10, ranks 14th out of 22 countries surveyed. This low figure supports the claim that

culture of lobbying is deeply prevalent and structured in the society. The most likely to offer bribery refer to Russia, China, Mexico, India, Brazil, Italy, South Africa, and South Korea in order. As for U.S., BPI score is 8.1/10, ranks 9th out of 22 countries. In case of Philippines, the index does not apply.

Table 5 Bribe Payers Index 2008

Rank	Country/ Territory	BPI 2008 Score s	Respondent	Standard Deviation	Confidence Interval 95%	
					Lower Bound	Upper Bound
1	Belgium	8.8	252	2.00	8.5	9.0
1	Canada	8.8	264	1.80	8.5	9.0
3	Netherlands	8.7	255	1.98	8.4	8.9
3	Switzerland	8.7	256	1.98	8.4	8.9
5	Germany	8.6	513	2.14	8.4	8.8
5	United Kingdom	8.6	506	2.10	8.4	8.7
5	Japan	8.6	316	2.11	8.3	8.8
8	Australia	8.5	240	2.23	8.2	8.7
9	France	8.1	462	2.48	7.9	8.3
9	Singapore	8.1	243	2.60	7.8	8.4
9	United States	8.1	718	2.43	7.9	8.3
12	Spain	7.9	355	2.49	7.6	8.1
13	Hong Kong	7.6	288	2.67	7.3	7.9
14	South Africa	7.5	177	2.78	7.1	8.0
14	South Korea	7.5	231	2.79	7.1	7.8
14	Taiwan	7.5	287	2.76	7.1	7.8
17	Italy	7.4	421	2.89	7.1	7.7
17	Brazil	7.4	225	2.78	7.0	7.7
19	India	6.8	257	3.31	6.4	7.3
20	Mexico	6.6	123	2.97	6.1	7.2
21	China	6.5	634	3.35	6.2	6.8

Source: http://www.transparency.org/pressreleases_archive/2002/2002.05.14.bpi.en.html (Accessed on Nov.28,

2009)

2010

A Need to Change the Current System

The author of this research has experienced many opportunities to hear from ordinary citizens such as taxi drivers in Manila regarding their quality of life. Most of them have complained against the government, expressing “No Money, No Serve” attitudes of the government officials. Their opinions are that most important reason of people’s painful poverty is caused by serious corruption in the country. One of good example regarding red tape refers to red ribbon. If you submit the related documents to apply to DOLE you need to put red ribbon from the Ministry of Foreign Affairs. In Philippines, the government does not accept any copy of documents from other countries. Rather, they require all documents be to notarized—including original documents issued by other countries. For example, in case of original English copies of foreign nationals to attest their registration by the foreign government, the related consul’s notarized documents cannot be accepted by Philippine government. They require attachment of ‘red ribbon’ that are recognized by the Dept of Foreign Affairs. These bureaucratic procedures seem unduly burdensome from a foreigner’s perspective. These kinds of strict red tapes, in the author’s view, seem connected with bureaucratic corruption. In order to receive service at a reasonable pace, “speed money” are requested. Administrative procedures such as email system, postal delivery system, or other convenient system are less preferred than direct contact with the associated in order to increase the chances to receive a bribe. If you do not provide some speed money, all the process will consume unreasonable time. Also, a local citizen of Manila described that he worked in truck company for several years before his current job. During that period, he passed a total of P 150,000 to the related officials by the company request.

Countless incidences of corruption occur in both Philippines and Korea, though the QOL of both countries differ. [Table 6], below, shows data QOL index of various countries. The Philippines’ QOL is lower than the case of Korea in terms of total final score. In the Table6 below, Korea scored 67, while Philippines scored 50, which is a point decrease compared with the 2008 index. In particular, for categories of freedom, infrastructure, and risk and safety in Korea, each score 92, 56, and 93. For Philippines, each category score is 58, 34, and 71, meaning that more widespread corruption make harmful dysfunction against the QOL in Philippines. The above mentioned confidence and transparent factors must be seriously damaged by the deep rooted corruption phenomena in the country, so that seems resulted in low score of QOL. In case of US freedom, infrastructure, and risk and safety score each 100,100,100 but final score is 78, meaning that the score of US is much higher than Korea or Philippines. This might verify the close relationship between QOL and clean society.

Table 6 2009 Quality of Life Index

Country	Cost of Living	Leisure & Culture	Economy	Environment	Freedom	Health	Infrastructure	Risk & Safety	Climate	Final Score
France	57	85	62	72	100	84	90	100	86	80
Switzerland	50	77	69	77	100	88	86	100	79	79
United States	63	78	57	67	100	65	100	100	85	78
Luxembourg	55	70	68	73	100	82	74	100	82	77
Australia	57	70	56	58	100	75	91	100	92	76
Belgium	51	75	53	65	100	77	88	100	85	75
Italy	60	86	49	70	100	77	53	100	86	74
...										
...										
Korea (Rep of)	51	74	40	65	92	70	56	93	82	67
...										
Philippines	68	58	30	65	58	45	34	71	24	50

Sources: <http://www.il-ireland.com/il/qofl2009> (Accessed on Oct.11, 2009)

The Ideal Anti-Corruption Paradigm: The Case of Korea

The ideal and most effective anti-corruption policy is to employ an internal and external paradigm. The authors suggest a paradigm focusing on internal innovation paradigm or strategy to eliminate the culture of corruption and external paradigm focusing on effective anti-corruption legislation. In particular, as an example for the external paradigm, lobbying corruption can be summarized as follows:

The internal paradigm is based on human ethics, morals and value. The cause of corruption for internal paradigm is due mostly to the culture and people's mentality and value system. The value system of units must change to reduce corruption. Units may either be one person, a family or organization or even a few groups of people. Once internal paradigm is innovated, QOL will be higher and fewer incidences of corruption will occur (Kim, 2003: 479-504) The internal paradigm should focus on moral and ethical development. The moral development paradigm can be achieved by the formal education and social interactions regarding the anti-corruption program at the formal educational institutions, since as Kohlberg points out most moral development occurs through social interaction.¹ In other word, the practical strategy for internal paradigm should be focused on institutionalization of anti-corruption education, since education is one of the most important factors that have direct bearing on development². The formal education system such as middle and high school or college education might be required to introduce the anti-corruption education in their regular curriculum. Also, the institutes of social education in Korean society should make it a proper system to teach for the students regarding the efficient and effective anti-corruption strategy(Kim, 2000)

The significance of the internal paradigm is exemplified in the corruption history of Korea. Korea's corruption and people's attitude of corruption exemplifies how culture can have impact on the mentality of its people. For instance, the historic residues of the Korean history have influenced its political culture. Some of the patterns of Korean society and politics include submission to authority; hierarchical view of life; collectively passivity; centralization of administration; past/tradition oriented; ritual/formal oriented; loyalty to persons; and idealistic solutions.

The teaching of Confucianism, Buddhism, Taoism, and homogeneity allows the political powers to legitimize the authority, and has influenced the Korean political culture. Of all, Confucian doctrine was used as a vehicle for the ruling powers to highly centralize the government. Confucianism teaches submission to authority.

A. F. Wright argues that hierarchy of roles was through to be essential to the ideal order but Confucians insisted that the vital roles of functionary and perpetuator of the cultural heritage should be open to those of moral worth. The monarch who presided over the whole hierarchy had, in the utopia of remote antiquity, been chosen for his merit. The summit of the sociopolitical He also characterizes the Confucian education as submissiveness to authority-parents, and superiors-and to mores and norms; reverence for the past and respect for history preference for nonviolent moral reform in state society; and non-competitiveness (Wright 1962).

Among these teachings, loyalty to persons can also be a source of corruption. Korean history has long been known for its homogeneous culture. People with

different backgrounds form a tie based on educational training and regional backgrounds. What Koreans call 'jung' goes beyond the family boundary, it is the togetherness of one another that results in compassion, inclusion, and total involvement (Paik 1997). It can be stated that jung as a similar concept to uiri, meaning 'we' in English. Paik examines the concept of uiri as returning another person's kindness, but states that if he rejects the request for favor from someone he knows well or if he distinguishes mine from yours in the use and ownership of things then that person is regarded as being unethical by others.

Jung causes special ties to be recognized especially that of alumni factions and regional connections. Alumni faction refers to those that went to the same universities and regional, and region means those who share common birthplaces. Asking favors and acknowledging ties in personal relationships in local government applies to the business and political powers in local communities as well. Conglomerates may also ask political power favors because of ties to the same university or region.

The most effective and ideal anti-corruption strategy is the self-innovation and self-moralizing mechanism. This raises the question: how do we control self and how should one enhance self-morality? Furthermore, at best, the highly sophisticated morality might be challenged by highly immoral society. How to win selfish greed as a nature of human beings also should be a problem. Interestingly, some scholars point out that self-moralizing might be impossible, because of original selfish greed by nature. Cynthia D. Moe-Lobeda, for instance, argues that "moral reasons is embodied, that is, inseparable form rather than independent of spirituality".³ Therefore, they argue that spirituality should be required in advance rather than self-moralizing in terms of religious perspective. Overall, despite the difficulty, the capability of internal paradigm to control corruption is potentially greater than the external paradigm. However, the external paradigm also is necessary to create a culture of anti-corruption in Korea.

The anti-corruption strategy in Korea has always focused its attention to the external paradigm. As a matter of fact, the anti-corruption related regulations are so diversified that it is in almost every government agency. In 2002, government stipulated a new anti-corruption law called "Anti-corruption Act" on the basis of Act.No.6469, July.24, 2001. This legislation, however, does not provide important provisions that are needed to effectively regulate corruption. For example, independent investigation power separated from the external political or administrative agencies have not been given to the anti-corruption committee. In Article 11 of the Act where the function of the anti-corruption commission is prescribed as the following:

*The work of formulating and recommending policies and institutional improvement measures to prevent corruption in the public institutions;

*The work of surveying the actual state and evaluating the progress of the

policy steps taken to prevent corruption in the public institutions;

*The work of working out and implementing the education and publicity schedule for the prevention of corruption;

*The work of supporting activities carried out by nonprofit civic organizations to prevent corruption;

*The work of promoting international cooperation for the prevention of corruption;

*The work of receiving whistle-blowing, etc. with respect to an act of corruption;

*The work of protecting and recompensing whistle-blowers; and

*The work of addressing matters that the President puts on the agenda of the Commission to prevent corruption.⁴

The above-mentioned function of the ACC(Anti-Corruption Committee) is imperative, but it is noted that the ACC has not been admitted to investigate any corruption incidences independently without external intervention. Other countries such as CPIB in Singapore, the ICAC in Hong Kong or Australia provide independent investigation mechanisms. Furthermore, independent investigation power is essential to effectively investigate alleged corruption incidences without political influences. Compared with other countries where anti-corruption act exists, the Korean Anti-corruption Act can be viewed as a nominal regulation (Kim 2003: 481-486). For this reason, the current government has changed the anti-corruption act in 2008, to be referred to as the ACRC (Anti-corruption and Civil Right Act). Although the government attempted the system into integrated anti-corruption including ombudsman and administrative complaints judgment, but it is still quite weak. For example, the recent petition of amendment of ACRC Act has been submitted to legislature including the system change from prime minister to President and power of investigation such as suspected accounts, requesting strong independent power.

In short, in case of Korea the major anti-corruption legal and administrative system refers to complex and diverse, so that it does not work efficiently or effectively.

Efficient and Effective Anti-corruption Legislation: Lobbying Disclosure Act

The anti-corruption mechanism in Korea is complex because the systems are dispersed in several governmental agencies such as the Board of Audit and Inspection in accordance with the Constitutional Law of 1987(article 97-100) under the President., Public Persecutors' Offices, Presidential Office, Prime Minister's Office, and other Inspectors' Office under each Ministry of Cabinet. In addition a Commission for the Prevention of Corruption as an advisory committee for the chairman of the BAI has been established since 1993.

In particular, the Anti-Corruption Act has been stipulated in 2001(Act No.6494) to serve to create the clean climate of the civil service and society by preventing and regulating the acts of corruption efficiently. Interestingly, the Article 2 defines the 'act of corruption' as the act falling under the following items; the act of any public official's abusing his position or authority or violating Acts, the act of causing damages to the property of any public institution in violation of Acts in the process of executing the budget of the relevant public institution, acquiring, managing, or disposing of the property of the relevant public institution. Also, it should be noted that the criminal law amended in 2001 refers to bribery and any other corruption in article 130-132. In particular, corrupted behaviors of public officials may be checked by criminal law, anti-corruption act,, public service ethics law, and public officials' law etc. In short, the various current regulations associated with anti-corruption in Korea need to be integrated into systematized mechanism.

The anti-corruption agency refers to the anti-corruption commission based on Article 10 of the anti-corruption act of 2001. However, it should be noted that there are other agencies that may function the anti-corruption activity; public prosecutors, BAI, police, and Inspector Team in every ministry of the government etc. In particular, the anti-corruption commission established in the anti-corruption act in Korea functions several purposes; the work of formulating and recommending policies to prevent corruption, the education for prevention of corruption, international cooperation for preventing of corruption, and protecting whistle-blowers etc. However, in law, there is no power of independent investigation regarding corruption. Therefore, in general, the power of anti-corruption agency is weak. In fact, citizens may access the agency without fear of recrimination.

The rule of law refers to the principle of democracy. In Korea, the democratic principle of rule of law has been emphasized by the government. The Constitutional Law of 1987, article 13, for instance, regulates "nulla poena sine lege, double jeopardy, retroactive law, family liability." In the process of application of rule of law, there is a general right of appeal system. In practice, citizens are protected from detention without trial, with rare cases of exceptions.

Law enforcement regulations such as Police Act provide the basis of the organization, extent of duty, and other necessary matters of the police for the democratic administration, operation and efficient execution of duty of the police. On the other hand, the Public Prosecutor's Office Act amended in 1997 defines the duties; investigation of crimes, direction and supervision of judicial police, and direction and supervision of the execution of criminal judgment etc.

In Korea, the law enforcement agency in a sense is effective because appointments to the law enforcement agency strictly adhere to professional criteria. Although the public budgeting for the agency is not enough, the members of the agency work diligently. In law or in practice, the law enforcement officials are not

immune from prosecution.

Although Korean government has seen the corruption in the lobbying culture through major incidences, especially among politicians, bureaucrats and business men for a long time, legislation for anti-corruption in lobbying has yet to be created. The lobbying culture as a subculture of a culture of corruption has been customary in the country. Moreover, because there is no regulatory control mechanism for lobbying corruption, many reported cases of lobbying behaviors have, in fact, turned out to be serious corruption phenomena itself. Therefore, the author suggests one of very important external paradigm to control the lobbying culture in Korea and Philippines. A "Lobbying Disclosure Act"⁵ needs to be passed in order to control lobbying corruption. This Act should include the following provisions: the detailed aspect of this proposed act is in Table 9.

The Case of Philippines: Anti-Corruption System

First, Anti-Graft and Corrupt Practices Act of 1960 enumerates corrupt practices by public officers, declares them unlawful, and provides penalties including prison terms and perpetual disqualification from public office. This law also requires a statement of assets and liabilities every two years from all government personnel, and provides for confiscation or forfeiture of unexplained wealth.

Second, the Constitution of 1987 holds public trust as the fundamental principle of office, and requires full integrity and accountability of public officers and employees. The President, Vice-President, and members of the Supreme Court may be impeached for bribery, graft, corruption, and betrayal of public trust. Other public officials can be prosecuted and removed from office under existing law. The Constitution establishes four special anti-corruption bodies to foster the principles of honesty, integrity, and accountability:

The Office of the Ombudsman serves as the people's watchdog and protector by promptly investigating and acting on complaints filed against public officials and employees. The primary institution for preventing graft and corruption, it provides Deputy Ombudsmen for the military and three geographical subdivisions. The Civil Service Commission promotes efficient and responsive public service as a career, strengthens the merit system, and develops human resources. Its anti-corruption functions include promoting public accountability, enforcing ethical standards and behavior, and conducting values orientation workshops. The Commission on Audit examines government income and revenues, as well as expenditures and performance in handling funds. Aside from ensuring financial accountability, the Commission may also explore the economy, efficiency, legality, and regularity of government operations, along with effectiveness and impact of programs. The Sandiganbayan, literally "pillar of the nation," is a special court with jurisdiction over civil and criminal cases involving graft and corruption. Subsequent legislation placed the Sandiganbayan on par with the Court of Appeals, with the Supreme Court the only higher authority.²¹

The Constitution grants these organizations fiscal autonomy, so their commissioners can act independently to fulfill their duties without fear of reprisal from other government agencies. The actions of these special bodies can be appealed only to the Supreme Court.

Third, Presidential Agencies and Non-Government Organizations (NGOs) can be discussed as a good system. Each president has appointed agencies to investigate anomalous members of the administration, swiftly prosecute accused executive department officials, coordinate efforts inhibiting graft and corruption, decentralize graft-busting, etc. Examples are the President's Committee on Public Ethics and Accountability (PCPEA) of President Aquino, and President Arroyo's

Presidential Anti-Graft Commission (PAGC). The National Coalition of Transparency, launched in 1989, was composed of over thirty anti-corruption NGOs, and was significant in recognizing the private sector's culpability in governmental corruption. Some organizations are specialized, such as National Citizens Movement for Free Elections (NAMFREL) focusing on election irregularities, and the Anti-Police Scalawag Group (APSG) concerned with police corruption.

Finally, other initiatives address the socio-cultural environment which permits graft and corruption. For example, the 1987 Senate resolution to study strengths and weaknesses of Filipino character, with a view toward strengthening anti-corruption values and attitudes in society, the Aquino administration's Values Educational Program begun in public schools in 1988, and President Ramos' Moral Recovery Program of 1992. The Ramos program called for active participation by all sectors of society, with the focus on individuals and values formation.

Regarding lobbying disclosure act in Philippines, there is a very old act passed in 1957, but not efficient or effective. That is why we would like to suggest the outlined contents of new lobbying disclosure act. The Republic Act No. 1827, called "An Act to Regulate Lobbying in the Congress of the Philippines and in the Commission on Appointments" refers to a total of section 14. The brief summary of the Act is as follows:

Section 1. Legislative purpose. — The purpose of this Act is to prohibit corrupt or undesirable methods of lobbying, to promote a high standard of ethics in the practice of lobbying, to prevent harassing unfair and unethical lobbying practices, and to provide for the licensing of lobbyists and the suspension or revocation of such licenses. Section 2. Corrupt means to influence legislation; disclosure of interest. Section 3. Corrupt or secret means to influence confirmation of appointment. Section 4. Definitions. — The following words and phrases shall have the meaning respectively ascribed to them: (1) Measure. — Any proposed legislation either in the form of bill, resolution or otherwise or any amendment thereof. (2) Lobbying. — The practice of promoting or opposing the introduction or passage of legislation before either House of the Congress of the Philippines or any of its committees, or promoting or opposing the confirmation of any pending appointment before the Commission on Appointments or any of its committees. (3) Lobbyist. — Any person who engages in the practice of lobbying for hire except in the manner authorized by section twelve of this Act. Lobbying for hire shall include activities of any officers, agents, attorneys or employees of any principal who are paid a regular salary or retainer by such principal and whose duties include lobbying. (4) Unprofessional conduct. — A violation of any of the provisions of this Act, or soliciting employment from any principal, or instigating the introduction of legislation for the purpose of obtaining employment in opposition thereto, or attempt to influence the vote of members of Congress on any measure pending or to be proposed or on any appointment submitted for confirmation by the promise of support or opposition at any future election, or by any other means than a full and fair argument on the merits thereof, or by making public any unsubstantiated charges of improper conduct on the part of any other lobbyist or of any member of Congress, or engaging in practices which

reflect discredit on the practice of lobbying or the Congress. (5) Principal. — (a) Any person, corporation or association which engages a lobbyist or other person in connection with any legislation, pending before the Congress or to be proposed, affecting the pecuniary interest of such person, corporation or association, or in connection with any appointment pending before the Commission on Appointments. (b) Any branch or subdivision or instrumentality of the government, including government-owned and government-controlled corporations, which engages a lobbyist or other person in connection with any legislation pending or to be proposed affecting the statutory powers, duties or appropriation of such branch, subdivision, or instrumentality. (6) Docket. — The register of licensed lobbyists maintained by the Secretary of the House of Representatives and by the Secretary of the Senate (insofar as Congress is concerned) or by the Secretary of the Commission on Appointments (insofar as said Commission is concerned) pursuant to section seven of this Act. (7) Report. — The statement of expenses filed with the Secretary of the House of Representatives and the Secretary of the Senate (insofar as Congress is concerned) or with the Secretary of the Commission on Appointments (insofar as said Commission is concerned) by lobbyists pursuant to section nine of this Act. (8) Pecuniary interest. — This term includes without limitation any legislation which creates, alters or repeals any statutory charge by way of tax, license fee, registration fee or otherwise, or which creates, alters or repeals any statutory privilege, power, restriction or obligation of any principal, or which creates, alters or repeals the powers or duties of any court or governmental agency before which the principal does business.

Section 5. Licenses for lobbyists; suspension or revocation. Section 6. Lobby registry. — Except as provided in section twelve (2) hereof every principal who employs any lobbyist shall within one week after such employment cause the name of said lobbyist to be entered upon the docket. It shall also be the duty of the lobbyist to enter his name upon the docket. Upon the termination of such employment such fact may be entered opposite the name of the lobbyist either by the lobbyist or the principal.

Section 7. Docket; authorization. case may be, a written authorization to act as such signed by his principal. Section 8. Restriction on practice of lobbying. —Section 9. Reports of lobbyist; reports to Congress. Section 10. Statement of expense by municipal. — Within thirty days after the sine die adjournment of Congress, every principal whose name appears upon the docket or who has employed any person to engage in any activity permitted under section twelve hereof shall file with the Secretaries of both Houses or with the Secretary of the Commission on Appointments, as the case may be, a complete and detailed statement verified under oath by the person making the same, or in the case of a corporation by its president or treasurer, of all expenses paid or incurred by such principal in connection with the employment of lobbyists or in connection with promoting or opposing in any manner the passage by Congress of any legislation affecting the pecuniary interest of such principal, or in connection with any appointment pending before the Commission on Appointments. The accounts shall be rendered in such form as shall be prescribed by the Secretaries of both Houses or by the Secretary of the Commission on Appointments, as the case may be. Such accounts shall be open to public inspection. Section 11. Penalties. — (1) Any principal violating any of the provisions of sections four to ten hereof (excepting the last sentence in section 8[1], the violation of which is penalized under sections 2 and 3) shall for such offense be fined not less than one thousand pesos nor more than twenty thousand pesos. (2) Any lobbyist who shall fail to comply with any of the provisions of said sections or any

person who shall act as lobbyist without being duly licensed shall be fined not less than five hundred pesos nor more than ten thousand pesos and shall be disbarred from acting as a lobbyist for the period of three years from the date of such conviction. (3) Any lobbyist who fails to make and file the statement required by section nine hereof shall be punished by a fine not to exceed one thousand pesos or by imprisonment not to exceed six months or by both such fine and imprisonment. Any lobbyist who shall file a false statement shall be punished by a fine of not less than one thousand pesos nor more than five thousand pesos or by imprisonment for not less than six months nor more than two years, or both such fine and imprisonment. Section 12. Personal lobbying prohibited, exceptions. Section 13. Compensation for published articles on matters pending before Congress to be reported; penalty. — Whenever money or other things of value is paid, or a promise or agreement to pay money or other thing of value is given, to the owner or publisher or any editor, reporter, agent or employee of any newspaper or periodical for the publication therein of any article, editorial or other matter favoring or opposing, or which is intended or tends to favor or oppose, any bill, resolution or other matter pending in the Congress, or any appointment pending in the Commission on Appointments, excepting a paid advertisement showing the name and address of the person authorizing the publication and the amount paid or agreed to be paid therefore, the owner or publisher of such newspaper or periodical shall, within ten days after such publication, file with the Secretaries of both Houses, or with the Secretary of the Commission on Appointments, as the case may be, a statement showing the amount of money or other things of value paid or agreed to be paid and the name and address of the person, firm or corporation from whom such payment or agreement was received. Violation of this section shall be punishable by a fine of not less than five hundred pesos nor more than ten thousand pesos. Section 14. This Act shall take effect upon its approval. Approved: June 22, 1957²

In brief, this Act is very simple. It regulates only lobbying in the Congress or in the commission on appointments. They need comprehensive and integrated act which can cover all lobbying behaviors even in the administrative agencies or judicial courts. Also, the licenses are desirable to be issued to specialists who pass a kind of exam conducted by government. Also, the accounts should be clearer. They are required to report to related agency at least several times in a year to keep the transparent account. The penalty 500 -10000 pesos is so weak to control the violators. Therefore, we suggest new possible legal system in the Table 9 for the new mechanism of controlling the lobbying corruption in Philippines as well.

The Case of the U.S.: Anti-Corruption Legal System

The U.S. has two important legislation that controls lobbying corruption.³ Two statutes regulate the disclosure of lobbying activity by foreign principals and foreign agents: The Foreign Agents Registration Act (FARA) [22 U.S.C. §611 et. seq.] and the Lobbying Disclosure Act of 1995 (LDA). [2 U.S.C. 1601 et. seq.] FARA covers lobbying activity by all foreign agents and foreign principals, but the law allows foreign agents who lobby on behalf of foreign business interests the option of registering

under the less restrictive LDA. Other federal statutes, such as the Federal Elections Campaign Act and the Ethics in Government Act of 1978, restrict foreign nationals from making campaign contributions or buying gifts for government officials. The Foreign Agents Registration Act was the first attempt at major lobbying reform at the federal level and its primary purpose was to limit the influence of foreign agents and propaganda on American public policy. The law arose specifically in response to a perceived propaganda drive by Adolph Hitler to fan the Nazi movement in the United States. Though there was no explicit evidence, President Franklin Roosevelt and many members of Congress believed that Hitler was helping finance the Nazi movement. FARA requires every agent representing a foreign principal to register with the Department of Justice and file disclosure forms outlining the purpose of representation, income and expenditures by the agent on behalf of the foreign principal. FARA requires only registration of foreign agents and disclosure of their activities. It does not attempt to restrict the behavior or lobbying activities of foreign agents, but other statutes do.

In particular, [Table 7] and [Table 8] reveals the integrity indicators scorecard for Philippines and U.S., but information for Korea is not available. In the table 6, Philippines got a total of 71. Overall, the country is very weak in elections(59 score, very weak), while administration and civil service is strong (82 score, strong). In particular, in case of Philippines, public access to information (58 score), political financing(25 score), judicial accountability(58 score), taxes and customs(58 score), and Business Licensing and Regulation(58 score), and rule of law(51 score) are very weak. We have a strong conviction that those very weak areas refer to causes of corruption, because corruption plants have grown well on the soils of various negative weaknesses such as frustration, contradiction, illegal and immoral atmospheres, and dishonesty etc.

The [Table 7] shows the score of the U.S. with overall score of 87 score (strong). In particular, we see that the scores indicate string or very strong in the overall categories, implicating that the plant of corruption cannot grow and spread, when soils are for wrong-doing are unable to exist. In particular, we note that the case of category 6 (anti-corruption and rule of law) is very strong. As we have discussed before regarding the matter, anti-corruption system must be established for efficient and effective obtaining the goal of anti-corruption. In case of this, we have emphasized the importance of "Lobby Disclosure Act". In case of the States, the law is implementing since 1955. However, we would like to suggest further complementary measures to obtain more practical outputs. In the context of this, we contend that the States also need to reconsider amendment of the existed law. We strongly recommend that they can refer to our suggested outlines of lobby disclosure act.

Table 7. Philippines: Integrity Indicators Scorecard

Category I	Civil Society, Public Information and Media	68	Weak
I-1	Civil Society Organizations	73	Moderate
I-2	Media	72	Moderate
I-3	Public Access to Information	58	Very Weak
Category II	Elections	59	Very Weak
II-1	Voting & Citizen Participation	79	Moderate
II-2	Election Integrity	74	Moderate
II-3	Political Financing	25	Very Weak
Category III	Government Accountability	70	Weak
III-1	Executive Accountability	70	Moderate
III-2	Legislative Accountability	81	Strong
III-3	Judicial Accountability	58	Very Weak
III-4	Budget Processes	69	Weak
Category IV	Administration and Civil Service	82	Strong
IV-1	Civil Service Regulations	74	Moderate
IV-2	Whistle-blowing Measures	79	Moderate
IV-3	Procurement	88	Strong
IV-4	Privatization	86	Strong
Category V	Oversight and Regulation	76	Moderate
V-1	National Ombudsman	87	Strong
V-2	Supreme Audit Institution	93	Very Strong
V-3	Taxes and Customs	58	Very Weak
V-4	State-Owned Enterprises	83	Strong
V-5	Business Licensing and Regulation	58	Very Weak
Category VI	Anti-Corruption and Rule of Law	71	Moderate
VI-1	Anti-Corruption Law	100	Very Strong
VI-2	Anti-Corruption Agency	73	Moderate
VI-3	Rule of Law	51	Very Weak
VI-4	Law Enforcement	60	Weak

Sources: [www.Global%20Integrity%20Report\(Philippines\).mht](http://www.Global%20Integrity%20Report(Philippines).mht) (Accessed on Nov.11, 2009).

Table 8 United States: Integrity Indicators Scorecard

Category I	Civil Society, Public Information and Media	67	Strong
I-1	Civil Society Organizations	66	Strong
I-2	Media	96	Very Strong
I-3	Public Access to Information	76	Moderate
Category II	Elections	64	Strong
II-1	Voting & Citizen Participation	94	Very Strong
II-2	Election Integrity	62	Strong
II-3	Political Financing	74	Moderate
Category III	Government Accountability	65	Strong
III-1	Executive Accountability	60	Moderate
III-2	Legislative Accountability	65	Strong
III-3	Judicial Accountability	60	Strong
III-4	Budget Processes	93	Very Strong
Category IV	Administration and Civil Service	60	Strong
IV-1	Civil Service Regulations	76	Moderate
IV-2	Whistleblowing Measures	96	Very Strong
IV-3	Procurement	93	Very Strong
IV-4	Privatization	92	Very Strong
Category V	Oversight and Regulation	67	Strong
V-1	National Ombudsman	52	Very Weak
V-2	Supreme Audit Institution	100	Very Strong
V-3	Taxes and Customs	92	Very Strong
V-4	State-Owned Enterprises	100	Very Strong
V-5	Business Licensing and Regulation	90	Strong
Category VI	Anti-Corruption and Rule of Law	93	Very Strong
VI-1	Anti-Corruption Law	100	Very Strong
VI-2	Anti-Corruption Agency	63	Strong
VI-3	Rule of Law	96	Very Strong
VI-4	Law Enforcement	92	Very Strong

Overall Score: 87 - Strong

Source: www.Global%20Integrity%20Report(USA).mht(Accessed on Nov.11, 2009)

Table 9 Outline of the Suggested "Lobbying Disclosure Act" in Korea and Philippines, or USA.

	The Key Issues of the "Lobbying Disclosure Act"
1	The concept of lobby
2	The definition of lobbyist
3	The object of lobbying
4	The expenses and scope of lobbying activity
5	The registration of lobbyist
6	Qualifying lobbyists
7	The lobbyists' activity
8	The limitation of lobbyists'
9	The transparency and disclosure of lobbyists'
10	The lobbyists' right
11	The duty of disclosure and transparency
12	The relation between the Lobbying Disclosure Act & the Anti-Corruption Act
13	Interest Groups

Source: Young Jong Kim, *New Korean Public Administration and Corruption Studies* (Seoul: Hyung-Seul Publishing Co., 2005): 478-485.

The above-mentioned key issues in the Table 9 of the Act can be implemented for the above three countries.

1) The concept of lobby must be defined in this act. Tentatively, we define the concept of lobby refers to various activities including planning, data collection, research activity etc.

2) The definition of lobbyist refers to all registered role agents in order to obtain the specific objective of interests of the interests group.

3) The object of lobbying includes government agency, local government, and

public organizations which influence for the decision making of interest groups in the process of policy making and implementation.

4) The expenses and scope of lobbying activity include a total of direct and indirect activity, which might influence for the policy maker and its total income and expenses.

5) The registration of lobbyist may be considered as a few suggestions such as office of congress, administrative agency, or independent agency.

6) Qualifying lobbyists who have licenses can be registered at the office in terms of license system by government. The limitation of numbers for registration per each interest groups should be also regulated.

7) The lobbyists' activity refers to opinions making, data collection, research activity, and propaganda for interest groups.

8) The limitation of lobbyists' activity refers to nonintervention of political affairs, prohibition of lobbying behavior, providing bribery, and also prohibition of overlapping lobbying behavior.

9) The transparency and disclosure of lobbyists' account and budgeting is required for ordinary citizens every month.

10) The lobbyists' right refers to the institutional protection for the interest groups' interest. On the other hand, lobbyists' responsibility refers to principles of sincerity and trust, confidential obedience, prohibition of double substitution, prohibition of interests intervention, and registration of property etc.

11) The duty of disclosure and transparency regarding lobbyists' activity refers to report management agency, major contents of report, report styles, period, and sanction for non-reporters.

12) The lobbying disclosure act should be closely related to anti-corruption act. Under the current anti-corruption law in Korea there is no prohibition of lobbying behavior. Therefore, it can be required that the anti-corruption act might be considered to include this new legislation. Also, the public ethics' law and criminal laws might need to consider amendment by which those existed laws should be identified with this new legislation in terms of efficient and effective anti-corruption policy.

Finally, it might be seriously required that, if any person or interest groups violate the related regulations, strict sanction and punishment be complied to this new legislation.¹

Conclusion

The relationship between a culture of corruption and quality of life are intertwined to a great extent. In order to eliminate cultures of corruption, such as lobbying corruption, internal paradigm and external paradigm must be employed. The ideal and effective anti-corruption strategy is the internal paradigm, which requires self-innovation focusing on reforming morality and values. This in effect will produce higher QOL in the author's suggested QOL domains. The significance of corruption to QOL is that it is correlated to one another. A society with high QOL has a transparent society with fewer instances of corruption. On the contrary, a society with low QOL has higher instances of corruption in its society. Being transparent society without corruption is one of major factors to improve the reality of quality of life in Korea. The most obstacles in the process of anti-corruption policy making in any country refer to the structural culture of corruption (COC). The COC in Korea has been created by lobbying behavior, especially among power related agencies and civilians' agencies including business organizations. The author suggests that the internal paradigm for anti-corruption should focus on moral and ethical development. In particular, the educational systems such as formal and social educational institutions for anti-corruption should be utilized efficiently and effectively as well. The external paradigm refers to legal institutionalization for preventing the lobbying culture. Therefore, the author contends that being honest and transparent society is the best way to improve the QOL. We need strong anti-corruption education and training for the public officials and political leaders. As such, we point out that the Disclosure of Lobbying Act should be legalized in Korea and should be amended in Philippines in order to obtain successful anti-corruption goal of strategy. We strongly contend that cultural factor must be emphasized in order to apply effective anti-corruption strategies

Endnotes

¹ See the detailed source: Prime Minister Office(2001), Corruption in Korea and its Root Causes in <http://www.yahoo.com> (Accessed on Aug.12, 2009)

²<http://news.naver.com/main/read.nhn?mode=LPOD&mid=tvh&oid=052&aid=0000176370>(Accessed on Nov.20, 2009)

³<http://www.kubatana.net/html/archive/demgg/080731actsa.asp?sector=DEMGG#download>(Accessed on July 11, 2009)

⁴ DJ Gould, The Effect of Corruption Administrative Performance: Illustration for Developing Countries (New York: World Bank,1983):1-41.

⁵ Young Jong Kim, Corruptionology(4th ed.)(Seoul: Soong-Sil University Press, 2001)

⁶ See the detailed following source. M. Joseph Sirgy (2001), Handbook of Quality of Life Research,(Dordrecht: Kluwer Academic Publishers, 2001), 65-66.

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¹⁰ See the detailed sources; William L. Miller & Ase B. Grodeland, A Culture of Corruption? : Coping with Government in Post-Communist Europe (Budapest: Central European University Press,2001): 15.

¹¹ Teresita N. Angeles, "An Anti-corruption strategy for the Philippines" in <http://ncdsnet.anu.edu.au>, Asia Pacific Press(1999)(Accessed on April 25, 2009)

¹² Clarence Henderson), Asia Pacific Management Forum(2000), at www.yahoo.com(Accessed on July15, 2009)

¹³ Theodoro Bacani JR, DD , Has Corruption become a big part of our Philippine Culture?(2002) at www.tsinoy.com/forum(Accessed July 17, 2009)

¹⁴ AL. Kroeber, The Nature of Culture (Chicago: The University of Chicago Press, 1952): 104-107.

¹⁵ Annabelle B. Rosell, "Corruption Prevention Strategy for the Philippines", Asia Pacific Press, 1999, 3.

¹⁶ The detailed regulation is called. "Creating the Presidential Anti-Graft Commission and Providing for its Powers , Duties and Functions and for Other Purposes"based upon Executive Order No. 12(April 16, 2001)¹⁶ See the detailed sources: House Reports(Nos.713-750), Lobbying Disclosure Act of 1994 (Washington, D. C.: United Government Printing Office,1994): 3.

¹⁷ Young Jong Kim, New Korean Public Administration & Corruption Studies (Seoul: Hyung-Seul Publishing Co. 2003): 491-494.

¹⁸ The Virtual Information Center, Special Report, (May 15 2002): 1-11.

¹⁹ Yonhapnews in www.yonhapnews.net/news/ Dawn the Internet edition(May 19,2002) in www.dawn.com (Accessed on Oct.12, 2009).

²⁰ Korea Herald(2003, May 28),6.

²¹ Ibid.

²² See the detailed references as follows: Robert N. Barger, *A Summary of Lawrence Kohlberg's Stages of Moral Development Notre Dame* (2000) in www.nd.edu/~rbarger/kohlberg.html(Accessed on Oct.11, 2009)

²³ Man Gap Lee, *Sociology and Social Change* (Seoul; Seoul National Press,1982): 88-90.

²⁴ Cynthia D. Moe-Lobeda, *Healing a Broken World: Globalization and God* (Minneapolis: Augsburg Fortress, 2002), 37.

²⁵ See also the detailed contents of the Act in the following site: www.anticorruption.ac.kr(Accessed on Oct.30, 2009)

²⁶ See detailed: Young Jong Kim, “ *A Policy for Preventing Lobbying Corruption*” Legislation(Seoul; Minister of Legislation, 2002): 19-33.

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²⁸ http://philippines.suite101.com/article.cfm/fight_against_graft_and_corruption(Accessed on Nov9, 2009)

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³⁰ Young Jong Kim , *New Korean Public Administration and Corruption Studies* (Seoul: Hyung Seoul Publishing Co: 2003): 477-506.

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Curbing Corruption in the Philippines: Is this an Impossible Dream?

JON S.T. QUAH*

The Philippines does not need a foreign invader to destroy it. The officials in government are already doing a good job in causing the nation our heroes fought for so dearly to ultimately perish.

Raymundo Julio A. Olaguer (2006:88)

This article begins by documenting the pervasive extent of corruption in the Philippines. It then identifies low salaries, red tape, low risk of detection and punishment for corrupt offences, the importance of family and cultural values, and the lack of political will as the five major causes of the rampant corruption in the Philippines. The anti-corruption measures initiated by the various governments since 1950 are analyzed and their effectiveness evaluated. The ineffectiveness of the many anti-corruption agencies (ACAs) and laws is reflected in the consistently low rankings and scores of the Philippines on Transparency International's 2009 Corruption Perceptions Index, the Political Economic Risk Consultancy's 2009 survey on corruption, and the World Bank's 2008 control of corruption indicator. The lack of political will is responsible for the Philippines' ineffective anti-corruption strategy which relies on overlapping, uncoordinated, and inadequately staffed and funded multiple ACAs. This article concludes that curbing corruption in the Philippines remains an impossible dream until its political leaders demonstrate that they have the political will to minimize the major causes of corruption and to relinquish their reliance on the existing ineffective multiple ACAs.

Corruption is a serious problem in the Philippines according to Transparency International's 2009 Corruption Perceptions Index (CPI), the Political Economic Risk Consultancy's (PERC) 2009 survey of corruption in Asian countries, and the World Bank's 2008 data on the control of corruption indicator. Why is corruption rampant in the Philippines? What measures have been taken by the various governments to combat corruption in the Philippines? How effective are the anti-corruption measures that have been introduced since the 1950s, when the fight against corruption began? Is curbing corruption in the Philippines an impossible dream? This article addresses these questions and contends that the major obstacle to curbing corruption in the Philippines is the lack of political will of the various governments since the attainment of independence from the United States in July 1946.

There are many definitions of corruption. Heidenheimer (1970:4-6) has identified three types of definitions namely: public-office-centered, market-centered, and public-

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interest-centered definitions of corruption. However, for this article, corruption refers to “the misuse of public power, office or authority for private benefit – through bribery, extortion, influence-peddling, nepotism, fraud, speed money or embezzlement” (UNDP 1999:7). This public-office-centered definition is useful because it identifies the seven major forms of corruption, and it is applicable to both the public and private sectors. It is also important to distinguish between grand corruption and petty corruption. Grand corruption refers to “the misuse of public power by heads of state, ministers and top officials for private, pecuniary profit” (Moody-Stuart 1997:2). In contrast, petty or “survival” corruption is practiced by underpaid junior civil servants who demand bribes from the public to expedite applications or perform other favors.

This article is divided into five sections. The following section documents the perceived extent of corruption in the Philippines by examining various sources. The second section identifies the causes of corruption in the Philippines. The third section analyzes the anti-corruption measures initiated by various governments since the establishment of the first anti-corruption agency in May 1950. The fourth section evaluates the effectiveness of the anti-corruption measures. The concluding section contends that without political will curbing corruption in the Philippines will remain an impossible dream.

Perceived Extent of Corruption in the Philippines

The network of corruption in the Philippines comprehends such a wide range of civic and legal necessities and requisites that Filipinos are left with little or no choice but to live with it. ... Truth to tell, it is widely perceived that corruption has footprints on the floors of every public office in the Philippines, including the Presidential Palace.

Joselito D.R. Obejas (2007:97)

After World War II, the bureaucracy in the Philippines suffered from “low prestige, incompetence, meager resources, and a large measure of cynical corruption” (Corpuz 1957:222-223). The colonial bureaucracy’s low prestige was the result of its low salaries and the corrupt behavior of its members. Bureaucratic corruption became a serious problem during the 1950s, especially during the administration of President Elpidio Quirino (1948-1953) because corruption “permeated the entire gamut of the Philippine bureaucracy, extending from the lowest level of the civil service to the top, excepting the President himself” (Alfiler 1979:323).

In January 1959, President Carlos Garcia highlighted the problem of graft and corruption in his State-of-the-Nation address to Congress:

In our essay at making our social and economic objectives a fact accomplished, we are hampered by a cancer gnawing at our national entrails. Graft and corruption ... is ... a national problem. The problem of graft and corruption is not peculiar to our administration in this country. Nor is it a new one. It has plagued all administrations

before us. Nevertheless, I do not condone nor minimize the significance of this blight (Quoted in Iglesias 1963:20).

In 1969, the Philippine Ethnic Group Attitude Surveys found, among other things, that 66 percent of the 1381 Filipinos interviewed believed that graft and corruption were prevalent and constituted a major problem (Averech, Koehler and Denton 1971:31). When the respondents were asked "Which officials are corrupt?" 38 percent identified politicians as corrupt, 36 percent viewed government employees as corrupt, and 22 percent considered local politicians as corrupt. Finally, the respondents from Manila viewed politicians and government employees as corrupt unlike the Ilocano, Muslim, Pampangan and lower-income respondents (Averech, Koehler and Denton 1971:32-33).

In their analysis of the bureaucracy in the Philippines, Raul P. de Guzman, Alex B. Brillantes, Jr., and Arturo G. Pacho (1988:197-198) identified a total of 13 problems facing the bureaucracy, including the problem of graft and corruption. They also referred to a study on corruption and red tape conducted by the College of Public Administration, University of the Philippines, which confirmed "the existence of the systemic form of corruption in many agencies."

Similarly, David Timberman (1991:25) pointed out that corruption was not only endemic to Philippine politics, but the more serious problem was "the widespread assumption that corruption is unavoidable." Consequently, "few Filipino politicians have left office without having significantly increased their wealth" because "money is needed to acquire and hold public office, particularly national office." He further observed that the magnitude of corruption had increased exponentially during the Marcos administration, which was described as a "kleptocracy" by the U.S. Congressman, Stephen Solarz (Timberman 1991:104).

Corruption in the Philippines reached its highest level during the 21 years of Marcos' rule (1965-1986). According to Amelia P. Varela (1995:173-174):

Graft and corruption reached its all time high during the martial law regime under Marcos. ... Graft and corruption under Marcos had permeated almost all aspects of bureaucratic life and institutions which saw the start of the systematic plunder of the country.

In the same vein, Joel Rocamora (1998:22-23) observed that Marcos "perfected ... 'a vacuum cleaner approach' to corruption" as he and his relatives "picked the government clean, siphoned large chunks of the tens of billions of dollar loans which flowed liberally in the 1970s." Grand corruption under the Marcos regime "ranged from theft of foreign and military aid to the domestic system of crony capitalism" and required "an extensive use of money laundering devices" (Chaikin and Sharman 2009:153).

The most comprehensive study of corruption in Philippines during Marcos' rule was conducted by Belinda A. Aquino. She described the "politics of plunder" perpetrated by Marcos and his relatives and cronies in these words:

His declaration of martial law in 1972 under false pretexts not only protected the fortune he had already acquired, most illicitly over the past two decades. It also served to accelerate the amassing of even more power and wealth for several more years. ... He lorded it [the economy] over a rapacious team of trusted friends and associates whom he had given lucrative fiefdoms in the economy. Together they stole high and low, from both rich and poor. They treated the Philippine treasury as if it were their personal checking account. The consuming preoccupation with wealth accumulation was abetted by multi-million international loans and massive U.S. foreign assistance packages that were meant for economic development. These resources provided easy opportunities for massive graft. As long as they were available, the stealing by Marcos and his cronies went unabated. ... In the end, the Philippines had been bled of billions of dollars and had become the 'basket case of Asia' by the late 1970s (Aquino 1999:120-121).

Carmen Navarro Pedrosa (1987:222) estimated that Marcos had amassed "a staggering \$15 billion," which was more than half of the country's national debt. The Marcoses used the government banks as "piggy banks" and diverted US\$27 million of Philippine National Bank funds for their own use (Chaikin and Sharman 2009:160). Among the ten most corrupt political leaders identified by Transparency International in 2004, Marcos was ranked second after President Suharto of Indonesia as Marcos was estimated to have embezzled between US\$5 to US\$10 billion. Joseph Estrada, who was ranked as the tenth most corrupt political leader, had embezzled between US\$78 million to US\$80 million when he was President of the Philippines from 1998-2001 (Hodess et al 2004:13).

The Marcos regime was described as "sultanistic" by Mark Thompson (1998:216) as it was based on personalism and loyalty to Marcos was motivated by a mixture of fear and rewards to his collaborators. President Marcos had appointed his relatives and close friends as directors of government agencies, corporations, and development projects in the sugar and coconut industries, hotels and resorts, and the construction sector. The Marcos kleptocracy was characterized by the provision of "behest loans" to members of his family, cronies, or political supporters by the government-owned financial institutions.¹ Needless to say, their "mismanagement and agenda of personal gain" had adverse consequences as the government was deprived of "positive returns on investments and profitable use of foreign loans." More importantly, the government had to bear the deficits and losses, and incurred heavy foreign debts, which increased from US\$16.98 billion to US\$26 billion from 1982-1985, for bailing out Marcos' cronies (Rebullida 2006:170).

Source: Guerrero et al (2007:7)

The annual surveys of business enterprises on corruption conducted by the Social Weather Stations (SWS) from 2000-2007 have shown that, on the average, nearly two-thirds of the managers interviewed said that there was "a lot" of corruption in the public sector in the Philippines. Table 1 shows that while the proportion of managers indicating that there was "a lot" of public sector corruption has declined from 77 percent in 2001 to 61 percent in 2007, the average percentage for 2000-2007 is 65.7 percent. The percentage of

Table 1: Managers' Perception of Extent of Public Sector Corruption in the Philippines, 2000-2007

Extent	2000	2001	2002/03	2003/04	2005	2006	2007	Average
A lot	63%	77%	60%	66%	66%	67%	61%	65.7%
Some	25%	19%	29%	26%	28%	28%	33%	26.9%
A little	10%	4%	10%	6%	5%	5%	5%	6.4%
None	2%	0	1%	2%	1%	1%	0.3%	1.0%

Source: Guerrero et al. (2007:16).

The managers were also asked to identify those government agencies or corporations with a "bad reputation due to corruption." Table 2 shows that the seven most corrupt government agencies in the Philippines identified by the managers were: the Bureau of Customs, Bureau of Internal Revenue (BIR), Department of Public Works and Highways (DPWH), Philippine National Police (PNP), Land Transportation Office (LTO), Department of Environment and Natural Resources (DENR), and Department of Education (DepEd).

Table 2: Managers' Perception of Most Corrupt Government Agencies in the Philippines, 2000-2007

Agency	2000	2001	2002/03	2003/04	2005	2006	2007	Average
Customs	74%	65%	66%	70%	65%	61%	60%	65.9%
BIR	72%	67%	68%	68%	64%	51%	46%	62.3%
DPWH	57%	38%	49%	49%	46%	37%	35%	44.4%
PNP	16%	32%	29%	28%	19%	11%	11%	20.9%
LTO	4%	5%	20%	21%	17%	13%	15%	13.6%
DENR	5%	10%	14%	10%	17%	12%	7%	10.7%
DepEd	22%	7%	8%	8%	9%	7%	7%	9.7%

In the 2009 SWS Surveys of Enterprises on Corruption, the respondents were asked to rate the sincerity or insincerity of government agencies in fighting corruption. Table 3 shows that the Bureau of Customs, DPWH and BIR were perceived by the managers to be the least sincere in combating corruption. It should be noted that the Office of

Agency	Sincere Rating (a)	Insincere Rating (b)	Net Sincere Rating (a-b)
Bureau of Customs	9%	78%	- 69%
DPWH	10%	75%	- 65%
BIR	14%	71%	- 57%
LTO	21%	60%	- 39%
Office of President	24%	61%	- 37%
House of Representatives	20%	54%	- 34%
DENR	23%	57%	- 34%
PAGC	16%	49%	- 33%
DOTC	21%	50%	- 29%
PCGG	19%	47%	- 28%
DILG	24%	49%	- 25%
DA	27%	46%	- 19%
PNP	27%	44%	- 17%
DBM	27%	44%	- 17%
Ombudsman	32%	40%	- 8%
COMELEC	33%	41%	- 8%
GSIS	33%	39%	- 6%
DOJ	36%	41%	- 5%
DOF	34%	38%	- 4%
Senate	35%	37%	- 2%

Source: Guerrero et al. (2010:7).

2009. The DPWH had “earned a reputation as a bastion of graft” because it encouraged the payment of commissions and bribes and discouraged honesty since “honest employees and whistle-blowers risk ostracism by their colleagues.” As the DPWH dealt with huge infrastructure projects involving vast sums of expenditure, bribes were usually paid in cash and commissions were given after winning the contracts. Consequently, the DPWH became known as “a den of corrupt practices” because there were ample opportunities for corruption among its employees and external vested interests (Vitug 1998:188).

Similarly, Yvonne T. Chua’s excellent case study of the Philippines’ Department of Education, Culture and Sports (DECS) demonstrates graphically “an education bureaucracy so riddled with graft that it is barely able to deliver the most basic educational services to the country’s 15 million public school students” (Chua 1999:1). She contends that corruption has become systemic at the DECS and has permeated all levels of the public educational system. Corruption in the DECS has assumed many forms, from petty or survival corruption to top-level corruption, with procurement and recruitment being the areas most vulnerable to corruption. According to Chua (1999:3):

Money changes hands at nearly every stage of procurement, from the accreditation to the payment of suppliers. Money is also given out from the time a teacher applies for a job up to the time she requests for a change in assignment or works for a promotion. In some cases, expensive gifts replace money in cash-less transactions that take place in the education bureaucracy.

Furthermore, embezzlement, nepotism, influence peddling, fraud and other types of corruption also flourish at the DECS. Indeed, corruption has been institutionalized in the DECS because “payoffs have become the lubricant that makes the bureaucracy run smoothly” (Chua 1999:3). Finally, Chua (1999:11) lamented that “one of the greatest tragedies of corruption in the public school system is when teachers pass on their warped values to students. In some schools, teachers teach young schoolchildren to cheat in tests because it is on the basis of these tests that the school’s performance is assessed.”

Unfortunately, Chua’s expose of the rampant corruption in the DECS did not result in the introduction of policy reforms by the government in the DECS to reduce the opportunities for corruption. A more recent study of the Textbook Delivery Program (TDP) in the Department of Education (DepEd) has confirmed that “documented corruption linkages in the TDP are alarmingly high” with corrupt practices taking the form of “(i) falsification of records to obtain substantial money transactions; (ii) delivery of substandard textbooks, delay in actual deliveries and insufficient amounts; and (iii) the misuse and diversion of resources to unauthorised uses” (Reyes 2007:121). Vicente Chua Reyes, Jr. (2009:218-219) has attributed the TDP’s vulnerability to corruption to these five factors: (1) insubordination and ambiguity in sanction control among the key actors; (2) TDP operating procedures were in disarray; (3) TDP implementers, especially the school-based supply officers, were incapable of performing their jobs efficiently; (4) discordance and lack of coordination among the TDP implementers at different levels; and (5) the exercise of abusive discretionary authority.

In May 2009, DepEd officials suspended Jeverps Manufacturing Corporation (JMC) for supplying overpriced and substandard noodles to schools involved in the 427 million pesos food-aid program to improve the nutritional needs of school children in 13 food-poor provinces. This program provided meals for 373,440 pre-school and first-grade school children for 104 days to keep them in school. JMC won the contract to supply 19 million packs of supposedly vitamins-fortified noodles to schools participating in the program in 2009. The winning tender of 22 pesos per packet of noodles with higher nutritional content was almost three times more expensive than those sold in shops. JMC was investigated for corruption and the food-aid program was reviewed by independent experts to ascertain the nutritional contents of the noodles and the program's cost-effectiveness (Daily Tribune 2009).

In short, the preceding analysis confirms the prevalence of corruption in the Philippines. Rachel Caoli (2005:9) contends that, in spite of its commitment to liberal democratic values, a culture of corruption persists in the Philippines. In the same vein, Eric C. Batalla (2001:50) argues that the most serious consequence of "institutionalized corruption" in the Philippines is that "it damages the national psyche" because "it miseducates and tells people that there is nothing wrong in being corrupt" as "corrupt people have not been punished even if the public knows them."

Corruption is, perhaps, the most serious weakness of the Philippine polity because it "prevents national progress and perpetuates inequality and poverty thereby seriously undermining the legitimacy of the government and democracy (Caoli 2005:9). Poverty in the Philippines is at an "unacceptable" level as "one in three Filipinos survived on \$1 a day or less" in 2006 (Cerojano 2009). This high level of poverty means that corruption in the Philippines "hits the poor hardest" because of their inability to "pay bribes for services that should be theirs by right" (UNDP 2008: 17). Accordingly, the United Nations Development Programme (UNDP) has urged governments in the Asia Pacific region to reduce "the forms of corruption that hit the poor the hardest" because "the poor will benefit more from efforts to eliminate the corruption that plagues their everyday lives" (UNDP 2008:152).

Causes of Corruption in the Philippines

Bribery proliferates and is sustained among agencies that do not address the need for efficiency for procedures and effectiveness of service delivery. Bribery is sustained in a system where personnel get meager pay from government employment. ... The culture of corruption is sustained by a sub-culture ... of gift giving, reciprocity, 'clientelism,' the so-called 'dark side of social capital,' fixing, facilitation used in a negative way, dualism, and the expansive yet discretionary use of bureaucratic power. Edna E.A. Co et al. (2007:35, 37)

Corruption was introduced to the Philippines by the Spanish as the "low salaries and poor working conditions of the bureaucrats and the many opportunities available for corrupt behavior contributed to the widespread corruption in the colonial bureaucracy" (Quah 1982:158). For example, the *gobernadorcillo* or petty governor was paid a miserable

salary of two pesos a month which was not commensurate with the extensive duties he had to perform including, among other things, being the village mayor, justice of the peace, and supervisor of tribute and tax-collections (Corpuz 1957:111-112). A public office was viewed as a grant or favor from the king during the Spanish colonial period and "many bureaucrats actually treated the transaction as a business—selling an office at a profit and buying a more lucrative one" (Endriga 1979:247-249). Corpuz (1957:129) contended that the most serious weakness of the Spanish colonial bureaucracy was the "internal moral corruption of its members."

Damon L. Woods (2006:156-157) traced the roots of political corruption in the Philippines to the Spanish system of governance. The King of Spain appointed a friend or supporter as the governor-general to represent him in the Philippines. As the governor-general and his officials were "not always qualified or dedicated," they had also expected to "profit, through graft and corruption, from 'service.'" Similarly, the petty officials also made their fortunes through bribery and neglecting the instructions from the central government in Manila. Accordingly, public service was viewed by the population as a means of obtaining financial benefits for their own families. In short, individuals were expected to advance their personal and family's interests at the expense of the community's interests.

During the American colonial period (1898-1913) there were two groups of corrupt bureaucrats: civilians and discharged soldiers appointed without examination by the previous military government; and the justices of the peace who were also appointed without examination and did not receive salaries, but they could collect fees for their judicial services (Corpuz 1957:169). Scandals involving the police, the Bureau of Public Works, and the Philippine General Hospital were also reported during the administration of Governor-General W. Cameron Forbes (1909-1913) (Gleek 1998:152-153). However, the bureaucracy as a whole was quite clean during the American colonial period for two reasons: the bureaucrats received higher salaries and corrupt officials were promptly prosecuted. Thus, the two major causes of corruption responsible for the rampant corruption during the Spanish colonial period—low salaries and ineffective legal measures—were removed in the American colonial bureaucracy and this explains why it was less corrupt than the Spanish colonial bureaucracy (Endriga 1979:254).

Why is corruption such a serious problem today in the Philippines? The first factor responsible for corruption in the contemporary Philippines is the low salaries of the political leaders and civil servants. For example, employees of the Bureau of Immigration are under-qualified and paid "starvation wages." Consequently they find it "difficult to survive without accepting bribes, one way or the other, because nearly everyone is doing it" (Chua and Rimban 1998:154). The monthly salary of the most junior civil servant (salary grade 1, step 1) in 1976 was 286 pesos (US\$36) and the monthly salary of the most senior civil servant (salary grade 28, step 8) was 5,935 pesos (US\$747) (Fernandez 1980:422). According to Perfecto L. Padilla (1995:187), "the grossly low compensation is an unchallenged fact in Philippine government administration" because salary revisions cannot keep pace with the rising cost of living, and civil service salaries are not as "attractive and competitive as those offered by private companies, multinational

corporations, and regional/international organizations.”

Source: Tendero (2000:195, 198).

In a survey of public attitudes towards corruption in the Philippines conducted in September 1998, the problem of low salaries was cited most often as the major cause of corruption (Beschel 1999:9). Table 4 shows that the monthly salary of the President of the Philippines is 50,000 pesos (US\$1,077), while the Vice-President, Speaker of the House of Representatives, Chief Justice of the Supreme Court earn between 40,000 to 47,547 pesos (US\$861 to 1,024) per month. The monthly salaries of senators, members of the House of Representatives, and associate justices of the Supreme Court range from 35,000 to 41,604 pesos (US\$754 to 896). In contrast, most of the civil servants earn salaries which are “74 percent below comparable jobs in the private sector, [thus] encouraging corruption in all levels of the bureaucracy” (Reuters India 2009). Consequently, these poorly-paid civil servants “augment their meager incomes” by resorting to such practices as selling goods to their colleagues in the office, “moonlighting”, part-time teaching, private professional

practice after office hours, research and consultancy projects, and petty corrupt practices (Padilla 1995:195-206).

Recently, 11,000 Filipino doctors retrained themselves as nurses in order to emigrate to other countries like the United States because "it is much harder for a Philippine-trained doctor to pass medical board exams in a foreign country than for a Filipino nurse in the Philippines."

Table 4. Salary Grades and Salaries of Constitutional Officials

Position	Salary Grade	Monthly Salary*	Annual Salary
President of the Philippines	33	50,000 pesos (U S\$1,077)	600,000 pesos (U S\$12,924)
Vice-President of the Philippines	32	40,000 to 47,547 pesos (U S\$861 to 1,024)	480,000 to 570,564 pesos (U S\$10,332 to 12,288)
President of the Senate	32	40,000 to 47,547 pesos (U S\$861 to 1,024)	480,000 to 570,564 pesos (U S\$10,332 to 12,288)
Speaker of the House of Representatives	32	40,000 to 47,547 pesos (U S\$861 to 1,024)	480,000 to 570,564 pesos (U S\$10,332 to 12,288)
Chief Justice of the Supreme Court	32	40,000 to 47,547 pesos (U S\$861 to 1,024)	480,000 to 570,564 pesos (U S\$10,332 to 12,288)
Senator	31	35,000 to 41,604 pesos (U S\$754 to 896)	420,000 to 499,248 pesos (U S\$9,048 to 10,752)
Member of the House of Representatives	31	35,000 to 41,604 pesos (U S\$754 to 896)	420,000 to 499,248 pesos (U S\$9,048 to 10,752)
Associate Justices of the Supreme Court	31	35,000 to 41,604 pesos (U S\$754 to 896)	420,000 to 499,248 pesos (U S\$9,048 to 10,752)

Furthermore, Table 5 shows that the Philippines' rank for starting a business deteriorated from 108th position in 2007 to 155th in 2009 because the number of procedures increased from 11 to 15; the length of time increased from 48 to 52 days; and the cost rose from 18.7 percent to 29.8 percent.

Sources: World Bank (2006:135; 2007:144; 2008:128) and <http://www.transparency.org>.

Third, corruption has flourished in the Philippines because of the low risk of detection of corrupt offenses and the low probability of punishment for corrupt offenders. Leslie Palmier (1985:271) uses the term “policing” to refer to “the probability of detection and punishment.” Corruption thrives in a country where the public perceives it to be a “low risk, high reward” activity as corrupt offenders are unlikely to be detected and punished (Quah 2003:13). In his memoirs, Senior Minister Lee Kuan Yew of Singapore attributed the lack of punishment of Marcos, his family and cronies for their corrupt activities to the “soft, forgiving culture” of the Philippines. He observed:

Table 5. Ease of Doing Business and CPI Rank and Score for the Philippines, 2007-2009

Indicator	2007 (N=175)	2008 (N=181)	2009 (N=181)
Ease of doing business (rank)	126	133	140
Starting a business (rank)	108	144	155
No. of procedures	11	15	15
Time(days)	48	58	52
Cost (% of GNI per capita)	18.7	26.8	29.8
Dealing with construction permits or licenses (rank)	113	77	105
No. of procedures	23	21	24
Time(days)	197	177	203
Cost (% of income per capita)	113.4	75.9	90.1
Registering property (rank)	98	86	97
No. of procedures	8	8	8
Time(days)	33	33	33
Cost (% of property value)	5.7	4.2	4.3
CPI Rank and Score	131 st (2.5)	141 st (2.3)	139 th (2.4)

Gaudioso C. Sosmena Jr. (1995:13) has attributed the culture of patronage in the Philippines to the Filipino's reverence for the family because "whenever one holds a seat of administrative and political power," the members of this person's family and immediate relatives "use the power and influence" of the position "as a bridge in getting preferential government employment." More recently, Balanga Bishop Socrates Villegas has described corruption in the Philippines as "family-based" thus: The singular trademark of graft

and corruption in the Philippines ... is that our type of corruption is family-based. ... The "corruption syndicate" is either husband and wife partnership or a father and son connivance or a whole family in cahoots. Corruption is done through the family, with the family and in the family. ... Families are no longer just corruptible but have become blatantly corrupt and corrupting (Quoted in Acuna 2009).

Another contributing factor to the culture of patronage is the importance of the cultural value of *utang na loob* or "debt of gratitude," which is incurred when one receives a favor, service, or goods, and it also implies a deep sense of obligation to reciprocate when the appropriate moment comes (Langston 1991:78-79). Indeed, *utang na loob* reinforces the strength of the network of strong inter-family groups as it demands that "all favors be returned in like or greater value." These favors "encourage patronage between superiors and subordinates and perpetuate the domination of elite groups deriving their power from the extensiveness of their networks" (Kharas 1997:471).

Consequently, it is not surprising that nepotism is prevalent in the Philippines as public officials readily perform favors for their relatives including the appointment of unqualified persons. For example, in the case of education, many people "unfit for the teaching profession end up teaching in and running public schools" and they "pay P3,000 to P5,000 in 'bribes' to ensure their admission and give up one to three months' pay to recompense their *utang na loob* (debt of gratitude) to their superiors when their initial paychecks arrive" (Chua 1999:10).

Finally, the lack of political will is responsible for the rampant corruption in the Philippines. Defining "political will" as "the use of the power one has to effect changes desired by the society," Ledivina V. Carino (1994:115-118) identified six reasons for the lack of political will in curbing corruption in the Philippines. First, the decentralization of power was not accompanied by regular monitoring and evaluation of the subordinates' performance. Second, the inability of the political elite and senior civil servants to distinguish between public needs and private interests resulted in many conflicts of interest. Third, officials were not punished for their failure to perform their duties. Fourth, political will was lacking as there was unequal or selective enforcement of the laws. Fifth, political will did not exist as pronouncements were not followed by action. Sixth, political will was absent as adequate manpower and funds were not provided for the implementation of the anti-corruption measures.

Anti-Corruption Measures

Too many cooks spoil the broth.
English idiom³

The fight against corruption began in May 1950, when President Quirino created the Integrity Board consisting of five members to investigate complaints of graft and corruption against civil servants. However, this first anti-corruption agency was short-lived as the lack of public support led to its dissolution five months later (Quah 1982: 159).

After winning the 1953 presidential election, Ramon Magsaysay established the Presidential Complaints and Action Commission (PCAC) to reduce inefficiency and dishonesty in the civil service. He also issued Administrative Order No. 1 to prevent public officials from participating in certain types of official transactions with their real or imaginary relatives. The first anti-corruption law was the Forfeiture Law of 1955, which authorised "the state to forfeit in its favor any property found to have been unlawfully acquired by any public officer or employer" (Alfiler 1979:324-325). Unfortunately, this law was ineffective as there were no conviction even after four years of its passage.

President Magsaysay's untimely death in an air crash in 1957 led to the emergence of the Garcia administration (1957-1962), which abolished the PCAC and replaced it with the Presidential Committee on Administrative Performance Efficiency (PCAPE) and the Presidential Fact-Finding Committee (PFFC) in 1958 to implement the government's anti-graft campaign. In February 1960, President Garcia formed a third agency known as the Presidential Anti-Graft Committee (PAGC) (Alfiler 1979:331-337). Two months later, the second anti-corruption law, the Republic Act (RA) No. 3019, entitled the Anti-Graft and Corrupt Practices Act, was passed.⁴ RA No. 3019 identified 11 types of corrupt acts among public officials and required them to file every two years a detailed and sworn statement of their assets and liabilities.

President Garcia was succeeded by President Diosdado Macapagal, who served from 1962-65. Macapagal created the Presidential Anti-Graft Committee (PAGCOM). In 1965, Ferdinand Marcos replaced Macapagal as President and abolished PAGCOM and formed in its place, the Presidential Agency on Reforms and Government Operations (PARGO) in January 1966. Three other agencies were created to assist PARGO to fight corruption: the Presidential Complaints and Action Office (PCAO), the Complaints and Investigations Office (CIO), and the Special Cabinet Committee in Backsliding (Alfiler 1979:339-346). The third anti-corruption law, RA No. 6028, which provided for the formation of the Office of the Citizens' Counsellor, was passed in August 1969, but was not implemented.

President Marcos declared martial law on 22 September 1972 and "ended over a quarter century of robust, if often irresponsible and elitist, democratic politics" (Timberman 1991:75). The remaining anti-corruption laws were the four Presidential Decrees (PD) issued by President Marcos after the establishment of martial law. PD No. 6 identified 29 administrative offenses and empowered heads of departments to dismiss guilty officials immediately. This resulted in the sacking of nearly 8,000 public officials. Two months later, PD No. 46 prevented public officials from receiving and private individuals from giving gifts on any occasion including Christmas. Finally, PD No. 677 and PD No. 749 are amendments to RA No. 3019, requiring all government employees to submit statements of their assets and liabilities every year, instead of every other year; and providing immunity from prosecution for those willing to testify against public officials or citizens accused of corruption (Alfiler 1979:326-327).

However, these purges were ineffective as "many of those who were fired were already retired or dead, while others were exonerated and the charges were dropped. Ten months later, many implicated officials were still at their posts." Moreover, the criteria

for these purges were random and “encouraged fear and indifference rather than excellence.” Most importantly, the Marcos regime’s efforts in curbing corruption lacked credibility among the public as there was “growing suspicion that the worst offenders were sitting in the president’s palace” (Root 1996:116). By 1976, corruption had become rampant as grand corruption by Marcos and his cabinet encouraged the spread of petty corruption.

The Philippines is the Asian country with the most anti-corruption measures as it has relied on seven laws and 19 presidential anti-corruption agencies (ACAs) since it began its fight against corruption in the 1950s. Table 6 provides details of the 19 presidential ACAs. The proliferation of ACAs is the result of the frequent changes in political leadership as these agencies are either created or abolished by the President. From May 1950 to January 1966, five ACAs were formed and dissolved as there were five changes in political leadership during that period. Similarly, President Marcos created another five ACAs during his 21 years in power because the first three agencies were ineffective and lasted between eight months and two years (Quah 1982:168-169). In July 1979, President Marcos formed the Sandiganbayan (Special Anti-Graft Court) and the Tanodbayan (Ombudsman) by issuing PD No. 1606 and PD No. 1603 respectively.

President Aquino assumed office in February 1986 and “there was high expectation that the end of the culture of graft and corruption was near” (Varela 1995:174). She established the Presidential Commission on Good Government (PCGG) to identify and retrieve the money stolen by the Marcos family and its cronies. Unfortunately, Aquino’s “avowed anti-graft and corruption” stance was viewed cynically by the public as two of her Cabinet members and her relatives (referred to derisively by her critics as “rela-thieves”) were accused of corruption. The PCGG was also a target for charges of corruption, favoritism and incompetence. Indeed, by June 1988, five of its agents faced graft charges and 13 more were being investigated (Quah 1999:81).

In May 1987, Aquino created the Presidential Committee on Public Ethics and Accountability (PCPEA) to respond to increasing public criticism. However, the PCPEA was also ineffective as it lacked personnel and funds. In other words, Aquino’s “honesty has not been matched by the political will to punish the corrupt” (Timberman 1991:235). In November 1987, Archbishop Cardinal Jaime Sin criticized the “continued graft in government despite the ouster of former president Ferdinand Marcos.” He lamented that: “Ali Baba [Marcos] is gone, but the 40 thieves [corrupt officials] remain” (Straits Times 1987:44).

Aquino’s ineffectiveness in curbing corruption was manifested in the declining proportion of those citizens who were satisfied with the performance of her administration in tackling corruption from 72 percent in March 1987 to 26 percent in July 1989. In short, Aquino herself had “shared the people’s exasperation and despair that she could not achieve the very thing that she wanted to leave as a legacy: a clean and accountable government” (Carino 1994:113). According to Reid and Guerrero (1995:2), Aquino “left behind a mixed legacy” as the “democratic institutions she

struggled to rebuild remained flawed and weak. Corruption prevailed, and Filipinos were increasingly cynical about the state of their nation."

The Tanodbayan or Office of the Ombudsman (OMB) was "reborn" in 1988 during Aquino's term of office and she appointed Conrado Vasquez for the position. However, the Ombudsman "failed to attract much public scrutiny" during 1988-1995 as the "limelight" was "hogged by the more high-profile Sandiganbayan." Thus, instead of "inspiring confidence in the judicial system," the OMB elicited "only disappointment—if not contempt—among many of those seeking redress for the wrong done them by public officials" as it had taken a long time to process the complaints received by it (Balgos 1998:247-248).

A more serious weakness was caused by the quota system introduced by Vasquez as it encouraged inefficiency as investigators "finished the easier cases first to fulfil their quota" and left the more complex ones "untouched for months, or even years." Consequently, by December 1994, the OMB had accumulated a backlog of 14,652 cases, or 65 percent of its total workload. Nearly three years later, in August 1997, the OMB still had pending cases dating back to 1979. The Sandiganbayan's record was worse than the Ombudsman as it completed only 13 percent of its total caseload in 1996 (Balgos 1998:250-251).

In May 1992, Fidel Ramos was elected president for a six year term. Even though the major focus of his administration was the recovery of the economy, he established the Presidential Commission Against Graft and Corruption (PCAGC) in 1994 to investigate violations of the anti-graft laws by presidential appointees and appointed Eufemio Domingo as its chairman. After serving for three years, Domingo lamented that "the system is not working" because "we are not making it work" for the following reasons:

We have all the laws, rules and regulations and especially institutions not only to curb, but to eliminate, corruption. The problem is that these laws, rules and regulations are not being faithfully implemented. ... I am afraid that many people are accepting [corruption] as another part of our way of life. Big-time grafters are lionized in society. They are invited to all sorts of social events, elected and re-elected to government offices. It is considered an honor—in fact a social distinction—to have them as quests in family and community affairs (Quoted in Balgos 1998:267-268).

Joseph Estrada succeeded Ramos as president and in his State of the Nation Address on 28 July 1998, Estrada identified the struggle against graft and corruption as his major priority. In early 1999, he requested the World Bank to make recommendations to help his government strengthen its fight against corruption in the Philippines. The World Bank submitted its preliminary findings in December 1999 and recommended "a national strategy for fighting corruption" in the Philippines by "reducing opportunities and motivation for corruption" and making "corruption a high-risk, low-reward activity" (Bhargava 1999:1, 5).

The Financial Times reported in June 2000 that "perceived corruption in the

Philippines reached its highest levels in two decades in 1998 and 1999, the first two years of the Estrada administration" (Lande 2001:92). Four months later, on 5 October 2000, the Senate Minority Leader, Teofisto Guingona, accused President Estrada of receiving "large cash payouts from jueteng, an illegal numbers game." On 9 October 2000, one of Estrada's cronies, Governor Luis Singson, "claimed that he had given the president 400 million pesos (US\$10 million) from jueteng collections nationwide" (Lande 2001:92). Singson's "revelations triggered a major political earthquake" (Magno 2001:259).

Lande contends that "it was Estrada's mismanagement of the economy that most decisively turned the upper and middle classes against him." Moreover, the business community did not accept cronyism and its members were disturbed by the preferential treatment given to Estrada's friends. However, "the last straw was the revelation that he himself was brazenly corrupt" (Lande 2001:92). The minority members of the House of Representatives initiated impeachment proceedings against the president. During the impeachment trial, Clarissa Ocampo, senior vice-president of PCI-Equitable Bank, informed the court that Estrada, "under a false identity, was the true owner of several bank accounts holding hundred of millions of pesos" (Magno 2001:251).

The impeachment trial was covered live by the mass media from 6 December 2000 to 16 January 2001, and it "broke all audience records" because it was "a telenovela that outclassed all the others simply because it was real." This trial became "the single most important educational event on civics and the rule of law in Philippine political history" as it was "a large classroom where the weaknesses of institutions were exposed and the innermost secrets of political corruption revealed" (Magno 2001:260, 262).

On 16 January 2001, two pro-Estrada senators prevented "damning evidence" from being revealed in the trial and their action "provoked a firestorm of public outrage." The House prosecutors left in disgust and the Senate president Pimentel resigned. "Civil society exploded in non-violent anger and, acting where the Senate had failed to act, moved over five days of massive demonstrations to force the president from office" (Lande 2001:94).

On 20 January 2001, Gloria Macapagal-Arroyo was sworn in as the president by the chief justice after Estrada agreed to resign when the military withdrew its support. In her inaugural speech, President Arroyo emphasized that one of the four core beliefs was to "improve moral standards in government and society, in order to provide a strong foundation for good governance." However, Sheila S. Coronel, Executive Director of the Philippine Center for Investigative Journalism, astutely observed that Arroyo's government was unlikely to be "reformist" as "I was at her headquarters and I could see the old faces coming out, people who have been accused of corruption in the past" (Sheehan 2001:17). Nevertheless, three months after her inauguration as president, Arroyo formed the Presidential Anti-Graft Commission (PAGC) in April 2001, followed three months later by the establishment of the Governance Advisory Council (GAC) in July 2001.

Table 6: Presidential Anti-Corruption Agencies in the Philippines (1950-present)

Anti-Corruption Agency	President	Period
Integrity Board	Quirino	May to November 1950
Presidential Complaints and Action Committee	Magsaysay	December 1953 to July 1958
Presidential Committee on Administrative Performance Efficiency	Garcia	July 1958 to December 1961
Presidential Anti-Graft Committee	Garcia	February 1960 to December 1961
Presidential Anti-Graft Committee	Macapagal	January 1962 to January 1966
Presidential Agency on Reforms and Government Operations	Marcos	January to September 1966
Presidential Complaints and Action Office	Marcos	September 1966 to October 1967
Presidential Agency on Reforms and Government Operations	Marcos	October 1967 to February 1970
Complaints and Investigations Office	Marcos	February 1970 to February 1986
Special Cabinet Committee in Backsliding	Marcos	October 1973 to February 1986
Tanodbayan (Office of the Ombudsman)	Marcos Aquino	July 1979 to April 1986 Reorganized in May 1986
Presidential Commission on Good Government	Aquino	February 1986 to present
Presidential Committee on Ethics and Accountability	Aquino	February 1986 to 1988
Presidential Commission Against Graft and Corruption	Ramos	February 1994 to June 2000
Inter-Agency Anti-Graft Coordinating Council	Estrada	August 1999 to present
Presidential Committee on Effective Governance	Estrada	October 1999 to present
National Anti-Corruption Commission	Estrada	July 2000 to April 2001
Presidential Anti-Graft Commission	Arroyo	April 2001 to present
Governance Advisory Council	Arroyo	July 2001 to present

Sources: Compiled from Alfiler (1979:347), Batalla (2001: 47) and Oyamada (2005:100-101).

During the second anniversary of her assumption of office, President Arroyo launched a war against corruption and announced that US\$55 million would be allocated for her anti-corruption crusade against “entrenched vested interests” or the “corruption of the powerful.” As she had initially announced that she would not be standing for re-election in 2004, she claimed that she would be more effective in curbing corruption as “a President without the baggage of re-election can move faster, hit harder and work to greater effect.” However, President Arroyo’s anti-corruption efforts were not supported by all Filipinos as some opposition politicians had filed an impeachment complaint in Congress against her for alleged graft and other offenses (Channel News Asia 2003).

In October 2002, the Arroyo administration introduced “lifestyle checks” on all government officials, including the police and military. These lifestyle checks focus on these four areas: “behavioral (such as leisure habits); asset value; relatives checks (means checking relatives who could have gained employment through the official’s influence); and conflict of interest” (Oyamada 2005:106). In March 2003, the Inter-Agency Anti-Graft Coordinating Council released a “lifestyle checklist” which identified the “tell-tale signs that a public official or bureaucrat has amassed wealth ‘disproportionate’ to his declared sources of income—wealth probably stolen from government coffers” (Straits Times 2003:A15). The 11 indicators of a corrupt civil servant in the Philippines are identified in Box 1.

Evaluation of Anti-Corruption Measures But who cares if programs to combat corruption fail? The crooks in government are happiest to see anti-corruption drives falter, because they can continue their corrupt ways without fear of being caught and punished. And there are many of them in high and low places.

Philippine Daily Inquirer (2008)

The fact that corruption is a way of life in the Philippines is a clear manifestation

of the ineffectiveness of the various anti-corruption measures employed by the various administrations since the 1950s. The systemic and rampant nature of corruption in the Philippines is further corroborated by its consistently low ranking on Transparency International's CPI from 1995 to 2009. Table 7 shows that the ranking of the Philippines on the CPI declined from 36th position in 1995 to 139th position in 2009. More importantly, its CPI score rose from 2.77 in 1995 to a peak of 3.6 in 1999. Since 2000, the Philippines' CPI score has further declined from 2.8 to 2.4 from 2005 to 2009. Its average rank from 1995-2009 was 86th position and its average score was 2.7.

*The score ranges from 0 (most corrupt) to 10 (least corrupt).

Source: <http://www.transparency.org>.

Similarly, Table 8 shows that the Philippines' ranking and scores on PERC's annual surveys from 1995 to 2009 have consistently been low throughout this period. The Philippines' best performance was in 1999, when it was ranked fourth among the 12 Asian countries with its best score of 6.71. It was ranked last among the 13 Asian countries surveyed for 2007-2008 because its score had increased to 9.40 and 9.00 respectively. However, in 2009, the Philippines was ranked 11th with an improved score of 7.00.

Table 8: Rankings and Scores of the Philippines on the Political Economic Ri Consultancy

Box 1: Tell-Tale Signs of a Corrupt Bureaucrat in the Philippines
How to tell if a public official or bureaucrat has amassed wealth "disproportionate" to his declared sources of income:

- Has multiple families or mistresses
- Frequently gambles in casinos and cock-fighting pits
- Maintains high-cost vices such as taking illegal drugs
- Goes on frequent foreign trips
- Owns country club shares
- Patronizes expensive restaurants or nightclubs
- Send children to exclusive schools with expensive tuition
- Buys additional houses or other real estate
- Owns a large number of stocks
- Has huge bank deposits
- Has a big collection of jewellery, antiques or paintings.

Source: Straits Times (2003: A15).

Sources: Compiled from PERC (2001; 2008:7) and Hussain (2009:B5).

The World Bank's governance indicator on the control of corruption from 1996 to 2008 also confirms the Philippines' inability to curb corruption effectively. Table 9 shows that the Philippines' percentile rank in controlling corruption has declined from 45.1 in 1996 to 26.1 in 2008. Its governance score also decreased from -0.27 to -0.75 for the same period. Among the 26 Asian countries included in the 2008 survey, the Philippines was ranked 17th with a percentile rank of 26.1.

Table 9: World Bank's Control of Corruption in the Philippines,
1996-2008

Table 7: Rankings and Scores of the Philippines on Transparency International's Corruption Perceptions Index, 1995-2009

Year	Ranking	Score*	No. of countries
1995	36 th	2.77	41
1996	44 th	2.69	54
1997	40 th	3.05	52
1998	55 th	3.3	85
1999	54 th	3.6	99
2000	69 th	2.8	90
2001	65 th	2.9	91
2002	77 th	2.6	102
2003	92 nd	2.5	133
2004	102 nd	2.6	146
2005	117 th	2.5	159
2006	121 st	2.5	163
2007	131 st	2.5	180
2008	141 st	2.3	180
2009	139 th	2.4	180
Average	86 th	2.7	-

	Year	Ranking	Score [#]	No. of Countries
So (2) in th al th ar be	1995	8 th	6.60	11
	1996	9 th	6.95	12
	1997	6 th	6.50	12
	1998	8 th	7.17	12
	1999	4 th	6.71	12
	2000	8 th	8.67	12
	2001	9 th	9.00	12
	2002	8 th	8.00	12
	2003	7 th	7.67	13
	2004	9 th	8.33	13
	2005	12 th	8.80	13
	2006	11 th	7.80	13
	2007	13 th	9.40	13
	2008	13 th	9.00	13
	2009	11 th	7.00	16
	Average	9 th	7.84	--

Sources: Marcelo (2005:3) and Economist (2006:152, 194).

To demonstrate the OMB's "severe" lack of resources, Marcelo (2005:3) compared the personnel and budget of the OMB with those of Hong Kong's Independent Commission Against Corruption (ICAC). Table 11 shows vividly how under-staffed and under-resourced the OMB is compared to the ICAC. The OMB's field investigator-bureaucracy

Year	Percentile Rank (1-100)	Governance Score (+ 2.5 to - 2.5)
1996	45.1	- 0.27
1998	43.2	- 0.35
2000	36.9	- 0.53
2002	38.8	- 0.49
2003	39.8	- 0.48
2004	34.0	- 0.60
2005	35.9	- 0.61
2006	22.8	- 0.78
2007	22.2	- 0.79
2008	26.1	- 0.75
Average		

Year	Rank	Score [#]	No. of Countries
1999	49	2.02	59
2000	51	2.00	59
2001-2002	52	2.10	75
2002-2003	69	1.50	80
2003-2004	94	1.40	102
2007-2008	119	1.70	131
2009-2010	130	1.60	133
Average	81	1.76	--

US\$0.15 is only higher than the CEC's per capita expenditure of US\$0.06.

Secondly, even though the OMB is the lead ACA in the Philippines, it performs these five functions: investigation of inefficiency and anomalies; prosecution of graft cases in the Sandiganbayan; disciplinary control over all elective and appointed officials (except members of Congress and Judiciary and impeachable officials); public assistance; and graft prevention.⁵ In other words, apart from its lack of resources, the OMB is not a specialized ACA dedicated solely to combating corruption, as it is also responsible for disciplinary control and public assistance. This means that the OMB does not enjoy the two advantages of specialized ACAs namely: the "centralization of all necessary information and intelligence about corruption" and the "resolution of coordination problems among multiple agencies through vertical integration" (Meagher 2005:80).

Another limitation of the OMB is that it only has jurisdiction over public officials and not those employed in private companies (Quah 2009:778). The OMB has been "tainted with allegations of wrongdoing" as impeachment complaints were filed three times against Ombudsman Aniano Desierto during his seven-year term. However, the charges against him were dismissed by the Congress. The OMB has also been accused of not taking action or dismissing cases "despite overwhelming evidence against suspected offenders" (Dizon 2007:117).

Thirdly, the reliance on multiple ACAs has not benefited the Philippines as the

Year	Rank	Score [#]	No. of Countries
1999	49	2.02	59
2000	51	2.00	59
2001-2002	52	2.10	75
2002-2003	69	1.50	80
2003-2004	94	1.40	102
2007-2008	119	1.70	131
2009-2010	130	1.60	133
Average	81	1.76	--

steps in instead of merely building upon past efforts (Co et al 2007:21).

The Inter-Agency Anti-Graft Coordinating Council (IACC) is a voluntary alliance of the OMB, the Civil Service Commission (CSC), the Commission of Audit (COA), the Presidential Anti-Graft Commission (PAGC), the Department of Justice, and the National Bureau of Investigation (NBI). It was formed in June 1997 to enhance coordination among these six agencies, to conduct inter-agency skills training programs, and to promote inter-agency conferences (Ursal 2006:222-223). The IACC's role is to improve coordination among these agencies, but "in reality, it is not active" (Oyamada 2005:99). The IACC met twice and the "slow progress in its revitalization" reflects the inability of these six agencies to collaborate effectively among themselves (Holmes 2007: 181).

Unlike her predecessor, Simeon Marcelo, the current Ombudsman, Ma. Merceditas N. Gutierrez, "deactivated" the IACC by not convening it. Thus, instead of cooperating with the CSC, the OMB competed with it by also implementing the Oplan Red Plate program, which the OMB, COA and CSC had earlier agreed under the Solana Covenant to be the CSC's responsibility (TAN 2009:5). Apart from not convening the IACC, Gutierrez has also been criticized for devoting the OMB's limited resources on investigating petty corruption instead of continuing her predecessor's exposure of "corruption in high places." Consequently, the OMB has been described as "the Street Ombudsman" because of its emphasis on petty corruption (Newsbreak Online 2006). The Transparency and Accountability Network (TAN) has attributed the OMB's "disappointing performance" to these factors:

From the looks of it, the apparent weakness of the Ombudsman as an institution ... is the doing of poor leadership. The low conviction rate is explained by a highly centralized system, a weakened Office of the Special Prosecutor, and a demoralized staff.

This and bad relations with other anticorruption organizations contribute to the bad image of the Ombudsman and thus its growing unpopularity (TAN 2009:5).

Anti-Corruption Agency	Personnel	Budget	Population	Staff-Population Ratio	Per Capita Expenditure
Macao CCAC	112	US\$10.6 m	488,100	1:4,358	US\$21.72
Hong Kong ICAC	1,194	US\$85 m	7.0 m	1:5,863	US\$12.14
Singapore CPIB	81	US\$7.7 m	4.3 m	1:53,086	US\$1.79
South Korea KICAC	205	US\$17.8 m	47.8 m	1:233,171	US\$0.37
Thailand NCCC	924	US\$22.8 m	64.2 m	1:69,481	US\$0.36
India CBI	4,711	US\$30.3 m	1,081.2 m	1:229,505	US\$0.28
Philippines OMB	957	US\$12 m	81.4 m	1:85,057	US\$0.15
Indonesia CEC	305	US\$18 m	222.6 m	1:729,836	US\$0.08

President Arroyo has introduced such anti-corruption measures as the PAGC, the GAC and the "lifestyle checks" as discussed above. However, she could not focus all her attention on fighting corruption as she has also been concerned with improving the economy and dealing with terrorism. After her re-election in May 2004, she promised to continue the fight against corruption but her credibility was severely eroded by the revelation that she had tried to influence an election commissioner during the 2004 presidential election. The revelation of the "Hello Garci" tapes sent a clear message throughout the Philippines that

... the fight against corruption cannot truly be won since the highest

government official, no less than the President, is tainted by corruption. Any Filipino, be he a simpleton in the streets or a scholar would indubitably arrive at the conclusion that corruption, if committed in high places, may go unpunished. This brings the efforts of the anti-corruption campaign to naught (Olague 2006:35).

More importantly, President Arroyo's expression of her confidence in May 2005 that "her government's campaign against corruption would bear fruit in six to seven years at the end of her term" (Oyamada 2005:103) appears to be premature and misplaced as there is no evidence that her anti-corruption measures have been effective so far. On 11 September 2007, former President Joseph Estrada was found guilty by the Sandiganbayan of receiving payoffs and kickbacks before his ouster from office and sentenced to a maximum of 40 years imprisonment (Conde 2007:3). On 25 October 2007, President Arroyo pardoned Estrada six weeks after his conviction even though anti-corruption advocates and state prosecutors have urged her not to do so (Deutsche Presse- Agentur 2007). The Economist (2008) criticized Arroyo's pardon of Estrada because it renews "concerns in many quarters that the rich and powerful remain immune from punishment" and fails "to dispel concerns about entrenched corruption in the Philippines."

More importantly, President Arroyo's pardoning of Estrada's conviction for plunder has also undermined the rule of law and the credibility of her anti-corruption efforts. According to the South China Morning Post (2007:14):

Philippine President Gloria Macapagal-Arroyo claims to be dedicated to ridding her country of its biggest scourge, corruption. Her predecessor Joseph Estrada was convicted last month of a worse crime, plunder. Granting him a pardon and dangling a government job for him shows she is interested not in the national well-being but in political survival. ... Mrs Arroyo has done the Philippines a disservice. She has undermined the rule of law and told officials that graft and corruption are not serious crimes. It is hardly surprising that growing numbers of Filipinos want her out of office.

Hence it is not surprising that a nationwide Pulse Asia survey conducted from 20-31 October 2007 found that 42 percent of the respondents believed that President Arroyo was the most corrupt president among the last five presidents. Table 13 shows that the ranking of the other four presidents was: Marcos (35 percent); Estrada (16 percent); Ramos (5 percent); and Aquino (1 percent) (GMA News.TV 2007).

Table 13: Perceived Level of Corruption of Presidents in the Philippines, 2007

Source: GMA News.TV (2007).

In its editorial on 21 October 2008, the Philippine Daily Inquirer (2008) lamented that:

People who keep hoping for clean and honest government that uses taxpayers' money wisely and well will have to wait for another administration. The President thinks corruption is not a problem or at least not the serious problem businessmen and other observers take it to be. Nothing, not even neutral surveys and studies, will change her mind. It would be pointless and futile to look up to her for a solution.

In sum, President Arroyo's commitment to curbing corruption in the Philippines has been eroded after nine years in office.

Conclusion

The acid test of a government's sincerity in wiping out bureaucratic corruption hinges not only on the formulation of anti-corruption measures. Rather, its credibility lies in the actual implementation of such measures and their effects on the behavior of civil servants and the society at large. ... [F]or anti-corruption measures to be effective they must not only be properly designed (to attack the causes of corruption in the society), but must also be sponsored and upheld sincerely by the political leaders. The most elaborate and well designed anti-corruption measures will be useless if they are not enforced by the political leadership.

Quah (1982:154, 175)

In conclusion, corruption will remain a serious problem in the Philippines as long as the five causes discussed in the second section are not eliminated. The salaries of the civil servants and political leaders are unlikely to be increased substantially as the government would not be able to afford such an expensive strategy without sustained economic growth. Furthermore, Singapore's experience shows that "salary revision is a necessary but insufficient condition for curbing corruption if other reforms are not undertaken also" (Quah 2007:43). While the opportunities for corruption can be minimized by reducing red tape and improving the efficiency of the civil service by streamlining the cumbersome and complicated administrative procedures, such opportunities will remain as long as low salaries or "starvation wages" reinforce the need for civil servants to accept "speed money" for expediting the approval of applications for permits. The population's tolerance for corruption is reinforced by the importance of the family and such particularistic values as *utang na loob* in Philippine society.

In the final analysis, the key factor responsible for combating corruption effectively in a country is the political will or commitment of its political leadership. According to Ian Senior (2006:184, 187):

The principal people who can change a culture of corruption if they wish to do so

are politicians. This is because they make the laws and allocate the funds that enable the laws to be enforced. If, however, politicians at the top of the hierarchy have routinely worked their way up by accepting bribes to fund their parties and themselves, there is little prospect that they will wish to cleanse their colleagues or their nation of corruption. ... The very people who are the greatest beneficiaries of corruption have the greatest power and use the corrupt nature of government to maintain that power.

In other words, without political will, the probability of detection and punishment for corrupt offenses cannot be enhanced, and the resources required for a comprehensive anti-corruption strategy will not be allocated by the incumbent government.

In May 2005, Tony Kwok, the former Deputy Commissioner of the ICAC in Hong Kong, was appointed by President Arroyo as her special advisor on anti-corruption. Soon after his appointment, he informed a group of businessmen in Manila that: "Corruption can be eradicated. We did it in Hong Kong. It can be done in the Philippines" (Conde 2005). A few days later, President Arroyo confidently declared that:

Tony [Kwok] says, with our political will and working together, what Hong Kong was able to do in seven years, we could perhaps be able to do in three years. We shall win this war against corruption (Conde 2005).

Three months later, Kwok reinforced President Arroyo's optimistic assessment when he asserted that "nothing is impossible" because "there is no shortage of political will to fight corruption here in the Philippines" (Vanzi 2005).

Unfortunately, contrary to the expectations of President Arroyo and Tony Kwok, corruption in the Philippines has not improved during the past four years as they had predicted. On the contrary, corruption in the Philippines has worsened according to Transparency International's CPI from 2005 to 2009, PERC's annual survey of corruption from 2005 to 2008, and the World Bank's control of corruption indicator from 2005 to 2008. As corruption is a way of life in the Philippines, it is unrealistic to expect corruption to be eradicated within three years as promised by Tony Kwok. Apart from the significant contextual differences between Hong Kong, which is a city-state of 1,075 sq km with 7.2 million people and a GDP per capita of US\$29,910, and the Philippines, which is an archipelago of 7,017 islands covering a vast area of 300,000 sq km with a population of 85.9 million and a GDP per capita of US\$1,640,⁶ the critical difference is the lack of political will in fighting corruption in the Philippines.

Thus, curbing corruption in the Philippines remains an impossible dream for the foreseeable future until its political leaders can demonstrate that they have the political will to do so. So far, the political leaders in the Philippines are "either incompetent or corrupt" and have "failed to lead the battle against corruption" (Co et al 2007:33). This pessimistic conclusion is based on the fact that none of the presidents that have governed the Philippines since its attainment of independence in July 1946 have modified or improved their anti-corruption strategies even though the plethora of ACAs and anti-corruption laws has been ineffective in curbing corruption. Instead, each president has created new ACAs without evaluating or learning from the mistakes of his

or her predecessor.

In other words, political leaders in the Philippines are unlikely to succeed in curbing corruption unless they replace their modus operandi of relying on ineffective multiple, overlapping, uncoordinated, and poorly staffed and funded ACAs with the establishment of a single independent, powerful, and adequately funded and staffed ACA like the Corrupt Practices Investigation Bureau (CPIB) in Singapore or Hong Kong’s ICAC. While a single ACA is not a magic bullet that can eradicate corruption overnight in the Philippines, the success of the CPIB and ICAC in curbing corruption shows that if there is political will, the establishment of a single independent ACA will be an asset and a powerful weapon against corrupt politicians, civil servants, and business persons. However, if political will is lacking, the ACA’s extensive powers can be abused by a corrupt government to victimize its political foes instead (Quah 2010:51). Hopefully, the next President of the Philippines will avoid the same path as his predecessors by establishing an independent and adequately staffed and funded ACA to replace the existing ineffective multiple ACAs.

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President	Percentage believing that the President was corrupt
Gloria Macapagal-Arroyo (2001-present)	42%
Ferdinand E. Marcos (1972-1986)	35%
Joseph E. Estrada (1998-2001)	16%
Fidel V. Ramos (1992-1998)	5%
Corazon C. Aquino (1986-1992)	1%

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Endnotes

¹ According to Chaikin and Shaman (2009:164-165), "Behest loans are insider loans that are granted or executed on uneconomic terms and that are diverted for uses contrary to their original purposes."

² This explains why Ferdinand Marcos was reported to have been godfather to thousands of godchildren when he was president.

³ The meaning of this idiom is: "where there are too many people trying to do something, they make a mess of it." See "Idiom: Too many cooks spoil the broth" at <http://www.usingenglish.com/reference/idioms/too+many+cooks+spoil+the+broth.htm>, accessed on February 15, 2010.

⁴ For an account of how this law was passed, see Iglesias (1963:17-68).

⁵ See the OMB

's website at <http://www.ombudsman.gov.ph/page.php?pid=13>.

⁶ The data on Hong Kong and the Philippines are obtained from the Economist (2009:154, 196).

Role of Civil Society in Managing Anti-Corruption-Initiatives in India and the Philippines

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Anti-corruption policies have recently gained attention in ensuring the percolation of development gains for those who need it most—the poor. Studies show that corruption pervades in the following: (a) the government, (b) the private sector and (c) the interaction of the two. Moreover, corruption is embedded in various degrees at the national, regional and the local levels. Traditionally anti-corruption and good governance efforts have largely targeted services provided by public institutions. Different methods of service delivery have been tried out but the failures have persisted. As they go beyond the traditional sectors and layers, the remedial measures require an innovative approach. In this scenario, can civil society organizations (CSOs) provide new strategies and develop effective anti-corruption measures?

The paper identifies the major strategies, issues, and processes for reducing corruption and promoting good governance. It also links these efforts to the Human Development Index (HDI) variables. The paper highlights the CSOs' unique features in developing methods such as social auditing, effective networking, ensuring accountability and transparency, thus helping remove corruption in a more acceptable manner.

The paper draws upon some cases from India and the Philippines that highlight their efforts in developing appropriate anti-corruption strategies in relation to government institutions. It concludes that given the potential of CSOs in pursuing effective anti-corruption methods, their role needs re-appraisal and further strengthening. To this end, it suggests measures for doing so. The capability to ensure its fruition, however, ultimately depends on the larger socio-cultural environment of India and the Philippines or anywhere else, for that matter.

There are three parts to the paper. Part 1 introduces the relationship of development and corruption, and outlines some of the major causes and effects of corruption on the poor. Definitions of corruption and the types of indicators used in measuring corruption are presented. The types and forms of corruption featuring India and Philippines are also illustrated. Then in Part 2 the anticorruption programs and strategies developed at the global regional and national levels focusing on India and the Philippines are discussed. Part 3 highlights the need for promoting democratic citizenship and democratic forms of governance. The renewed interest in democracy globally gives much prominence to civil society, whose growth is determined by the space provided by democratic governments. Recognizing the potential of CSOs, most development institutions have outlined and are taking on board their contributions in fighting corruption. Some cases of CSOs and their anti-corruption work in India and Philippines are included as samples because of their unique, innovative and progressive approach in fighting

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corruption. The paper concludes with a critique of the anti-corruptions measures and highlights the significance of civic education and active citizenship. It emphasizes how CSOs can emerge as a long-term, sustainable factor in dealing with corruption by means of participatory mechanisms. Resources meant for delivering essential services to the poor regions are thereby ensured, just as it is hoped that development gains will help the poor escape the poverty cycle that corruption exacerbates.

If a country is to be corruption-free and become a nation of beautiful minds, I strongly feel there are three key societal members who can make a difference. They are the father, the mother and the teacher.

- Abdul Kalam (A former president of India)

Introduction

Corruption corrodes development efforts. Finding the means to fight it has been a challenge for developed and developing countries. Corruption spreads wide and deep amidst weak governance institutions. The need for leaders of states to understand the relationship between development and corruption, and how the causes and effects of corruption undermine it, even more so vis-à-vis their citizens, is the first step in fighting corruption. In Part 1 of the paper we introduce the relationship between development and corruption, and how it affects developing countries creating inequalities in society. Corruption leaves millions in poverty to accept and resort to corruption as a way of life. CSOs have, over time, surfaced as a public service mechanism with a credible and creditable outreach to the poor regions. They could, perhaps, become a relevant and effective tool and resource in the governance structure of states in fighting corruption.

The relationship of development and corruption

Several regions of the world have sown the seeds of development well. The indicators of growth, life expectancy, infant and child mortality, education and financial growth, human development growth, etc., have been incorporated in most development policy agendas in multiple and complex ways. However, the need to effectively check the uneven distribution of development gains remains. The population living in poverty has grown to over 3 billion, increasing the challenges to development markedly. With the continued widening of income differentials within countries, the inequality of consumption, according to a World Bank report (2008), indicates that "the wealthiest nation on earth has the widest gap between rich and poor of any industrialized nation". Development organizations like the WB, the UN, TI, and ADB now recognize that corruption is the factor that fosters unequal development (or endangers equal development). Evidence of the negative impact of corruption on development and its adverse effect on GDP growth are

substantial. The 2004 World Bank report claims that "Corruption has been shown to lower the quality of public infrastructure, education and health services, and to adversely affect capital accumulation. It reduces the effectiveness of development aid and increases income inequality and poverty." For its part, Forbes (2009) has also expressed that corruption affects "both individuals and businesses, and they run in both directions: poverty invites corruption, while corruption deepens poverty".

The Transparency International (TI) Report 2009 indicates that "the high level of corruption in low-income countries a 'humanitarian disaster', which threatens to derail the global fight against poverty". The cyclical nature of poverty as a breeding ground for corruption has made much of the world sit up and develop anti-corruption policies and strategies in earnest.

The Impact and Effects of Corruption

Development agendas have been typically framed by models of the wealthier nations of the North, which are dominated by capitalist market-oriented growth. Some countries in the Asia Pacific Region that have followed the same models have had spectacular growth rates. Despite the claim that since the 1990s Asia has experienced dramatic growth and economic transformation, helping more than 500 million people move out of poverty (IFPRI/ADB 2008), however, there has also been a corresponding increase in the enormous inequality and corruption prevailing. While the statistical measures and information on corruption may be questionable, the available data nonetheless indicates that corruption has increased (grown?) faster than investments and economic development in Asia.

The CPI 2009 report of TI indicates that to a large measure, "bribery and the facilitation of corruption in poor or conflict-stricken countries often involved businesses based in industrialized countries." Globally, this unequal share of development gains over the years has resulted in deepening the crisis, what with corruption becoming a way of life, a fact of life for a number of people.

The press release of CPI 2009 of TI confirms this observation, saying, "it is clear that no region of the world is immune to the perils of corruption". A 2007 study of the World Bank reveals that despite the accepted notion that the world's richest countries have high levels of government integrity, indicators applied uniformly to across, on all countries reveal that they are becoming noticeably more corrupt. And development is being continuously challenged by the spread of corruption. The USAID 2005 report states that "corruption is now seen unequivocally as a major barrier to development, and its reduction is a top priority for development efforts."

Most of the poor live in the Asia Pacific Region where majority of the 180 countries also score high on corruption. This correlation and the effect of corruption on millions of the populace are clear indications of the development challenge

at hand. What is worse is that out of the 33 countries listed in the Asia and Pacific region by TI, 23 countries are ranked above 50 and have a CPI score below 5.0.

Compared to a decade ago, more countries in the region have assumed democratic forms of government. In Asia, however, many of these democracies are still not entirely free of authoritarian rule and are in transition (Diamond 2002). Moreover, most of the developing world continues to struggle to lift its poor above the poverty line through its prevailing institutions: traditionally, the government, which provides public services, and the market institutions that supply priced consumer goods. But corruption has flourished. The public sector and the market institutions have failed to provide services effectively to those in need. Mechanisms of combining the strengths of the public and the private sectors to deliver services have been developed but the percolation of services to the poor still remains a challenge. Corruption has continued to prosper. Going beyond the partnerships of public and private institutions, the developed world called for the formation of CSOs a decade ago. NGOs and the gamut of third sector organizations, which we shall collectively refer to as CSOs in this paper, have only recently gained considerable attention in bringing about qualitative change in the delivery of public services. But does this translate to CSOs' actually bringing about some relief from corruption?

The Causes and Effects of Corruption

The devastating impact of corruption is that it "undermines social cohesion and broad participation in economic and political life by distorting the allocation of resources and the delivery of public services, usually in ways that particularly damage the poor"(USAID 2005). Most studies on causes and impact of corruption is focused on economic growth, investment climate creation, and the effectiveness of public service delivery. The poorer countries are invariably harder hit and resort to corruption, leading to the misallocation of resources. Corruption not only adversely affects GDP growth, but development aid, as well, because as the Berlin-based watch dog NGO TI put it, "unchecked levels of corruption would add \$50 billion or nearly half the annual global aid, to the cost of achieving UN's MDGs". The income inequality and poverty that corruption inevitably breeds are substantiated by numerous surveys, studies, and cases prepared yearly by leading development organizations. Simply put, corruption has negative effects on the people's welfare.

Inequality and poverty are a scourge on human dignity. TI views the level of poverty as being unacceptably high, and corruption as aggravating poverty and having a significant and detrimental effect on the poor. Sizable portions of the populations of India and the Philippines are poor, at 29 and 37 percent, respectively. The basic needs of their people remain unfulfilled and services ranging from sanitation to education and health care are unable to reach them because of corruption. ODI (2008) writes: "Corruption undercuts the moral fabric of society; this

is reflected in the fact that societies all over the world tend to regard corruption as fundamentally wrong – even if it is accepted as a fact of life.” For its part, the World Bank indentifies corruption as the greatest obstacle to economic and social development.

Why does corruption happen? When the divide between the state and its citizens is so large that they are unable to understand or deal with each other, and have divergent actions, corruption creeps in. Corruption also sets in when the citizens have no recourse to the courts of law and in their quest for justice because they have no space or are not recognized in the system. When most institutions of a country are weak/ ineffective and are not held accountable, corruption is also bound to occur. When governance structures and officials have are not too transparent and much is left to their discretion, corruption occurs. “A lack of democratic institutions is one of the most important determinants of corruption” (Gurgur & Shah 2002). Whatever the regime of a state, the misuse of public powers by government officials to unlawfully enrich themselves is possible, when anticorruption policies are not effective. In 2005, the wealthiest 20 percent of the world accounted for 76.6 percent of total private consumption.

When public officials take advantage of their discretionary powers, leading to commissions of dishonest practices it create an imbalance in society; and if allowed over time to flourish, will further ruin the lives of the poor. “At the heart of bad governance is usually corruption,” (WB 2007). The lack of integrity and transparency, and poor accountability all lead to corruption. Corruption is also tied to limited freedom of expression (WB 2007). Both India and the Philippines have 35 to 45 percent of their populations living below the poverty line, which means that they subsist on less than US\$1 a day. Both democracies are characterized by high corruption, high poverty indices, highly inefficient and wasteful bureaucracies, and poor infrastructure. They require much stronger governance structures to counter the effects of corruption.

The definitions of corruption vary in terms of perception, scale, level, and type. The nature of corruption in both India and the Philippines has been studied since the magnitude of civil service corruption is high. Both countries have credence value of the presence of CSOs, and have some degree of decentralization in their democratic structure of governance. But in both countries, as well, the cultural context of corruption is a real issue. Anticorruption measures should be developed effectively as clarity in the nature of corruption has been sought and measured in ways that are appropriate, realistic, and efficient.

Some Definitions of Corruption

The World Bank (WB/IMF 2006) defines corruption as the abuse of public office

for private gain. It is chiefly aimed at government offices. The UN definition is along similar lines but includes the types of corruption as well. It defines corruption as the misuse of public powers, office and authority for private gain through bribery, extortion, influence peddling, nepotism fraud, speed, money or embezzlement. The ADB definition adds two other dimensions: the element of behavior and the private sector. Its definition of corruption alludes to the behavior of officials in the public and the private sectors, who improperly and unlawfully enrich themselves and/or those close to them, or induce others to do so, by misusing the position they occupy.

The TI definition of corruption includes the untrustworthiness of those with public power. It defines corruption on the part of public officials, whether they be politicians or civil servants, in terms of their improperly and unlawfully enriching themselves, or those close to them, by the misuse of the public power entrusted to them. This definition also implies the Ordinary dictionary's definition of corruption as an act or state of being guilty of dishonest practices. It further describes corruption as a perversion of morality as well as integrity, particularly in public offices and institutions. The morality or values of individuals, groups, and organizations are also questioned. Economists tend to identify corruption as a "transaction whereby an individual bound by a principal-agent contract takes advantage of his discretionary power in order to sell to a third party property rights that do not belong to him. The business dictionary defines corruption as giving and obtaining advantage through means which are illegitimate, immoral, and/ or inconsistent with one's duty or the rights of others. The USAID (2005) has defined corruption as "the abuse of entrusted authority for private gain".

The judicial and legal system of defines corruption as an "act done with an intent to give some advantage inconsistent with official duty and the rights of others. It includes bribery, but is more comprehensive; because an act may be corruptly done, though the advantage to be derived from it may be offered by another". Corruption can also be "defined by context and intent, not just by action" (Cornell L. Rev. 2008-2009 p341).

The operational definition of corruption as the abuse of entrusted power for private gain has been criticized for being far too legalistic and biased in favor of western countries, and for not taking into account the cultural context of developing countries. Although there are many more definitions, those which directly relate with governance and its related issues have been selected for the purpose of this paper. Those chosen revolve around the definitions of corruption by the UN and ADB, which are the multilateral development institutions in Asia, TI being the largest global CSO fighting corruption.

We will also consider the definitions of corruption in the Philippines and India, since the anti- corruption efforts in both these countries are discussed in the paper. Corruption in the Philippines is defined as "the abuse of power for private gain". India considers something corrupt when an official transfers a benefit to an individual who may or may not be entitled to that benefit, in exchange for an illegal payment or bribe. In the Philippines, the definition is more political in nature while in India, it

tends to be legalistic. Both definitions lack comprehensiveness, which paucity is also reflected in the nature of the institutionalized anti-corruption methods developed.

Types and Forms of Corruption

According to Shah (2004) there are three types of corruption: (a) petty, administrative or bureaucratic corruption; (b) grand corruption; and (c) state capture/influence peddling. These three types/ levels of corruption signify the size and the scale of the transaction involved. In recent times, globalization reared a new and terrible scare in the international financial systems: global-scale corruption. Corruption is evidenced not just in public contracting, but also in private contracting, business deals, and aid programs.

Corruption is also present in the political, economic, social, and cultural environs at all levels: global, regional, national and local. It could be undertaken by individuals or in groups, institutionally or in/by communes. The nebulous character of corruption has made it difficult to contain and effectively eradicate. Ridding nations of both grand and lower level corruption remains a colossal challenge. Heidenheimer (1970) has identified three types of corruption which he defined as public office-centered, market-centered, and public interest-centered.

Donors and aid institutions have to usually confront corruption issues when selecting sectors and regions for granting program aid, budget and debt relief. In economic terms, as aggregated and mentioned in a WB report (2008) recently, corruption takes the form of bribes and smuggling that amount to 5 percent of the global gross domestic product, which is equivalent to \$2.6 trillion. This is a conservative estimate and does not include embezzlements and theft of public funds and assets.

So overwhelming and pervasive is corruption that there is a constant search for objective standard methodologies in gauging and measuring it. The phenomenon has also led to a series of cross-country surveys that have further developed and refined the indicators for measuring the horizontal and vertical natures of corruption. Most of the indicators selected for the paper offer a variety that highlights various aspects of governance, development, and perceptions of corruption.

Measuring corruption

Because corruption is being seen as an impediment to growth, particularly economic growth, development institutions have undertaken the task of setting up large scale surveys across countries, indicating standard rankings globally, regionally, and within nations. The surveys conducted are mostly public opinion surveys across several sectors such as business, the citizenry as consumers, officials, legislators,

etc. Ever since the previous decade, several advances have been made in measuring corruption, with Transparency International taking the lead in 1995 when it came up with the Corruption Perception Index (CPI). This has since evolved into a combination of indicators that are political as well, giving rise to two more: the Global Corruption Barometer (GCB) and the Bribe Payers Index (BPI). The WBI, for its part, developed the Controlling Corruption (CC), which is one of the six governance indicators.

The field of measuring corruption is still growing. Corruption measurements selected and relevant to the paper, are kaleidoscopic in nature. They include the following: the Corruption Perception Index 2009(CPI) of Transparency International, the Global Competitive Index 2008-2009 (GBI) of the World Economic Forum, the Bertelsmann Transformation Index 2008, and the Status Index and Management Index. They also include, the Decent Society Index that upholds, promotes, and secures human rights and the collective welfare; the Gender Equality Indices that include the Gender Related Development Index (GDI) and the Gender Empowerment Measure (GEM); the Human Development Index (HDI) that deals with life expectancy, educational attainment, income and many others; the Spiritual Capital Index; the Happy Planet Index; and the Poverty Index.

As early as 1968, Gunnar Myrdal, in his book *Asian Drama* identified corruption as an important indicator inhibiting development. Three decades later, in 1995, corruption became a serious problem for study (Quah 1999). The inevitable financial crash of Asia followed. Despite this crisis in the region, the system of measuring corruption used was that set up by the developed northern countries, defined in a variety of ways, certainly, but judged and ranked by them. The definitions and measurements therefore cannot be substantiated nor applied to the developing countries, due to the lack of empirical research studies and relevant data.

Measuring corruption is difficult. The reported extent of corruption often becomes the only reliable methodology for research. Collecting information on corruption for measurement purposes in the Asian region appears wanting. The work done by Ghosh et al. in 1997 is one study that primarily deals with government corruption. Asia has is now the hotbed of experimentation since it is home to the poorest and is thus deemed the most corrupt.

The Global Competitive Index (GBI 2008) cites corruption (23.9) as the number one problematic factor out of 15 factors relating to development of the Philippines. Two other factors that inhibit development are the inefficient government bureaucracy (19.7) and the inadequate infrastructure (13.1) For India, too, the first three inhibiting factors are the same, except that their rankings differ. Inadequate infrastructure is number one (25.5), followed by the inefficient bureaucracy (14.6) and corruption (10.1). The Global Corruption Barometer of TI 2009 cites that the general public identified political parties and civil service as the most corrupt. It has also been reported that the police followed by land (real estate?) services and the

judiciary are prone to take bribes.

Corruption in India and the Philippines

Perception of Leaders, Institutions, Cultural Values, and Land Reform: Prime Minister Manmohan Singh acknowledged that corruption in public life contributed to India's being a "soft state" and that "the scale, the typology and the mechanisms of corruption may have changed, but the problem of corruption has not gone away," (Times of India 2006). Narayan Murthy of Infosys, upon launching the Confederation of Indian Industry campaign said that "It is the big bureaucrats and corporates who are more corrupt than the poorest of the poor. Corruption has nothing to do with poverty. It has everything to do with greed" (Times of India 2006).

Governance and administrative institutions: According to the 2008 GCI report of the Philippines "The main obstacles to greater competitiveness are related to the quality of the country's public institutions and a lack of efficiency in its labor market. Government spending ranked 120th and as highly wasteful, and 117th in a lack of even handedness in the government's dealing with the private sector and the general concerns about corruption in the public sphere.

The TI (2005) report for India cites inadequate and inefficient enforcement mechanisms and the lack of political will as reasons for corruption. It says that 62 percent experienced paying bribes and that corruption in public services increased.

People and Political Institutions: The Marcos regime in 1980 was called the most corrupt government of all time. It has been described as a kleptocracy, which means "ruled by thieves". The trend has since continued. Under 1999 President Estrada, studies on corruption indicate that that 20 percent of the government funds (around US\$600 million) was lost to graft and corruption. The Office of the Ombudsman of the Philippines, a special, independent watchdog agency claims that ever since 1988, roughly US\$940 million continued to be lost annually. "Billions allocated to infrastructure projects, community development, and improving the lives and health of the Filipino people have gone into individuals' pockets, or Swiss bank accounts, instead of designated projects" (Elliot 2008).

In India approximately US\$5 billion is lost to bribes and corruption annually (TI 2005). The political parties and offices in India have "successfully helped criminalize politics and politicize crime" (Tummala 2009). Former Prime Ministers Rajiv Gandhi and P. V. Narasimha Rao, besides other Cabinet Ministers, have been accused of large scale corruption. There are about 50 cases pending against ministers of states which are essentially corruption inquiries (Tummala 2009).

Socio Cultural Values and Aspects: In the Indian cultural context, social tolerance and the readiness to forgive are valued. In the Hindu culture, like in the Philippines, gift-giving is viewed as a sign of respect. However, this tradition is often viewed as a corrupt transaction and practice. The Filipino values system is such that gestures like this are expected to bring about extreme personalism which often leads to nepotism. Filipinos, not unlike Indians, tend to attach personal value to all transactions.

Land Reform: The failure of land reform in the Philippines has led to the creation of a high level of inequality and corruption (Sung You 2008). Although land reform has been among the promises of politicians across several elections now, the politics of land reform remains complex. During the colonial period (1898-1941), it was a non-issue since the Americans were comfortable with the existing Philippine power structure. It was after independence in 1946 when reforms were indicated in Hardie's report (1952), among them a more comprehensive and involved distribution of land to 70 percent of the tenants in the Philippines. But the landlords and their representatives in Congress strongly resisted the proposed reforms' implementation. To this day the repeated attempts to implement land reform, despite land reform's being a main political issue, have been thwarted by the powerful landlords and the business elite. Despite the reinstatement of democracy in 1986, Acquino's government had limited success with land reform.

In the 21 years of existence of the Comprehensive Agrarian Reform Law (CARL), hundreds of land reform and farmer activists have been killed, either in individually targeted extra-judicial killings due to their work in helping farmers to claim land, or in incidents in which violent confrontations took place with armed men that the landlords have employed. Such armed confrontations occur when courts rule that farmers can occupy the land that they are already allowed to farm (Human Rights Council, The Asian Legal Resource Center 2009).

It was only in the year 2009 when several Senate and House bills were instituted. Four administrative orders dealing with the delivery of support services, jurisdiction over agrarian disputes, land acquisition and distribution; plus Republic Act No. 9700 and the DAR's manual on Legal Assistance were issued. The implementing structures and impact of these bills still need to be measured.

The extreme levels of inequality in income and wealth in the rural areas of the Philippines make the true democratization of governance difficult (Diamond 2002). Reducing poverty and inequality requires intensified efforts in fighting corruption politically and economically, with the active participation of the citizenry.

PART II

With the increasing complexities of corruption the methods in fighting it are of utmost concern to public policy and its implementation at all levels—global, regional, national and local. Often, combined efforts are what have helped build coalition networks and have come up with a recourse to a just mechanism to combat corruption. We review here some of the major anti-corruption work being done at various levels. The analysis of measures and strategies developed so far indicates the refining and reforming of anti-graft and anticorruption measures. Fighting corruption within the present system so far has had mixed results in the Philippines and India. A need for much more vigor and a call for active citizen involvement in stepping up anticorruption work are suggested. Effectively governed strategies would mean leaning on citizen participatory methods and the formation of core civic values. This would lead CSOs to find, if not develop, innovative tactics and strategies to prevent and punish corrupt practices effectively.

Anti-Corruption Measures

Many anti-corruption measures have been developed at different levels and in different forms. At the global level most of the work on anti-corruption has taken the shape of conventions, initiatives, forums, indices and surveys. There are about 11 initiatives and 9 types of surveys developed at the global level to help determine corruption control measures.

Some laudable global level efforts for anti-corruption have been undertaken by the UN. The UN conventions against corruption framed the first legally binding international anti-corruption instrument. There are also global independent centers such as the Global Program against Corruption, which is based in Vienna, that aims to provide anti-corruption tools to raise the probability of detection and the cost of participation in corrupt activities; and to enhance prevention enforcement, institution strengthening, and awareness training at the international, national sub-national levels. In 2008, another NGO set up the Global Infrastructure Anti-Corruption Center in the UK to promote the implementation of anti-corruption measures as an integral part of government, corporate and project management. The Center helps design, implement, and provide assessment and certification and compliance monitoring. It gives training advice on anti-corruption to national governments, corporations, projects, and individuals. The UN Office on Drugs and Crime (UNODC) works with the member states and NGOs as well. It identifies and disseminates information on the application of good practices in the prevention and control of corruption.

There are five conventions at the global and interregional level. One is the UN Convention against Corruption (UNCAC), which is the most comprehensive global legal framework for combating corruption. The second is the UN Convention against Transnational Organized Crime. The third is the OECD Convention on the

Bribery of Foreign Public Officials in International Business Transactions: there are 3 Conventions for Africa, 1 for the Americas, 1 for Asia, and 5 for Europe. The common framework of these conventions revolves around facilitating international cooperation and providing reference points for reform in governments, among citizens and donors. Conventions also conduct review processes and create peer pressure on governments as well as the private sector for the sake of improving performance in fighting corruption. They provide civil society with a tool for holding their governments accountable. Conventions are also an opportunity for GOs and NGOs to discuss corruption issues.

In November 2006, the UN Conference on Anti-Corruption Measures, Good Governance, and Human Right, held in Warsaw, Poland, discussed the impact of corruption on human rights, emphasizing greater judicial accountability through formal mechanisms (Cumarswamy ISHR 2004). UNDP's emphasis is on long-term systematic changes in promoting governance to meet the challenges of development. UNDP supports effective public administration and civil service management reform in terms of transparency and accountability, given the nature of decentralized forms of government. Recognizing that in order to reduce poverty, corruption has to be minimized, the UNDP, in 2009, joined forces with UNODC to develop a global campaign that focused on the impact of "corruption on education health, prosperity and development."

Global anticorruption measures:

The World Economic Forum: Partnering Against the Corruption Initiative (PACI): This initiative mainly works with multi-industries and multinationals. Launched in 2004, PACI works through 100 companies and has created principles for countering bribery. Its anti-corruption initiative is aimed at companies in the engineering, mining, mineral, oil, and gas sectors that are committed to zero tolerance of corruption within their organizations.

The UN Global Compact: It seeks to promote responsible corporate citizenship promoting 10 principles in areas of human rights, labor, the environment, and anti-corruption. It also works to align the private sector responsible for eliminating corruption.

International Chamber of Commerce (ICC): In 2005 this authoritative, representative body of private enterprises from all sectors in every part of the world developed a revised version of its Rules and Recommendations to Combat Extortion and Bribery, first published in 1977.

Transparency International: It is the world's largest anti-corruption NGO, with chapters in over 90 countries. It aims to develop anti-corruption tools and action

plans to promote their implementation by working with a multi-stakeholder and international Steering Committee of companies, business associations, academics, union representatives, and NGOs. In 2002 it published an anti-corruption code entitled "Business Principles for Countering Bribery". This Code formed the basis for the PACI Principles developed with members of the World Economic Forum. It prepares one of the most reliable survey reports on global and national corruption indices.

U4 Anti-Corruption Resource Center- It makes development aid more efficient by promoting an informed approach to anti-corruption. Funded by bilateral development agencies, it also does research on human rights.

The Win Water Integrity Network – It aims to fight corruption in the water sector worldwide in order to reduce poverty. It promotes anti-corruption and coalition building at the local, regional, and global levels.

The World Bank – Its twofold program on governance and anti-corruption at the sectoral level provides concrete tools for designing and implementing action programs. It works at creating an environment for participation and at reviewing practices and reforms from the different sectors of society. The WB published its analysis of the worldwide governance indicators which it developed for better governance to help fight poverty. The six indicators are as follows: voice and accountability, political stability and the absence of violence, government effectiveness, regulatory quality, rule of law, and the control of corruption. These were sought out from across 212 countries over the period 1996-2008. The 2008 updated version of this report showed some positive indication that "governments are making important gains in the control of corruption". It also showed "sharp improvements in governance", but concluded that the "overall quality of governance around the world has not improved much over the last decade."

USAID's New Anti-Corruption Strategy- The four broad actions that the USAID proposes as strategies to fight corruption are the following: confronting the dual challenges of grand and administrative corruption, deploying resources to fight corruption in strategic ways, incorporating the work that the USAID does, and building on increasing the anti-corruption knowledge base. However, USAID's focus was on fighting corruption in the public sectors, reducing lower-level, administrative corruption, rather than corruption among the political and economic elite (USAID 2005),

The Asia and Pacific Region

The Association of Southeast Asian Nation (ASEAN) is the oldest and largest organization of its kind in Asia. ASEAN countries have a combined population of more than 500 million people and their combined gross domestic product (GDP)

exceeds \$1 trillion, which is the 11th largest in the world. However, the ASEAN's success is being set back by high levels of corruption. ASEAN's corruption score of 35.7 indicates that many ASEAN economies still suffer from persistent and systematic corruption. Regrettably, they have shown little progress in anti corruption work.

Quah's study (1999) deals with three types of anti-corruption measures undertaken in the region with a view to better transparency and accountability. The three types are preventive, punitive, and promotional. The preventive measures dealt with electoral and government administration, the punitive measures involved regulatory and disciplinary action, while the promotional measures dealt with value-based education.

In 2008, ASEAN member countries met at Singapore and strengthened their resolve to work together to fight corruption in the region. A memorandum was signed by Brunei, Indonesia, Malaysia and Singapore, and four more countries, namely, Cambodia, the Philippines, Thailand and Vietnam on preventing and combating corruption.

In the resolve to make anti-corruption efforts work, effective governments have to work together at track asset recovery. The need to strengthen banking and financial regulations, cooperation and the exchange of information, the coordinated efforts of intelligence services, the police's addressing crime and money laundering are essential. This idea was echoed in the recent three-day ASEAN Ombudsman Summit held in Manila in 2008. Ombudsman Gutierrez said that "enhanced mutual cooperation" would enable ASEAN nations to effectively get rid of corruption in their respective governments. He added, "There is a need to improve the fight against corruption in the aspects of enforcement, prevention and promotion." This joint meeting of international groups was held to specifically develop programs and policies against graft and corruption.

The Asia Pacific Economic Cooperation Anti-Corruption and Transparency Experts' Task Force: In 2007 this task force met to set up codes of conduct in business for public offices and to improve international legal cooperation. In 2008 it focused on asset recovery and combating money laundering. In 2009, the task force organized one symposium and two workshops on money laundering, the principle preventing conflict of interest, and approaches to building anti- corruption capacity.

The ADB/OECD Anti-Corruption Initiative for Asia and the Pacific: This comprises 28 countries committed to fight corruption. It developed the Anti-Corruption Plan for Asia and the Pacific which rests on three pillars, namely: (i) To develop an effective and transparent system for public service; (ii) To strengthen anti-bribery actions and promote integrity in business operations; and (iii) To support active public involvement. This initiative fosters policy dialogue and analysis, engages in capacity building seminars and technical advisories against corruption in the economic, political and social spheres.

Transparency International Regional Strategy 2008-2012: TI has 20 chapters in the Asia Pacific Region. Its TIAP 2012 Strategy aims to increase the effectiveness and credibility of the whole anti-corruption movement in the region. Its five major areas of focus are as follows: (i) the Organizational Development Program involved that generates self-sustaining funds for operations and addresses training needs; (ii) the Political Finance Program that promotes transparency in political financing; (iii) the National Integrity Systems Program that benchmarks the effectiveness of government's anti-corruption efforts at the national level over a period of three years; (iv) the Forest Governance Program that aims to curb the illegal and unsustainable harvesting and production, the export, import and procurement of timber and wood products from primary or natural forests; and v) citizens' participation through advocacy and the legal advice centers program that aims to empower citizens with information and legal advice to pursue corruption-related complaints.

Another anticorruption group in the region is the Southeast Asian Parliamentarians Against Corruption (Seapac). This group was formed to coordinate the efforts of the region's parliaments and congresses to combat corruption on a regional scale. It provides that the parliamentarians are to "ensure the efficient use of public funds, stimulate investments, and put in place an effective legal infrastructure that would provide the antidote to official indiscretion."

In addition to these initiatives, there are a number of research institutions such as the Research Triangle Institute (RTI), which is one of the leading research institutes with projects in over 40 countries. Its goal is to help "build more effective, accountable, and responsive institutions at the national and local levels of government." It seeks to promote effective decentralization, the strengthening of local government, the fight against corruption, and building transparency (RTI).

Anti-Corruption Efforts at the National Level: India and the Philippines

The Anti-Corruption Measures in India

The Indian Penal Code established in 1860 was the first legal regulation to deal with bribe taking. In 1947 the Prevention of Corruption Act was instituted for the protection of civil servants from harassment. In 1952, the Criminal Amendment Act sought to fight corruption in public administration. The Administrative Vigilance Commission set up in 1955 was responsible for directing various efforts across ministries to fight corruption. The Santhanam Committee in 1964 worked on the prevention of corruption and recommended in its report the setting up of Central Vigilance Commissions in every ministry. These are now further spread out as

individual vigilance units and the Central Bureau of Investigation (CBI). The CBI is the main investigative agency of the central government in all its anti-corruption efforts.

The first Administrative Reforms Commission in 1969 recommended the appointment of Ombudsman known as "Lokayukta". In 2007, or almost forty years later, the recommendation was again submitted for reconsideration. It remains pending because of problems on the subject of authority, etc., of the office! According to Tummala (2009), all these concerns have rarely been satisfactorily addressed so that "while the number of cases of corruption keeps increasing, the number of cases disposed of remains relatively low". She cited how in 2005, for example, of the 4,130 cases awaiting trial at the center, only 265 were disposed of; while at the state level, only 2,005 of the total 12,285 cases pending were disposed of. Tummala (2009) added, "It is estimated that it would take about six years to clear the backlog in the states alone". Jalan (2005) also laments and claims that "Unfortunately, most of the actions taken by the various governments over the last forty years to launch new programs have had the effect of increasing both the demand and the supply of corruption, rather than reducing them" A number of new agencies for preventing, investigating, or punishing corruption have had few effective results. Jalan (2005) The rule making powers of the government are growing despite "the plethora of legislative provisions on all aspects of national life which are more than a hundred years old and are internally contradictory," declared Jalan (2005).

This state of affairs has led many civic groups to join the anti-corruption efforts. The Foundation for Democratic Reform run by committed former judges, civil servants, and army officials is working on changing the rules "from within" and has now become a political party. Public Interest Litigation (PIL) is another group that serves as a watchdog that takes matters up to the courts.

Just as in the Philippines, the tolerance for corruption in India is high. The society itself is lenient and it is difficult to decide the cause and effect. As Tummala (2009) rightly questions, "Is society permissive, or is a corrupt regime corrupting society?"

Anti-Corruption Measures in the Philippines

In the Philippines, corruption is rooted in "an entrenched elite characterized by big landlord interests and big trader and banking business concerns. It can be traced back to political dynasties anchored on feudal patronage and unreformed military and police establishment notorious for its human rights violations and involvement in big-time organized crime" (Araullo in Tujan Jr. ed. 2005)

Gising Bayan (1996) estimated that the amount lost to corruption daily was Php100 million, equivalent to 20 percent of the annual national budget. As per TI's

CPI indicators, most was lost in public works and construction.

According to Cariño (2008), the country, over the years, had the most number of anticorruption laws, acts, and policies instituted in the ASEAN region. Since 1950, the country has come up with a total of 7 laws but frequent changes in the political leadership have made their implementation difficult. The two major acts are the Anti-Graft Corrupt Practices Act (RA 3019) and the Code of Conduct and Ethical Standards for Public Officials and Employees (RA 6713).

There are 13 anti-graft agencies in the Philippines. The Office of the Ombudsman, the Commission on Audit, and the Civil Service Commission are the constitutional bodies that deal with anti-corruption in the country. The Office of the Ombudsman, in particular, is mandated to fight corruption through its rendering of public assistance, investigations, prosecutions, and administrative resolutions. Meanwhile, the Commission on Audit was set up to serve as a watchdog of the treasury.

There is another special office, the Sandiganbayan, created in 1979. It has limited jurisdiction to hear cases involving high-ranking officials. There is also the Presidential Anti-Graft Commission created in 1950s, but it has a negligible record in fighting corruption.

The Senate Blue Ribbon Committee checks corruption in the executive branch and often does little more than draw media coverage.

The government has also co-opted several Church groups and NGOs to fight corruption, among them the Jesuits' Committee on the Evangelization of Culture (CEC) and the Catholic Bishops Conference of the Philippines (CBCP).

Procurement Watch is also a CSO working at awareness building through trainings and other activities. The Integrity Development Action Plan (IDAP) calls for the implementation of several anti-corruption measures through prevention, deterrence, and education.

The present government's recent drive to fight corruption is being noted as a political survival mechanism (Dizo, in Tujan Jr. ed, 2005). But while the offices set up by the government have all the measures in place, the mechanisms to implement them remain weak.

In 2003, sixteen Government agencies, NGOs and CS groups joined forces in investigating the morality, lifestyle, and nightlife of government officials in an effort to gather evidence of graft and corruption. The lifestyle check coalition developed detailed action plans and accountability measures. The number of surveillance units formed and the training courses on values formation significantly increased in just one year (National Statistical Coordination Board NSBC 2009). As mentioned

earlier, however, poor coordination of the agencies involved, low social awareness, high tolerance for corruption, the lack of (absence) a credible institutionalization of a government-civil society-business collaboration and the absence of reliable accountability in government-business transactions. (Situationer, NEDA 2004-2010)

The available studies on government's anticorruption measures in the Philippines relate mostly to political and whistle-blowing strategies. According to Teresita Angeles (1999), three areas, namely, the political sphere, legislative and financial governance have been targeted. For the political sphere, she mentions such strategies as the computerization of the election process, the creation of more citizens' watch groups, and the conduct of a nationwide voters information campaign as among the appropriate measures for dealing with electoral fraud. For the legislative arena, she mentioned the promotion and strengthening of the people's advocacy, the installation of a performance reporting system on public officials (Ulat sa Bayan - Report to the People), and legislation - the Protected Disclosures Act, for instance, would combat some problems pertaining to legislative perks and privileges. Third, empowering the commission on audit (COA) to review tax assessment and simplify rules and procedures would ensure improved revenue assessment and collection.

The Office of the Ombudsman offices has punitive and retributive measures to fight corruption. Reporting corruption is risky per se, and the social and organizational cultures make it even more difficult. Newer methodologies of reporting have resulted from the work of the AIM.UK project on corruption. One of them is whistle blowing, and this method is getting popular and is being supported by the public and private sectors since it incorporates rewards, incentives, etc. However, just like many others strategies, whistle blowing has not been really developed in the Philippine (cultural) context and is more amenable for application to the western mode of governance.

During the ADB/OECD Anti-Corruption Initiative for Asia and the Pacific 2006, the Philippines developed a major National Anti-Corruption Program of Action (NACPA), an elaborate, sophisticated plan to fight corruption. It seeks legislation for improving the anti-corruption environment, corruption prosecution, corruption prevention, anti-corruption education and social marketing, coordinated partnerships,? clear and accountable performance targets, and regular monitoring of anti-corruption performance indicators. These were formulated and worked in five areas:

1. Convergence Development and Management
2. Public and Policy Advocacy
3. Resource Mobilization and Management
4. Performance Measurement and Management
5. Knowledge Management and Capacity Building

The International Initiative on corruption and governance observes “Recent developments in the global arena lead us to pose the hypothesis that the prevailing international discussion and agenda on corruption and governance is, by and large, set by powerful interests including those who wish to escape international scrutiny”. According to Tujan (2005), most of the strategies are characterized by their emphasis on the public sector, as opposed to private corruption, on the national as opposed to the global level. The actual effectiveness of measures taken world-wide has resulted in relatively few success stories. In the Philippines show that corruption and poverty have increased and economic and social indicators (malnutrition and GDP) further weakened.

But insofar as the general public is concerned, corruption may not be something to fight about in the country because as Romero (1999) observes, “Clearly, despite the intense public mobilization and media coverage, by and large, many Filipinos are yet unable to comprehend the significance and implications of political issues and trends in their day to day concerns that mainly revolve around escaping poverty.” The call for public intolerance of corruption is long overdue (Romero 1999).

Despite so many initiatives to fight corruption at almost all levels from the international to the regional, and national levels, corruption still persists at all levels. The forms it takes on range from the primitive cycles of bribery, on to extortion and to the more complex and sophisticated forms. Many development institutions and experts have analyzed the cause of this persistence in relation to the anticorruption measures and efforts presently employed. As we know, fighting corruption is not an end in itself. If implemented well, anti corruption strategies helps states to govern better. It gives democratic governance a chance to develop and be sustainable. It promotes a culture of “democratic governance which welcomes a wide scope of political participation embracing a pluralistic system of political parties, a vibrant civil society and media” (UN integrated mission on Timor Leste).

Both in India and the Philippines democratic governance has not been able to eliminate some of the worst forms of poverty. Corruption exacerbates lives in both countries. Anti-corruption institutions abound, but corruption persists. The political leaderships in both countries promise the swift execution of anti-corruption policies, yet, most of these promises are often broken. So how does the rhetoric of transparency, accountability, and the capacity to have sustained anticorruption measures become a reality?

Critiquing the Effectiveness of Anti-Corruption Initiatives

Lack of a systematic impact study of AC initiatives: Despite decades of reforms and efforts to fight corruption, majority of countries still are in need of intensive

research with a systematic inquiry into the weak impact of anti-corruption policies, structures for its implementation and management and governance as such.

Some observations and findings in the reports of TI voice concerns along the same vein. As recently as November 2009, the UN anti-corruption at a conference held in Doha questioned the effectiveness of national governments to tackle corruption. State leaders signed an anti corruption treaty. The treaty has the potential to become the global anticorruption standard but there is no effective and transparent review mechanism to build its credibility. Concerns have been raised that it will be merely seen "as a piece of paper" (TI press release 2009.) An effective review mechanism must include the full publication of country reports, meaningful CS participation, and country review visits. Two groups, however, have been reported to be blocking and opposing the principles in the anti-corruption treaty. The treaty was signed by 141 countries, and includes provisions for preventing bribery, embezzlement and money laundering. It also provides for moving towards asset recovery and providing bilateral legal assistance.

The policies, approaches, concepts, strategies, action plans, issues, and critiques of anti- corruption have not as yet undergone significant systematic study. At the implementation stage, the possibility of their transpiring is even less so. Cases have been developed but the nature of corruption is so contextual that not all sectors are amenable to anti-corruption measures. The measures are mostly directed at the public sector, where the delivery of services is expected. In fact, Heidenheimer (1970) laments that, often, corruption is not seen as a problem and, at the most, it is studied as a series of dishonest incidents.

Kaufmann stresses the need for data on transparency and the power/ impact it can have on formulating anti-corruption measures. The complex nature of corruption and its permeation in throughout all spheres of life, so to speak, make it an extremely nebulous and tricky field to capture in terms of systematic data. Anti-corruption impact data sets will tend to be even more volatile in nature and will be difficult to capture!

The efforts to develop credible data are still ongoing. It is interesting to note the number of types of surveys and sectors that are used to measure corruption. Some of these surveys include: International Business Attitudes to Corruption (2006) for which 350 people in seven countries were interviewed; Corruption or Compliance that measured the costs of corruption in 10 countries, the Global Fraud Survey of 2008 that interviewed corporate leaders. The UK-based Overseas Bribery and Corruption Survey in 2007 targeted the regulatory framework; the Global Economic Crime Survey of 2007 focused on 5,400 executives in 40 countries. The TIs Bribe Payers Index, the Corruption Perception Index, and the Global Corruption Barometer are the most widely used in research and studies on corruption. The World Bank's Governance Indicators on 212 countries featured six dimensions of governance which included control of corruption also gave depth to the development of anticorruption strategies promoting good governance. All these surveys are broad

indications of corruption and do not capture the intricacies and complexities of its nature.

Efficiency and cost assessment: The global initiatives for anti corruption were discussed in the 2006 APEC meeting included reforms in the legislative and regulative fronts. While these have been made, challenges to their efficient implementation remain. The costs of carrying out these reforms still need to be assessed systematically, and model pilot programs need to be accessible to all regions. For example, Quah (1999) would like to see public sector salaries raised, but this requires financial governance that is able to keep in check.

Fighting corruption without sincerity: The failure of the anti-corruption measures has been ascribed to two spheres: political and administrative. Politically, there is no serious attempt at reform. Oftentimes, the government approach is reactionary and usually, it is a reaction to a scandal. Little attention is drawn towards actual whistle blowing or exposing a problem in real time. This calls for credible reform measures. And even if the government is serious in its efforts, it is not being able to harness the private sector, CSOs and the political opposition to effectively control corruption. Anti corruption has to be understood by all sectors uniformly for its strategies to be implemented in a credible and sustainable fashion.

There is a temptation to take up wholesale solutions when it comes to administrative anti- corruption initiatives. Every development project requires specific types and levels of administration, depending on the sector, such as agriculture, transport, education or health. Corruption controlling methods should be adapted to the locale for them be effective. However, given the development project deadlines, logistical difficulties, and the often increasing demand for resources, efforts to come up with appropriate methods become negligible, or may be abandoned altogether! Long-term continuous monitoring mechanisms would have to be built into administrative governance.

Culture of globalized corruption: Kaufmann (year), who shows supreme confidence in globalization, declared "there is no evidence that ideology, culture globalization or privatizations are culprits behind corruption." Often this stance is misinterpreted to mean that the push for international compacts' holding reign over national or local nuances of corruption stands supreme. However, Shah (2006), in his study challenging the one-size-fits-all approach has developed high, medium, and low levels of corruption and applied corresponding anti-corruption strategies. Corruption cannot indeed be fitted neatly into levels; nor pursued as having the same characteristics globally. The complexity involved in fighting something that cannot be caught so easily is proved by the financial crisis that surprised most economists.

The soundness of anti-corruption agencies: Quah's article (2006) espouses the idea that the commitment of political leadership is crucial to the effectiveness of AC. But, often, leadership is in question for engaging in corrupt practices. The agencies

set up for transparency and accountability themselves are problematic and have been found vulnerable to corruption. Prompt and appropriate action is rarely seen. Overall, even when detailed forms of accountability (vertical, horizontal, societal, managerial) are conceptually well developed and have increasingly found their way into aid policies, the actual strengthening of these various forms of accountability still poses considerable challenges (WB 2008).

What these multifaceted anticorruption initiatives unanimously agree to is involving civil society in light of achieving the MDGs through good governance. "Everyone has a role to play, not only governments, but also parliamentarians, businesses, civil society, the media and the average citizen. Corruption hurts us all, therefore fighting it is a shared responsibility" says Antonio Maria Costa, UNODC Executive Director during the Bali conference in 2008.

In the next part of the paper we highlight the need for CSOs to interface with government and the business sector for achieving effective practices of good governance by fighting corruption better.

PART III

The highest office in most democracies is not the president, but the citizenry. Citizens of democracies bear rights, as well as responsibilities. Ideally, citizens engage in robust and vigorous debate when policy alternatives are present, and make clear choices between representatives who pledge to enact the policy alternatives. Democracy thrives when there is a deliberative process in which the citizenry as well as the candidates for public office engage each other. "Without freedom of expression and freedom of association, none of this is possible; it is the *sine qua non* of democracy" (Leo Casey 2008). Living in a true democracy entails more than voting for representatives. It requires using one's own mind, voice, and actions. Civil society can be said to represent the mind, voice, and action of the people.

The renewed interest in promoting democratic citizenship and democratic forms of governance gives much prominence to civil society. Its growth is determined by the space provided by democratic government. Recognizing the potential of CSOs, most development institutions have outlined and are taking on board their contributions in fighting corruption. Some cases of anti-corruption work in India and Philippines are included as samples of the CSOs' unique, innovative, and progressive approach.

There is a growing consensus that good governance is about participatory forms of governance which highlight the role of CSOs. As mentioned earlier, CSOs cover a range of organizations that include ordinary citizens, community-based

membership organizations, community leaders and activists, independent media, advocacy organizations, social movements, professional associations, trade unions, academics, think tanks, and NGOs.

According to Civicus (2006), both, governments and citizens/civil society have a crucial role to play in promoting good governance and ensuring public transparency, responsiveness, and accountability which can lay good foundations for strong anti-corruption strategies.

Fighting Corruption – The Civil Society (CSO) Potential

The number of anti-corruption policies, programs, and strategies that have been institutionalized have had mixed results. We focus on the potential of CSOs that is being recognized as a possible redeeming feature in the innovative demand for transparency and accountability measures to stem corruption. This informal sector is becoming yet another partner in development. It brings a huge gamut of organizations in its fold. Both India and the Philippines have civil society organizations that are among the largest worldwide, and many of them work for development, targeting the poor. India's CSOs number between 1.2-1.5 million, of which 53 percent are rural-based and 47 are urban-based. Philippines CSOs number around 600,000. The ADB brief (2007) on CSOs in the Philippines claims that "there is a consensus that the civil society sector is large and vibrant by development country standards, even though most of the large number of organizations are small, struggle financially and have weak capacity." This is not much different from India where 13 percent of the CSOs have 2 to 5 employees, 5 percent have 6 to 10 employees, and 8.5 percent employ more than 10 persons. CSOs therefore do not only represent the poor but are themselves poor, too.

The World Bank (2007) is very much concerned that CSOs, particularly in the poor countries, are not economically sustainable and lack the capacity and management to be effective as development partners. Yet, civil society is discussed as a source of vitality for democracy and economic growth. CSOs can tackle corruption since they have the potential to have a stronger voice that represents the citizen's call to escape from poverty. This sector has a definite space as a substantial player in the equitable delivery of public services. CSOs are equipped by their very constitution to further democratic development and fight corruption with rightful passion. An appropriate example would be the work of Transparency International, the largest global CSO fighting corruption.

There is much rhetoric of CSOs being included as partners in the fight for anticorruption at global and national level development policies. At the G20 meeting in 2008, the TI managing director, Cobus de Swardt, said "With this crisis, trust in financial markets vanished and confidence in public regulators was destroyed. Rebuilding with integrity means applying transparency, demonstrating

accountability, and taking the views of civil society fully into account.” But many current formal structural institutions that engage in anti-corruption find that presently, there are no venues for civil society to engage in discussions. Institutions like the Financial Stability Board (FSB) or the IMF still need to look for these avenues on how CSOs can best help fight corruption. Providing opportunities for CSOs that can have a sustaining impact on anti-corruption requires research and also a formal systematic approach.

TI is also engaged in developing strategies to involve NGOs, the media, and the private sector/ corporate governance. These strategies will indicate how they can support the anti-corruption agenda. The Anti-Corruption Handbook (ACH) developed by TI in 2009 is based on TI’s National Integrity System (NIS). Substantial focus is still on the public sector, but the trend is to assess the role of NGOs, as well. The most recent thought is to increase the number and types of actors involved in fighting corruption. The WB, with the strategic objective of improving governance through public-private partnership in the anticorruption drive came up with detailed initiatives in 2005.

In the Philippines civil society has gained some ground by becoming one of the targets of the implementation of mechanisms for public service. The mushrooming of CSOs/ NGOs in the Philippines has been studied in terms of developing alternate forms of governance, as opposed to effective partnership structures with government entities. Historically, the legendary plundering under the Marcos leadership weakened the then existing structures of governance, forcing the Filipino people into crisis movements and organizations that gave citizens a stronger voice. The space that CSOs lived in was seen as potentially vibrant and empowering. The potential toward democratic space was sparked during the 1986 People Power movement. But CSOs have to still lead people into responsibly pursuing their effort towards freedom from poverty and inequality first. Fighting corruption is one method.

Each leader since 1986 established a presidential agency to fight corruption. These agencies involved NGOs and CSOs in their undertakings. The President’s Committee on Public Ethics and Accountability (PCPEA) of President Aquino and President Arroyo’s Presidential Anti-Graft Commission (PAGC) are two examples. The national coalition of transparency launched in 1989 consisted of 30 NGOs. Some initiatives also sprang in the following sectors: the electoral process, police corruption, the values education program, and the moral recovery program of President Ramos.

The NCPA (2006) mentioned earlier maintains that with its limited resources, it cannot successfully develop, implement and sustain its work without the partnership and collaboration of civil society organizations, people’s organizations,

the business sector, religious groups, the media, and local and international development partners.

There have been some successful CSOs fighting corruption that have been doing exemplary work. Those that have demonstrated effective tactics include the following: the Volunteers against Crime and Corruption (VACC) and the Concerned Citizens of Abra for Good Governance (CCAGG) (Romero 1999). The strategies and measures they adopt usually include: lifestyle checks, serving as civil society watchdogs, preparing report cards, coming up with citizen's charters, and opening public documents. Some of them are presented as samples of success stories in anti-corruption work.

The CSOs in this paper were selected on the basis of their focus: anti-corruption work—their targeting advocacy, accountability, transparency, engagement in civic education, and a general lowering of corruption mainly in the public sector. The CSOs in India are the Public Affairs Center that developed the Bangalore Report Card, the Parivartan that led to the formulation of the Right to Information Act, and the Mazdoor Kisan Shakti Sangathan which is responsible for pioneering public hearings. CSOs engaged in anti-corruption in the Philippines are the Citizen's Charter of Naga City, the Philippine Rural Reconstruction Movement that works at advocacy programs in the rural areas, the Concerned Citizens of Abra for Good Governance that conducts participatory audits, and Procurement Watch, Inc. which is responsible for pioneering the Government Procurement Reform Act.

CSO Initiatives for Anti Corruption in India The Bangalore Report Card

The Public Affairs Centre in Bangalore recognizes that the report cards have succeeded in “catalyzing citizens in taking proactive and creative steps.” Active citizenship has become a reality.

The report card is modeled according to the private sector practice of seeking quality and efficiency of services in the public sector. This has proved to be the first systematic gathering of public feedback on service satisfaction and has improved services rendered. It also ensures transparency and accountability. The method of the report card system combines skills such as understanding of the socio-political context of governance and the structure of public finance, technical competence to scientifically execute and analyze the survey, media and advocacy campaign to bring out the findings into the public domain, and steps aimed at institutionalizing the practice for iterative civic actions.

The steps in the preparation of the report card include the identification of the scope, the purpose and the actors; the designing of questionnaires, sampling, execution of the survey, data analysis, dissemination of the results and analysis, and

its institutionalization. In India the report card system is administered by CSOs.

Parivartan and the Right To Information Act (RTI)

A 2006 Ramon Magsaysay Awardee for emergent leadership, Arvind Kejriwal contributed towards the formulation of the Right to Information Law in India. He has been credited for "activating the right to information movement at the grassroots". He founded the citizen's based movement called Parivartan which means change. Parivartan has been fighting for justice, transparency, and accountability in governance. The RTI Act of 2005 gives the right to Indians to access government records. Once questioned, the government is expected to comply within 30 days or else face financial penalties, etc. It has been a key instrument in uncovering corruption in government projects.

The Mazdoor Kisan Shakti Sangathan (MKSS) India

In rural Rajasthan, the largest state in India, an organization called the Mazdoor Kisan Shakti Sangathan (MKSS) has, in a little over a decade, developed into one of India's most potent social justice movements. The organization is a union of peasants and workers, and has successfully demonstrated the power of information as an effective tool to enable citizens to participate in governance. The MKSS uses innovative forums called public hearings, also called social audits, to facilitate structured and focused discussions among residents on government expenditures of public development funds in their communities. MKSS-sponsored public hearings have had a significant impact on limiting corruption in public works projects in rural Rajasthan. The success of MKSS social audits has even influenced the state government of Rajasthan to introduce aspects of social auditing within local governance processes. The state government now requires that a social audit be held annually within each village.

A social audit conducted by the MKSS involves five stages: (i) Gathering Information: MKSS members start the process by gathering all documents that are maintained by the public agencies on development projects; (ii) Collating Information: MKSS members have developed a simple methodology for collating the information into matrices that summarize the different kinds of information obtained from the project records; (iii) Distributing Information: MKSS members and other volunteers involved in the social audit make several copies of the project documents and the matrices developed. Teams of volunteers then go from house to house in the villages, where public hearings are to be held. There they distribute and explain the information to the residents. This information distribution process can take from one week to a couple of months. It provides an opportunity for MKSS members to build momentum within the communities a day before the actual public

hearing is held; (iv) The public hearing: Public hearings sponsored by MKSS have a very festive atmosphere around them. There is a lot of anticipation among the residents of the village where the public hearing is being held about the possible outcomes of the day's events. MKSS members control the flow of discussions so as to enable the residents and public officials to systematically provide their opinions on the project/program under discussion; and (v) Follow-up to the public hearing: A formal report is prepared by the MKSS following each public hearing. Copies of this report are sent to senior state government officials, the media, and other groups engaged in anti-corruption campaigns.

CSO initiatives in anti-corruption work in the Philippines Putting Vision into Reality- The Case of Naga City

Participatory planning and governance have been the hallmark of the oft-cited, multi-awarded Naga City, in the Bicol region of the Philippines. Its outstanding achievements include the efficient delivery of services ranging from, health, nutrition, peace and order, child welfare, environmental protection, solid waste management, tax collection, government procurement, etc.

The city has been successful in "its attempts in restructuring the local state's relationship with its citizenry and civil society, and in providing better city governance through a new brand of political leadership and public administration." All these were possible and took firm root with the enactment of the Local Government Code. The decentralization experiment in Naga City began in earnest thereafter, promoting a progressive political culture. The aim was to improve the quality of life.

Mayor Robredo has shown good management of the city. He has a strong political machinery at the grassroots, which has been the cornerstone in participative governance which has been instrumental in preventing corruption effectively. Naga City is a typical provincial city with leadership that is not wealthy but has a professional record. The latter may not be typical, however. There exists a distinct divide between the political and the economic elite, and the local leaders preferred to entrust politics in the hands of the professionals. The awakened, active citizenship is illustrative of good governance practices. The leadership of Robredo was challenged constantly, prompting him to forge new inroads for participatory governance. E-governance facilities and new incentives and creative solutions were set up. Providing and institutionalizing information for transparency and accountability led to minimal corruption and the making of the Citizens Charter. The Charter, a guidebook on key city government services, is envisioned to be "an enforceable contract between the city government and its constituents" (Robredo year). Its framers see it as a "living document" that will evolve from the iterative processes of citizens' feedback, government response, and widespread social learning. The bases of the charter were ADB's elements of good governance:

accountability, participation, predictability, and transparency.

Like with the report card system and the private sector, the Robredo administration aimed for efficiency benchmarking. The I-Governance program was another effort towards participatory and inclusive governance. The empowering nature of information that is shared and used by citizens has helped improve services through the access to dialogue between service providers and users.

(Source: The above is compiled from the article by Leonora C. Angeles titled "Renegotiating Decentralization and State-Civil Society Relations: A Re-interpretation of Naga City's Experiment in Participatory Governance")

The Philippine Rural Reconstruction Movement (PRRM)

The PRRM was founded in 1952. Committed to the cause of the Filipino peasant, the PRRM has made a number of major contributions to Philippine rural development. It is the first NGO to send its workers to the villages to implement its integrated, fourfold program of education, livelihood, health, and self-governance. It pioneered the establishment of an elected barrio government so that today's Barangay Council is its contribution to grassroots democracy. PRRM has chapters in Luzon, the Visayas and Mindanao.

It envisions a world of equity and sustainability. Its mission is to enhance the capacity of rural communities in the planning, advocacy, and implementation of sustainable development, through an integrated program of education, livelihood, health, habitat, the environment, and self-governance. PRRM values the following in participatory governance and citizenship: justice and equity, unity and peace, nationalism, people's participation and community empowerment, volunteerism and bayanihan, caring for the environment, family-focus as well as the celebration of the Filipino culture. For almost six decades now, PRRM has been engaged in organizing and strengthening rural communities through an integrated program of education, livelihood, health, habitat, the environment, and self-governance, helping communities and CSOs plan for their development.

Over the past decade PRRM has been consistently involved in advocacies for social and environmental justice. It has claimed some space in every imaginable site of struggle where the people's welfare is at stake: from the barangay elections to United Nations events, from World Bank and Asian Development Bank meetings, to dialogues with corporations ensuring policy reforms.

PRRM also undertakes advocacy campaigns at the national and local levels, both by itself and in collaboration with other organizations, to promote laws, policies, programs and regulations that benefit small farmers, fishers, indigenous peoples, women and the youth. It helps build capacities and innovative schemes to enable communities to address their social service needs. In areas of operation where the government has little or no presence, PRRM also facilitates the direct delivery of basic social services to address the immediate needs of the community.

The Concerned Citizens of Abra for Good Governance (CCAGG)

The Concerned Citizens of Abra for Good Governance (CCAGG) is a non-government organization that monitors the government projects in the Abra region of the northern Philippines. It was established in 1986 when then Philippine president, Corazon C. Aquino, created new opportunities were created for CSOs to participate in development programs. Under the new community participation policy, CCAGG members signed a memorandum of understanding with the National Economic Development Authority and received training from the agency in project monitoring. The members used the local media (radio, newspapers) and organized community meetings to inform residents about public infrastructure projects.

While monitoring community employment and development projects, CCAGG members have highlighted the works/ projects of the Department of Public Works and Highways (DPWH). They checked on 27 projects that were claimed to have been finished but found the declaration to be untrue. Action against the agency for misinformation was undertaken by CCAGG. A detailed documentation of the actual state of the projects was made, inclusive of affidavits prepared by residents in the project areas and photographs of the project sites. These were then submitted to the national government, along with a demand that the Department of Public Works be investigated. An official government audit concurred with the CCAGG's findings and several officials of the DPWH were charged with corruption. This was probably the first case in the history of the Philippines where a civil society organization's vigilance had resulted in the conviction and punishment of government officials on charges of corruption.

CCAGG consolidated its activities and its members developed a unique technique for monitoring government projects. Members of CCAGG—primarily housewives, students, and other youth members—observe and watch out for road construction projects and report their findings to specialist colleagues, such as engineers and accountants. These staff members, in turn, conduct detailed investigations on project sites. CCAGG investigations monitor a variety of corruption in government projects, especially road construction projects, including the use of sub-standard materials such as cement mixtures and/or poor construction techniques, and fraud in contracting procedures (e.g., rigged contracts). While successful, the experience of the COA-CCAGG participatory audit highlights several challenges that need to be addressed for future cooperation between CSOs and public auditors. However, the audit methodology and sustainability of the audit exercise are issues of concern.

Procurement Watch, Inc., (PWI)

During the late 1990s, there was a growing feeling among concerned

government officials in the Philippines that official procurement practices needed to be reformed. The task force members of the reform movement group decided that they needed to involve civil society groups to build public opinion in favor of the draft a law so as to create pressure for its passage in the legislature. Two private consultants from the task force joined two concerned citizens in 2001 to form the NGO called Procurement Watch, Inc. (PWI) which had the express mandate to advocate for the new procurement law and to monitor its enforcement once enacted.

Over the next two years, the PWI staff took on the tasks of contacting other CSOs, primarily groups working on anticorruption, and mobilizing public opinion in support of procurement reforms. During its efforts to mobilize public opinion on this issue, PWI found a key ally in the Catholic Church, widely perceived to be the most influential non-governmental institution in the country. The media (newspapers, radio, and television) too became part of a strategic and well-planned awareness campaign.

In January 2003, PWI's efforts paid off when the legislature passed a new procurement law—the Government Procurement Reform Act (GPRA). This was a unique victory for PWI. For the first time in the history of the Philippines, a CSO was successful in advocating for a law to be enacted on a subject that required a high degree of technical expertise, not normally associated with civil society initiatives.

As a partner of the Ombudsman, PWI has also established a "Feedback and Complaint-Handling Mechanism" to process and respond to reports and other information provided by procurement observers. It has come up with research papers and press releases on the subject of best practices in procurement procedures. A new partnership is now being planned between the Ombudsman and PWI to take advantage of a law in the Philippines that requires all college graduates to participate in three to four weeks of mandatory community service.

CONCLUDING OBSERVATIONS

The role of CSOs in fighting corruption is beginning to take on some structure, with a good deal of innovation and creativity. However, their potential to do more has still to be addressed seriously by government and market institutions, particularly in developing countries. For example, even though India's civil society is vibrant and is free to operate and have a sizable space, the Bertsmann Foundation (2008) reports that CSOs lack deeper roots. The participation level is low, while at the state level, it is possible for the state to declare emergency rule whereby severe restrictions can be imposed that will (may?) weaken the CSOs' voice.

The significance of civic education and active citizenship in anti-corruption

strategies can be better addressed by CSOs as they can emerge as a long-term sustainable factor in dealing with corruption by means of participatory mechanisms. The need for ethical training and the building of core values at the leadership level is apparent, as is the need for proactive preventive measures and potentially effective anti-corruption mechanisms.

The challenges for CSOs in fighting corruption are stupendous in terms of resources, battling official attitudes, taking on mass media, wading through the political culture, etc. Most of all, what is often questioned is the accountability of the CSOs themselves. Time, space, and resources are a major constraint to developing the capability of CSOs to fight corruption.

CSOs need to have a high level of organizational skills especially if they have to work towards achieving their role in reducing corruption. The focus has usually been on NGOs vis-à-vis government organizations (GOs), particularly in addressing government misconduct in service delivery or the use of public funds. Market-related institutions have yet to be considered. The financial crisis has revealed the nature of deep corruption and CSOs have to still come to terms with the HOW of managing its anti-corruption strategy towards this sector.

Anti-corruption measures should shift from traditional agencies to CSOs, and should focus on strengthening existing public-private civil society cooperation. With this kind of partnering, citizens can participate effectively in fighting corruption once they are granted permission to scrutinize the budget of large development projects.

The effectiveness of CSOs in monitoring at the grassroots level may neither be effective nor credible. Most of the literature available is case-based. This also sometimes amounts to subjective viewpoints and may not empower those that need it most. The societal structure at the local level may hinder the CSOs' work outputs on anticorruption. Also the evaluative work of CSOs lack sophisticated technology and methods, and may not be effective in fighting corruption (OECD 2003).

The capacity and management of CSOs are weak, more so in countries prone to systemic corruption. Most of the CSOs that have done effective anti-corruption work are based in the developed world, and are therefore better endowed, have professional standing, and speak the same language as those that govern. In contrast, CSOs in the poorer regions of the world are ill-equipped in terms of management skills. Often, CSOs in such regions are not recognized as partners in development at all.

What is clear, however, according to the OECD (2003), is that CSOs have made great progress in areas such as recognizing that "coalitions are key, and there are many examples that they work and get results". The networking, established long-

term and ongoing relationships with communities give CSOs a level of trust unlike other institutions. This should be capitalized in developing anti corruption methods.

CSOs in Asian countries have somehow delivered and, out of necessity, have had to do with meager resources as seen in several cases cited in literature on India and the Philippines. Both these countries, as the cases suggest, have used a variety of approaches to respond to local needs and services, and can set standards of accountability and transparency at the local level in some measure. In 1999 a number of CSOs in India formed Credibility Alliance that promotes guidelines for 'minimum norms', 'desirable norms' and 'good practices'. Similarly, The Philippine Council for NGO Certification has also been formed.

The beginnings of CSO participation in anti-corruption work are evident, but in developing countries, they are but a drop in the ocean. The potential still has to be fully exploited, and, unless the CSOs are exposed to a nurturing environment for harnessing its skills, capacities, and promise towards spreading active citizenship, the unique features and advantages in addressing anticorruption will be lost. Strategies for the effective prevention of corruption are a responsibility of all development institutions. CSOs have still to grow into a formidable force to fight corruption and thus help the poor achieve a better life. The conceptualizing of CSO participation is in its formative stage, but the mechanisms to orchestrate the participation have yet to take root.

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Appendix

Chart 1. Share of World's Private Consumption

Chart3. The relationship between corruption and human development

Sources of basic data: Transparency International annual reports; United Nations

January-December

Development Program's Human Development Report 2005

Chart 4: The WB model framework for CSO and Good governance mechanisms:

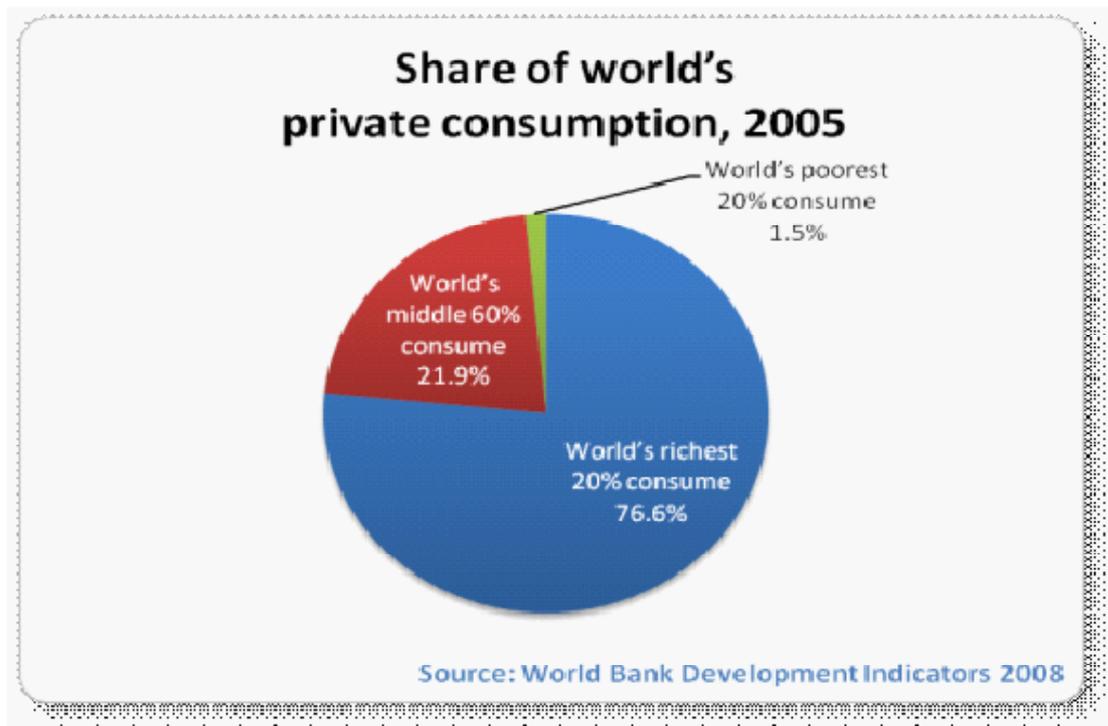
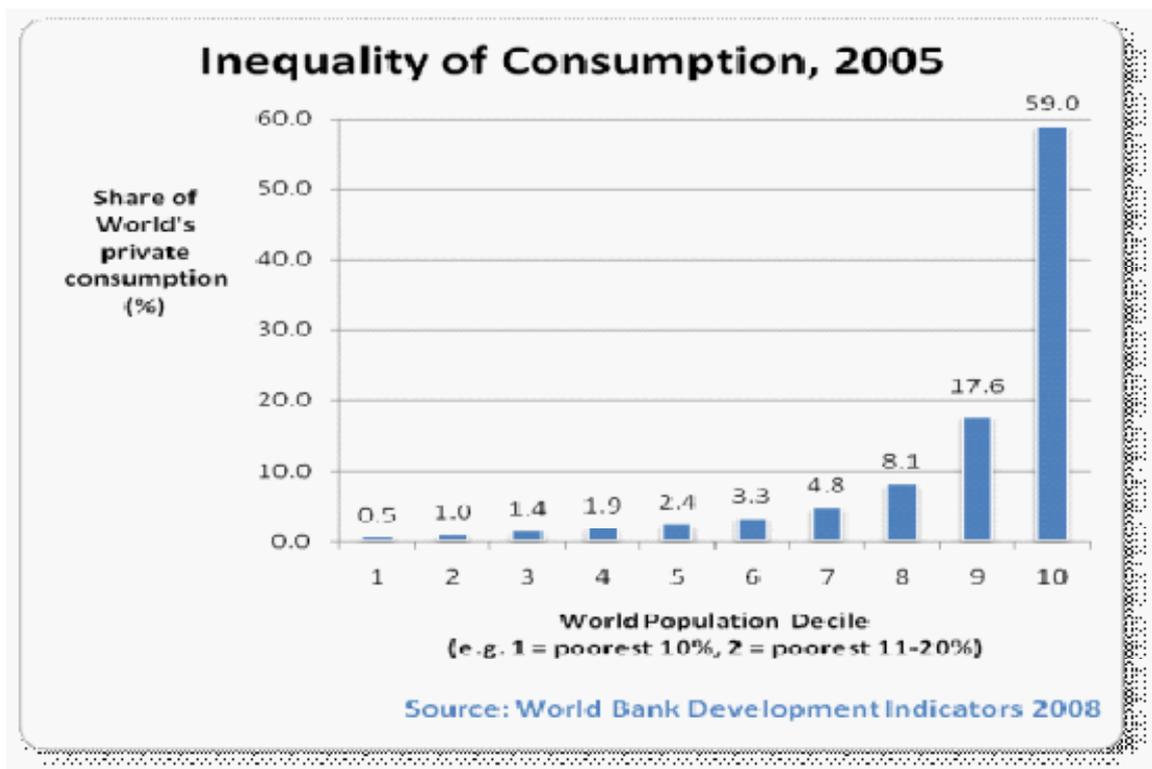
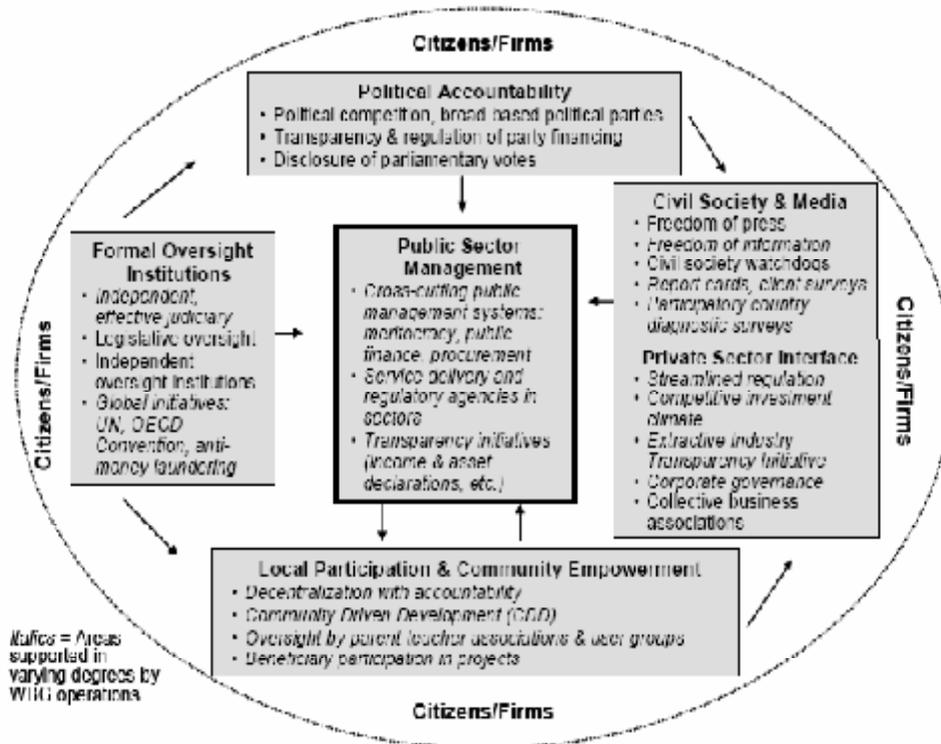
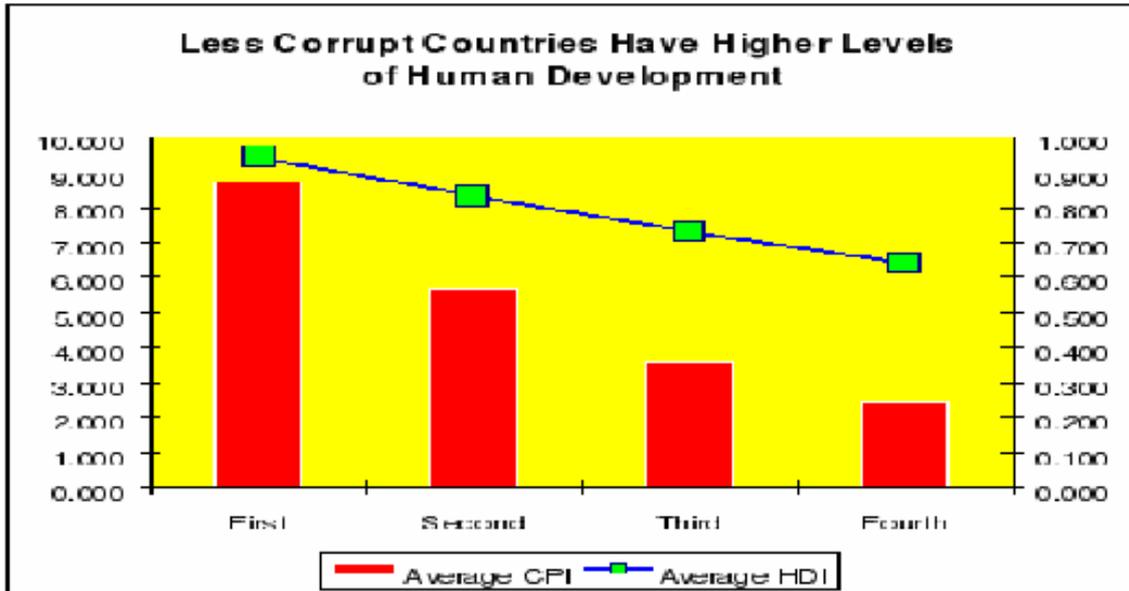


Chart 2. Inequalities in Consumption Leading to Corruption





Source: WB 2007a

Chart 5: Corruption Control in East Asia 2002

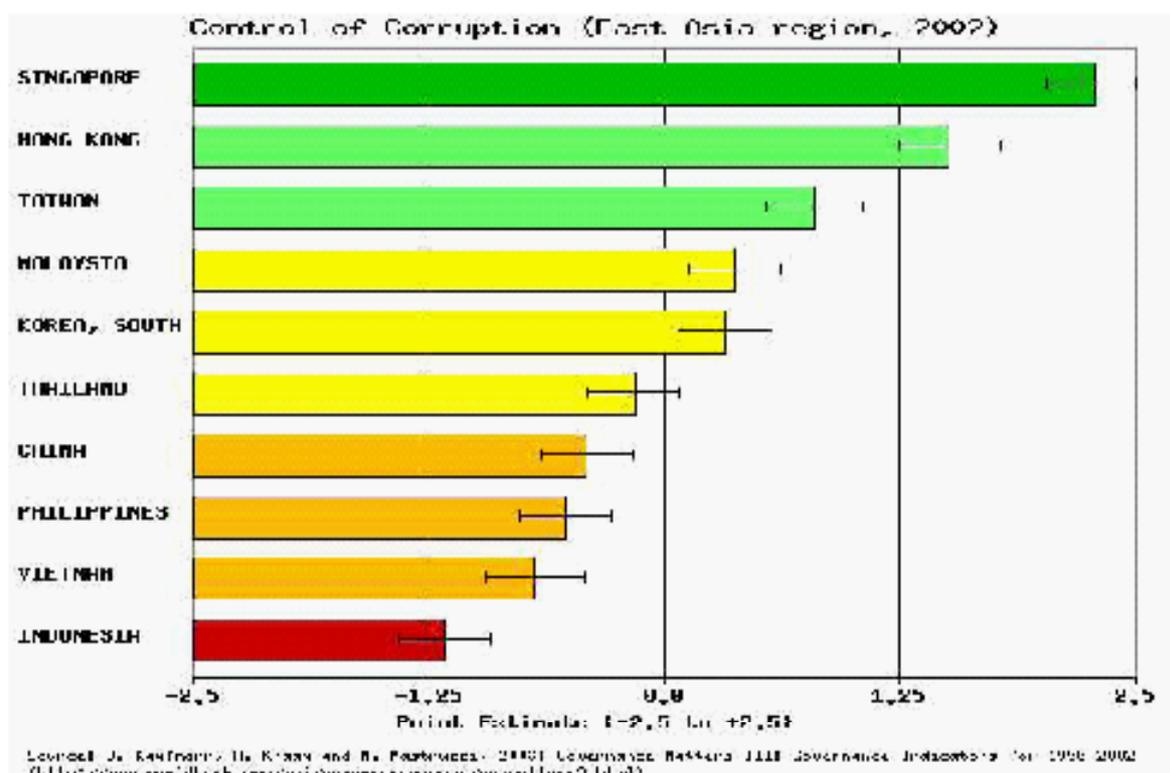


Table 1: Ranking by Various Indices selected for India and Philippines

Index	India	Philippines
CPI TI 2009- out of 184 countries	84	139
GCI 2008 World Economic Forum- of 134 countries	50	71
HPI Human Poverty Index-	88	54
HDI Human Development Index 2009	134	105
Birthrate	2.8	3.1
GDI Gender related Development Index	114	86
Happy Planet Index, New Economics Foundation	48.7	
SPI Spiritual Capital Index, RM Institute out of 65 countries	58	
Population below poverty line-less than US\$ 1.25 a day	41.6	22.6
Population below poverty line-less than US\$ 2 a day	75.6 %	45.0%

Table 2: Rank of indices for India and Philippines related with Corruption

Index	India	Philippines
Diversification of Public Funds	55	117
Public Trust of Politicians	84	123
Judicial Independence	43	83
Favoritism in decision of Government officers	58	117
Wasteful government spending	62	120
Burden of government regulations	90	109
Efficiency of Legal framework	42	104
Transparency of government policy making	55	85
Business costs of terrorism	106	125
Business cost of crime and violence	53	93
Organized Crime	71	92
Reliability of police services	62	98
Ethical Behaviour of firms	61	102
Strength of auditing and reporting standards	30	46
Quality of primary education	80	72
Number of Third sector Organization-(CSOs, NGOs POs) (2007)	1.2 million	600,000

Table 3: Various Indicators of GCI 2008: India, Philippines and Singapore

Indicators of GCI 2008	India	Philippines	Singapore
Basic Requirement	80	85	3
Institutions	53	105	1
Infrastructure	72	92	4
Macro Economic stability	109	53	21
Health and primary education	100	90	16
Efficiency Enhancers	33	68	2
Higher education training	63	60	8
Goods and market efficiency	47	81	1
Labor market efficiency	89	101	2
Financial Market sophistication	34	78	2
Technological readiness	69	70	7
Market size	5	34	41
Innovation and sophistication	27	67	11

Civil Society Anti-Corruption Efforts: the Case of the Millennium Challenge Corporation's Engagement in Ukraine

JUHANI GROSSMANN

This paper focuses on a recently established new role of Civil Society in development assistance issued through the United States Millennium Challenge Corporation (MCC). It briefly discusses the MCC approach to development aid, especially its indicator-driven innovations in the general context of development assistance. Three types of civil society organization (CSO) engagements are reviewed: indicator creation, in-country project design and implementation, and board membership and ongoing consultation. Finally, a conclusion about the degree of interaction and its effectiveness to date is made.

2) Introduction and Background

"[G]overnance refers to the development of governing styles in which boundaries between and within public and private sectors have become blurred." (Stoker, 1998 p. 17) Traditionally, these have been a virtual monopoly of the state, but an increasing share of steering one's society has been implemented by non-state actors. On the domestic government scene, this is an extremely common process. Even in the traditionally conservative field of international development assistance, this theme has taken foot. As Ann Florini (1999: 28) points out, "states increasingly have to share authority in the international arena with a range of different non-state actors."

The Millennium Challenge Corporation actively utilizes new forms of governance. Its aim is the decrease of poverty in low and middle-low income countries, in line with the Millennium Development Goals. It does so through an approach that is radically different from other development agencies: countries that show promise and perform well from a governance reform perspective receive substantial financial support to boost their initial successes. This sum is usually up to half a billion USD for the larger countries. The idea is that those countries who go through the necessary governance reforms will utilize funds more effectively. If funding is conditional upon performance, the obvious question becomes how objectively "performance" is defined.

* The author is the Director of this Project.

This time, the definition is not chosen by the government itself, but by a group of research institutions and NGOs. Their annually published indicators have to reach a certain level for a certain country to become an eligible recipient of MCC assistance. Furthermore, NGOs are often engaged to measure the effectiveness of the aid, especially in so-called “threshold” programs. The paper surveys the novelty of the approach, compares it to similar previous efforts, and discusses the feedback from the first 4 years of MCC operation.¹

The MCC – systems and approaches

Traditionally, development assistance is given based on political importance attached to a certain country. This has led to much cynicism about the US financing dictators around the world with tremendous cash inflows, while struggling countries that are seriously trying to reform themselves receive insufficient support.

While US government departments and agencies that conduct development work, first and foremost USAID, have long been operated with performance indicators, a large portion of development work is notoriously difficult to quantify. Funding decisions were often unclear to the principals and difficult to justify to the American public, which as a result “appear[s] to have an innate antipathy to transferring resources to foreigners” (Bacchus 2004: 57).

The effectiveness of foreign aid is often criticized: “Fifty years of failure have demonstrated that foreign assistance more often harms than helps.” (Bandow, 1999). Development assistance has, as a result, been subject to much pressure to increase its effectiveness. Two opposing trends have been prominent in this process: closer ties to supporting political aims on one hand, and greater independence of development professionals on what the priorities should be to ensure sustainable growth, on the other. The MCC represents an interesting middle ground between these two concepts: while created during a time when development assistance was streamlined to be in line with political priorities (the so-called “F process”²) as reflected in its general structure, the individual assistance disbursements are explicitly separated from political decision-making and can thus only indirectly assist political goals. Only the deep involvement of independent judges (CSOs) makes this possible. In some ways, civil society here charts a parallel course to the processes noted by Salamon and Anheier (1999): “...civil society organizations have become strategically important partners in the increasingly urgent search for a “middle course” between the dominance of the market and the dominance of the government” (quoted in Schuppert, 2006)

Understanding that “foreign aid can’t buy reform” (Bandow 1999) the US government in 2004, however, decided to try and find ways to encourage the reform process. The result is a progressive formula: a combination of nascent reforms and a

sufficiently-sized “carrot” with clear and transparent conditionality. The Millennium Challenge Corporation was created to implement this vision. It is this formula that causes the Brookings Institution (2008: 1) to call the MCC an “outstanding innovation of the eight-year presidency of George W. Bush.”

The MCC is based in Washington and led by a CEO (currently John Danilovich, a former shipping industry executive) and overseen by a Board of Directors consisting of principals of the US government that deal with foreign policy – State, Treasury, USAID, and Trade Representatives) and four non-governmental members. The Board makes the funding decisions (MCC, 2009a, 20).

The MCC is currently partnering with 39 countries at various stages of implementation, with financial outpourings of 6,7 billion USD (MCC, 2009a) having passed through the MCC system. These funds are allocated according to two major forms of cooperation. The so-called “Compacts” are the primary modus operandi of the MCC. Countries become compact eligible if they meet certain indicators, which are provided by outside sources (see next section). However, there are a number of countries that are seen as reformers, but do not meet the indicators. If they meet a minimal level, they are eligible for smaller-level assistance: the so-called “threshold” programs. These programs “provide financial assistance to improve a low score” (MCC, 2009b), and are typically administered by USAID.

The following tables give an overview of the Compact and threshold programs:

Table 1. Compact Program Overview

Compacts	
Cumulative	
Total Number of compacts approved through fiscal year 2008:.....	18
Total approximate value of compacts approved through fiscal year 2008:.....	\$6.32 billion
FY 2008	
Total Number of compacts approved during fiscal year 2008:.....	4
Total approximate value of compacts approved during fiscal year 2008:.....	\$1.77 billion

Compact Program overview (Source: MCC, 2009a, p.12)

Threshold Programs (including Stage II)	
Cumulative	
Total Number of threshold programs (including Stage II) approved through fiscal year 2008:.....	19
Total approximate value of threshold programs approved through fiscal year 2008:.....	\$440 million
FY 2008	
Total Number of threshold programs (including Stage II) approved during fiscal year 2008:.....	6
Total approximate value of threshold programs approved during fiscal year 2008:.....	\$124 million

agency, it was able to gain a mention during Barack Obama's presidential campaign (Obama, 2008) and during Secretary of State Clinton's confirmation hearing (2009): "President-Elect Obama supports the MCC, and the principle of greater accountability in our foreign assistance programs. It represents a worthy new approach to poverty reduction and combating corruption..."

2010

3) CSO Role #1: Indicators

Of note is the inherent belief in the quantifiability of development work. This is especially noticeable in the Threshold programs, where funded reform programs are aimed at increasing specific indicators. The MCC utilizes a system of 17 indicators that establish a country's eligibility. They break down into three categories: Ruling Justly (supplied by Freedom House, World Bank Institute), Investing in People (WHO, UNESCO, Yale University), and Economic Freedom (IFC, IMF, Heritage Foundation, World Bank Institute). Four of the indicators are provided by Civil Society organizations, and 13 by international organizations of which the US is a member (the US rejoined UNESCO in 2003 after having withdrawn in 1984). Of note, World Bank Institute indicators are so-called composite indicators that utilize data from various sources, including those of universities and civil society organizations.

Countries receive publicly available scorecards on an annual basis (see a sample score card for Ukraine 2009 in attachment 1). Countries need to "perform above the median in at least half of the indicators in each of the three policy categories" (MCC, 2009c, p. 2). If a country fulfills these criteria, it can prepare an official Compact request that the MCC board will review and approve if satisfactory.

Table 3. CSO roles and Indicators

Indicator	Category	Source
Civil Liberties	Ruling Justly	Freedom House
Political Rights	Ruling Justly	Freedom House
Voice and Accountability	Ruling Justly	World Bank Institute
Government Effectiveness	Ruling Justly	World Bank Institute
Rule of Law	Ruling Justly	World Bank Institute
Control of Corruption	Ruling Justly	World Bank Institute
Immunization Rates	Investing in People	World Health Organization
Public Expenditure on Health	Investing in People	World Health Organization
Girls' Primary Education Completion Rate	Investing in People	UNESCO
Public Expenditure on Primary Education	Investing in People	UNESCO and national sources
Business Start Up	Economic Freedom	IEC
Inflation	Economic Freedom	IMF WEO
Trade Policy	Economic Freedom	Heritage Foundation
Regulatory Quality	Economic Freedom	World Bank Institute
Fiscal Policy	Economic Freedom	national sources , cross-checked with IMF WEO
Natural Resource Management	Investing in People	CIESIN/Yale
Land Rights and Access	Economic Freedom	IFAD/IEC

(Millennium Challenge Corporation, 2009b)

As Schuppert (1996) notes: “specialist knowledge often allows NGOs to play the role of experts in the political process.” (p.213). MCC utilizes the expertise of NGOs to produce some of its indicators. In addition to the three direct CSO-provided indicators and the composite indicators that include CSO data, the MCC Board also uses Transparency International’s Corruption Perception and Global Integrity Indices as supplemental information.

Adopting these indicators brought about a number of advantages:

- **Legitimacy:** as Stoker (1998) points out “the issue to consider is whether or how governance can obtain legitimacy” (p. 21). The MCC gained legitimacy by adopting standards that were generally accepted as truthful and impartial due to the expertise of their authors. Additional legitimacy was gained by making the selection process completely transparent;
- **Less criticism of subjectivity:** since the decisions are taken on the basis of outside indicators, the MCC can shield itself largely from attacks of subjectivity and political preference in decision-making;
- **Ability to quantify development goals:** partner countries are subject to the changing indicators that are not under the MCC’s control. As such, they are much harder to influence to suit political preferences. The MCC legislation prescribes performance indicators that allow to quantify development goals, a major challenge in previous work;
- **Support from NGO community:** the involvement of the NGO community gave the MCC several critical allies, despite their overwhelming criticism of other Bush policies;
- **Clearly understandable benchmarks:** the MCC has set the stage for a discussion among the expert community about its implementation, which takes place in earnest. While discussion focuses on improving efficiency (through better indicators, for example) the general framework has become widely accepted.

The Control of Corruption indicator warrants separate attention. It is “the only indicator that countries must pass in order to qualify for MCA eligibility is Control of Corruption...” (Herrline and Rose 2007). The MCC points out that “corruption increases poverty” and “corruption slows growth,” (MCC 2008) thus seeing it as an efficiency-hampering concern, rather than an ethical or governance issue, in line with the overall trend of the organization. Of note, this requirement is not stipulated by law, but due to the tremendous damage corruption has on development assistance efficiency, this “soft law” has all but become the norm and it would not be surprising to see it transit into “hard law” under the new

administration.

The importance of the control of corruption indicator causes many threshold programs to specifically focus on improving the anti-corruption indicator. Of the current Threshold Programs, 52,2 percent are focused on improving this indicator (MCC 2009a; 17).

The utilization of NGO indicators has also affected these organizations. Freedom House provides the Civil Liberties and Political Freedoms indicators through its annual publication "Freedom in the World" as well as contributing the various composite indicators. While Freedom House's indicators have long been the standard in global comparative freedom and democracy studies, they had been working under the hope that, as Heritier (2001) calls it "a reputation mechanism (naming and shaming) may induce a behavioral change accommodating a desired policy goal." (p. 188). Their inclusion into the selection indicators of MCC funding, however, has unleashed market forces and thus contributed to a tremendous growth in international reputation of the ratings. Freedom House finds itself the subject of increased attention from senior foreign government delegations who seek meetings with this NGO to better understand ratings and how to improve them (and argue for an "upgrade"). Furthermore, these ratings and their methodology, while based on generally accepted documents (The Universal Declaration of Human Rights) have long been the subject of controversy and accusations of bias and subjectivity, especially from the countries that receive "bad" ratings. With their codification by the MCC, however, they have been elevated to a new level of importance to the countries seeking funding: it matters little whether they agree or not – they need to understand the ratings and improve their score if they seek access to MCC funds. While many (including the author) would argue in favor of the ratings, it is noteworthy that this cooperation between a new government institution and an old NGO has elevated a freedom ranking system from a more or less obscure academic and civil society tool to a policy and finance tool of tremendous proportions (6,7 billion USD have been issued so far using these indicators) both in the sense of tax expenses and impact on the recipient countries.

4) CSO role #2: Program Implementation and Progress Measurement

Both Compacts and Threshold programs have clearly-established programs that are developed by the applicant countries. They outline priorities and measures to be implemented. In the case of Threshold programs, they include extremely detailed performance indicators on the basis of which the success of the program is to be judged. This has caused the MCC to be substantially more willing to suspend some countries from financing (for example, Yemen and Mauretania), than other donor agencies. (Herrling, 2007)

In Ukraine, the indicators are to be reached over a two-year period and include,

among others:

- 10% of the population is to be aware of anti-corruption research
 - 10% percent decrease in corruption perception
 - 20% percent decrease in corruption experience
 - 30% of NGO advocacy campaigns resulting in government reform.
- (Government of Ukraine, 2006)

The MCC Threshold program in Ukraine is focused on assisting the government in decreasing corruption in education, regulatory policy, the court system and civil service. There was involvement of civil society in the drafting of the plan, largely through individual and town-hall meetings. It clearly played a secondary role to relationship between the recipient and donor countries. Nonetheless, it resulted in the inclusion of a robust role in the Threshold Country Plan, the guiding document for the program. Of a total 45 Million USD allocated to the program, 10 million were assigned to a program to channel civil society anti-corruption efforts.¹ It should be noted that such a degree of CSO involvement is clearly larger than average threshold program. However, it is a growing trend and other MCC programs are considering the incorporation of similar approaches.

Zuercher (2006) notes of developing countries that “a rational behavior for states would be to try enjoying the full sovereignty rent without paying the price for good governance” (p. 13). NGOs provide a valuable service in assessing whether (and if so, to what degree) the state is succumbing to this temptation. Zuercher, however, seems to overestimate the mastermind of developing countries in purposefully creating “cunning states” that are weak by design to “prey on international support” (p.21). While preying does unfortunately take place, it is usually the result of a group of individuals in government. Chaos and lack of ability is a far more defining reason for weak statehood.

In Ukraine, civil society efforts under the threshold plan break down into the following efforts: “1) support for civil society anti-corruption efforts; 2) support for investigative journalism and other media anticorruption efforts; and 3) monitoring of corruption trends and the results of government- and civil society-sponsored anticorruption initiatives” (Management Systems International 2007).

In addition, the four consultative components of the Threshold program also relate to NGOs, engaging them in public outreach efforts and utilizing their expertise.

The author’s project has supported over 120 Ukrainian CSOs in their anti-corruption efforts through funding, training, and networking. These NGOs were able to achieve over fifty anti-corruption reforms at the local level. While they are not overhauls of the entire state system, they nonetheless represent concrete important

steps toward decreasing corruption (such as simplifying licensing procedures, introducing anti-corruption education in public schools, and introducing greater inclusion of citizen concerns in construction projects).

Arguable the largest impact from civil society efforts has been caused by the reports and surveys conducted to evaluate the progress of the Ukrainian government toward the results pledged in the Threshold program. Ongoing polling showed after the first year of program implementation that results that would have allowed Ukraine to apply for a Compact program were not forthcoming and unlikely to be met unless substantial changes were implemented (Management Systems International, 2008). This evaluation made it impossible for Ukraine to get into the Compact program on the basis of political need. Among other reasons, these surveys led the Ukrainian government to request a second threshold program to continue assisting its reforms, rather than try for a substantially more sizeable Compact.

A substantial challenge lies in the capacity and motive of the civil society organizations. In Ukraine, for example, it was a tremendous challenge to find absorption capacity among NGOs to utilize the substantial funds issued by the MCC. This is a common mistake: policy-makers and program designers often see civil society as a panacea that can kick in when government reforms have stalled. While there is much truth to such potential, the limitations of CSOs need to be carefully assessed and kept in mind. When this is not done, much money needs to be moved fast to satisfy the financial and programmatic requirement. As a result, financing becomes akin to “venture capitalism,” with each grant being a rather high-risk investment. About a dozen contracts had to be terminated in Ukraine due to the NGO’s non-fulfillment of their obligations.

The capacity problems are exacerbated by the fact that civil society is not immune from all-permeating corruption in Ukraine. The overall corrupt functioning of the economy influences civil society as well. This is apparent in a complete absence of the concept of conflict of interest (resulting in a very common hiring of relatives), disregard for financial accuracy, and negligence on performance. This, in turn, drives up management and performance evaluation efforts and costs that are required from those managing the project, resulting in too much red tape, which the MCC ironically is supposed to have less of. It also leads to less money available to those NGOs who are honest and trying to do good work.

Political danger also exists: the NGOs that are corrupt themselves can undermine the efforts of others, especially in high profile projects that are under tremendous scrutiny from the media, which the MCC programs invariably are. For a young organization, as the MCC is, the capacity to absorb such scandals is rather low.

Future MCC-funded civil society efforts should make sure to account for efforts to increase limited CSO capacity, which will typically result in longer implementation

frameworks. Furthermore, the MCC has to understand and explain to its stakeholders that intense projects with tremendous funding require some flexibility on absorbing the political fallout from the inevitable “rotten apples.” Threshold plans are inevitably a higher-risk investment as evidenced by the fact that they are not able to satisfy the Compact-level indicators. An open and transparent approach to this might in fact further enhance the MCC’s credibility.

Notwithstanding these challenges, at a time when the political environment in Ukraine is characterized by a tremendous infighting that has paralyzed most government reform efforts (EUBusiness, 2009), the modest progress by NGOs on the anti-corruption reform front stand out positively.

CSO role #3: Board membership and ongoing dialogue

As mentioned above, four members of MCC’s board are representatives of the “public.” While it is arguable whether they all represent civil society, some certainly are: Lorne Craner (International Republican Institute), Ken Hackett (Catholic Relief Services), Alan Patrikof (Greycroft investment company), and Bill Frist (former Senate Majority Leader). Adding them to the decision-making body on Compacts and Threshold fund allocation further underlines the importance paid to the civil society vision on programs. The appointment mechanism (members are suggested by the Senate and appointed by the President) is likely to encourage the selection of representatives of “political” NGOs, rather than those who are development focused. Nonetheless, there is evidence that the non-government members of the Board yield considerable influence and their likely votes are being discussed in detail and anxiously anticipated ahead of Board meetings.

The influence, however, seems to function both ways. The “public” members of the Board were actively utilized in the campaign to raise the importance of the MCC’s status ahead of the Obama administration coming into office. They stated in an open letter to the New York Times (2008): “As he [President Obama] seeks to adapt American foreign assistance to a transformed world, one decisive step he can take is to signal his strong support of the corporation’s approach to global development.”

There are also other direct and indirect ways in which the MCC is different from other government agencies in its openness to civil society. As discussed earlier, its transparent functioning invites scrutiny, which is readily provided. For example, the Center for Global Development runs a blog that discusses minute details of MCC operations and sometimes receives active feedback.

MCC CEOs continuously invite CSOs to provide their feedback and to “... continue educating officials in the U.S. administration on development issues” (Applegarth, 2005). At least some of the feedback seems to be welcome and

incorporated into future work. At the beginning of its functioning, the MCC was “holding monthly meetings with US-based NGO working groups...the NGOs have shared expertise in monitoring and evaluation and have offered suggestions that contributed to the modification of 1 of MCC’s 16 quantitative indicators” (Gootnick and Franzel 2005: 26).

Conclusions

MCC is run with significantly less bureaucratic luggage that other development agencies carry with them. As a new organization, it benefits from the ability to introduce new rules and chosen to select a combination of rules and processes for funding eligibility selection that are generally viewed as successful. This includes the incorporation of authoritative independent indicators into its decision-making process. Nonetheless, there are numerous organizational and political challenges to this emergent Corporation. First and foremost is insufficient speed, which is a key determinant to make conditionality effective (Dugger, 2007). Internal US government for fiscal year 2007 evaluations conclude that “to a large extent, the performance of MCC compares favorably to other programs with similar purposes and goals,” while noting that its performance as only “adequate” (US Office of Management and Budget, 2008). Rieffel and Fox (2008) note that “no other aid agency- foreign or domestic – can match its [MCC’s] purposeful mandate, its operational flexibility and its potential muscle.”

The MCC engages with civil society at various levels. Several of its funding indicators are provided by NGOs, which significantly improved their status. This process provided legitimacy of the MCC and increased power of the NGOs. This cooperation has been most fruitful to date.

At the design stage, Civil Society input is often limited. During in-country implementation, however, the CSO role is seen as significant, most prominently as advocates of anti-corruption reforms and independent in-country evaluators of the effectiveness of national reform programs. However, capacity and integrity limitations of civil society in developing countries need to be taken into account during project design and implementation.

Finally, the MCC Board membership of non-government members has, despite the political nature of some members, provides an additional effective tool to increase the efficiency of funding decisions.

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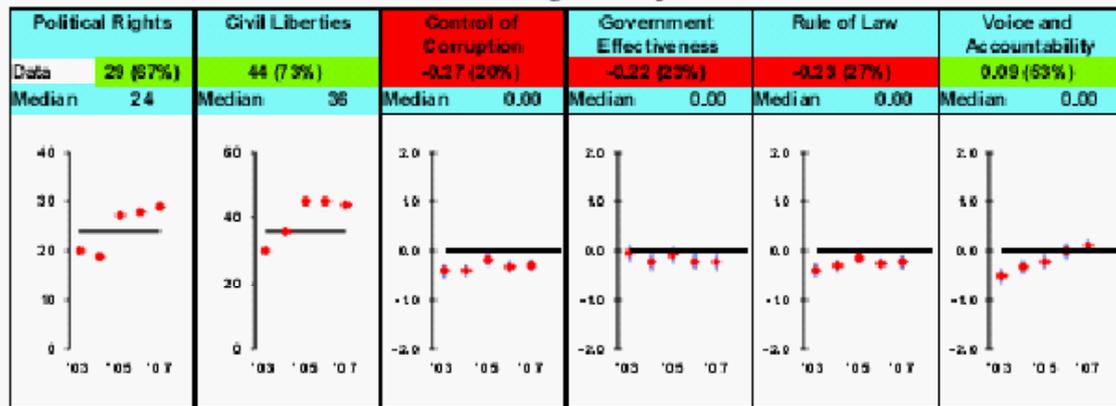
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Annex 1. Ukraine 2009 Indicator Score Card

Ukraine FY09

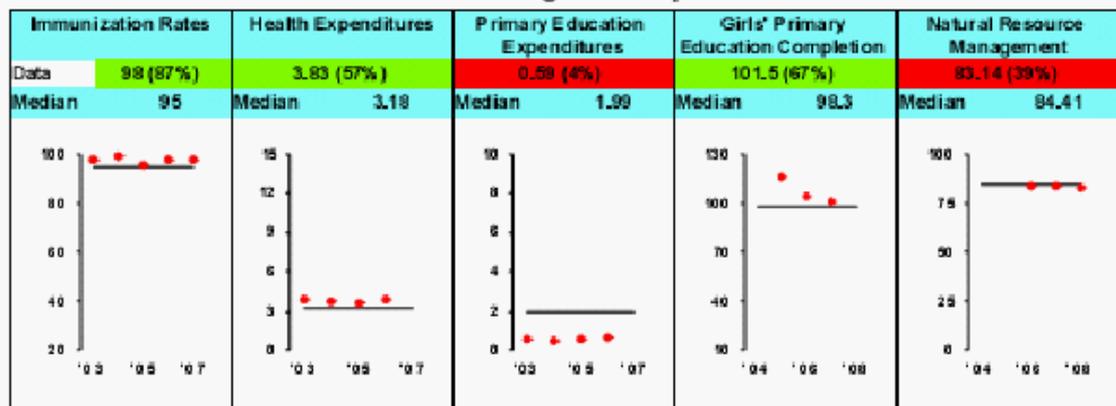
Population 46,787,750
 GNI/cap: \$2,550 LMIC

Ruling Justly



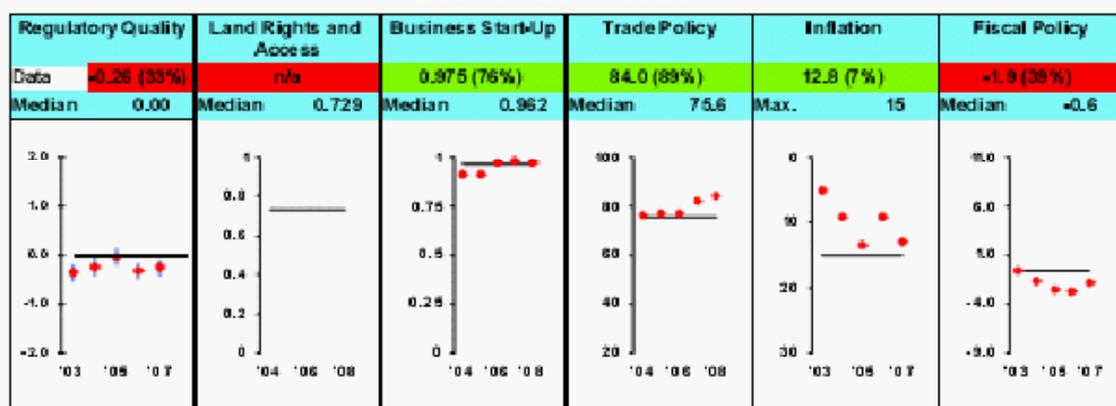
Sources: Freedom House, Freedom House, World Bank Institute, World Bank Institute, World Bank Institute, World Bank Institute

Investing In People



Sources: World Health Org., World Health Org., UNESCO/World Sources, UNESCO, CESAP/WCELP

Economic Freedom



Sources: World Bank Institute, IFAD/IFC, IFC, Heritage Foundation, IMF/WEQ, IFR/National Sources

How to Read this Scorecard: Each WBI (or other) indicator Country receives an overall scorecard assessing its performance in 3 policy categories: Ruling Justly, Investing in People, and Economic Freedom. Under the name of each indicator is the country's score and percentile ranking in its comparable peer group (0% is worst; 90% is the median; 100% is best). Under each country's percentile ranking is the peer group median. Country performance is evaluated relative to the peer group median. Scores above the median, represented with green, meet the performance standard. Scores at or below the median, represented with red, do not meet the performance standard. The black line that runs along the horizontal axis represents the peer group median. Each World Bank Institute indicator is accompanied by a margin of error, which is represented by the vertical blue bar.

Wicked Problems, Government Failures: Corruption and Lesser Evils

ROMEO B. OCAMPO¹

Corruption is one of many tenacious problems associated with government failure. It is an example of the affinity of government – and life – with problems and failure. These are traceable to various causes or conditions, and include deficiencies and misdirections in group decision-making and in the disciplines of public administration and social science. Aside from corruption, there are other difficulties of a less morally reprehensible nature that are nonetheless wasteful and harmful and may contribute to corruption, poverty, inequality and other “deep” problems. Issues of malfeasance deserve focal attention but should not overshadow those of misfeasance and nonfeasance. This essay attempts to maintain a balance among these concerns. After briefly discussing some aspects of corruption, it turns to the basic concepts of “wicked problems” and government failures and cites the results of studies that tend to substantiate their persistence in some sectors of development, including information and communication technology, automated elections, and transportation infrastructure projects abroad and in the Philippines.

Introduction: Governance Is Hard

“Life is unfair,” U.S. President John F. Kennedy once said, with respect to the problems of poverty and inequality (Birdsall1998). To those uninitiated to public administration, we may also say, “Governance is hard.” Its way is strewn with failure, though success is possible and all the sweeter when achieved. And government is often dirty, though good people never tire of trying to clean it up.

Corruption, as well as other deep problems like injustice, exemplifies this predicament of government and society the world over. These are “wicked problems” that governments often fail to subdue, but because of the great human costs that they inflict, they deserve focal attention and persevering action. However, there are other problems just as challenging, if at first glance less illegal, morally outrageous, or sensational, but on closer analysis they may be as devastating economically, socially, and politically. This essay will draw attention to such issues of incompetence and nonperformance so that they will also be or remain in the radar screen of public administration and allied disciplines.

Corruption is no stranger to the travails of nation-states, especially since they assumed more and more social responsibilities, particularly those difficult functions that private institutions cannot or would not handle well. For some reason – the prepossessing

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power of the Cold War, apolitical attitudes of mainstream economists - corruption got the attention of institutions like the World Bank only recently. This despite the efforts of some scholars to draw attention to the problem since the 1960s (Leys 1965). Since the 1990s, though, there has been a "corruption eruption" in the academic and official literature, and more inquiries have been made into corruption's causes, consequences and control – but apparently control efforts have not had much success so far. (Williams 2000: ix-xi).

In the Philippines, corruption has been a problem of long-standing. Colonial subjugation by Spain, the U.S., and Japan supplied a historical excuse for subverting the governments. Postwar corruption grew apace with expanding government programs, budgets, and foreign aid and investment. It has been denounced time and again, and the Philippines government has joined the global war against. Yet it has proved intractable, as shown by the recent and persisting scandals about bribery and other improprieties in the highest and lowest places, and by the rise of the Philippines in the international league tables of the most corrupt governments (Quah 1999: 484; Reyes 209: 3). Here, as elsewhere, corruption may have grown "grand" and entrenched. (Rose-Ackerman 1996; Johnston 1998).

Corruption: A Wicked Problem

Corruption has been pervasive, persistent or recurrent in other countries as well, often due to lack of development and good governance, but sometimes even with progress in these terms. It is an example of what scholars have called "wicked problems" to characterize difficulties impervious to lasting solutions (Rittel & Webber 1973). Corruption is resistant because it is correlated with many other problems of development and governance. According to one author, it is "a symptom of deeper difficulties...."

" ... This view is supported by empirical analysis: corruption is associated with slow economic growth..., reduced investment, feeble property and contract rights, ineffective institutions..., limited social interaction and weak rule of law ..., poor economic competitiveness ..., deep ethnic divisions and conflicts ..., low popular participation in politics and weak protection of civil liberties ..., low educational attainment ..., and closed economic and political systems." (Johnston 1997: 70; sources cited in the original omitted here for brevity.)

To put it simply, corruption is rooted in issues of need and greed in the cultures, structures, and institutions of different countries. Poverty and inequality, for example, could help explain the petty corruption or thievery that accounts for the loss of what the better-off may view as low-value articles in Metro Manila ("paper clips", manhole covers, street signs, electric and water meters, etc. Street snatchers, of course, have graduated to cell phones and laptops.).

Taking care of basic needs, however, may not satisfy those engaged in grand corruption. This persists probably because of a basic duality in the Philippine state: Public servants are legally required to live a "simple life," i.e. take a vow of poverty, or else face a

“lifestyle check” between their meager salaries and their accumulated assets. By contrast, those in the private sector are allowed, nay encouraged, to get as rich as possible, not necessarily without government complicity. This conceivably induces a kind of “affluence envy” for those who can have the vantage points in government to enrich themselves far beyond a simple life. The temptation is so much greater now, not only because the lucre is bigger, but also because the conspicuous consumers condemned before are now free to flaunt their wealth and leisure in the face of so much poverty and misery.

The recurrence of corruption even in developed countries that are supposed to have gotten over it (e.g. UK and the U.S.) suggests the resilience of wicked problems. Otherwise known as “social messes,” these are characterized by ambiguity or a lack of a definitive formulation and “are never solved.” They plague other areas of government as well. In criminology, “nothing works” expressed the widespread frustration with persistent failure of institutions to make a dent on criminality; however, a demographic transition could help change crime trends, and police programs did show signs of working in the U.S. in the 1990s.

Ambiguity alone is a big barrier to anti-corruption programs. Values and behavior that used to be acceptable in a culture may later be defined as corrupt, e.g. the sale of public offices, nepotism, gift-giving, and other patrimonial practices – i.e. “corrupt” as defined by outsiders trying to impose their own precepts of probity. Not long ago, some Japanese complained that gift-giving to their bureaucrats was a long-accepted annual ritual, but no more with the issuance of a new edict. This drove the bakers concerned to re-direct their products to other client groups. Japan is constantly urged to change its ways by countries trying to pry its economy open.

Even when new norms have been accepted through cross-cultural transfers of best practices, legislation, and ethics or “values formation,” a tug-of-war with the traditional culture is likely to persist, raising the observer’s question, “Who is corrupting whom?” Both processes of competition and corruption are abetted by other conditions that perpetuate wicked problems. These may arise from the growth in scale, complexity, and resources of governments from minimalist beginnings concerned with the maintenance of the sovereign to one embracing the welfare of the subject population. (Foucault 1991; Ocampo 2008: 106-109).

If cumulative and corrosive enough, wicked problems can constitute or lead to government failures at different levels. The literature of public governance is today replete with discussions of project, policy, presidential, system, and state failures. Regarding the last, the concern has extended from just “weak states” to “failed states,” which are characterized by the loss of an effective central authority, breakdown of public services, and proliferation of criminal and terrorist groups, as has happened in Somalia.

Short of state failure, there have also occurred technological, financial, and market failures of great consequences, if only because they have tended to shift to the state more and more of the burden of dealing with well-nigh impossible-to-resolve issues of public goods, externalities, monopolies, poverty and inequality, not to mention the devastation of natural and man-made disasters..

Failure Abideth Governance: Theoretical Frames A Basic Inadequacy

The tendencies described above suggest that government – indeed, life – has a close affinity with or inherent proclivity toward problems and failure. To some philosophers, problems are part and parcel of life. It is false to assume “that everything necessary to life is in our possession.” (Canguilhem, in Osborne 2003:). This basic inadequacy accounts for the existence and persistence of problems. Thus, “all life is problem-solving,” (Popper) and “problematology” and “problemization” have been useful tools in the development of knowledge (Milchman & Rosenberg 2005: 335-36, citing Michel Foucault on his neologism.)

To Marx, “humankind only sets itself problems that it can solve,” which means that there are more problems than we can solve. Yet we try, and find that naming and “structuring” problems well are already half the solution.

However, some thinkers insist on the centrality and priority of problems over solutions – even at the expense of solutions. To one French philosopher, “the specificity of life lies in its capability for error, which means that pathology is not an aspect of the normal but is separate from it ...” (Osborne 2003: 2, citing Georges Canguilhem, *The Normal and the Pathological*, early 1940s.). This concerns a debate in medical science on whether or not to treat abnormality independently of the normal. Failure, particularly of governance, is addressed by sociologists Alan Hunt, Jeff Malpas and Gary Wickham also as due to a “necessary incompleteness.” It is ubiquitous and central in social life and, in particular, in governance. It is “a consequence of the necessary incompleteness of projects of governance.” Defining governance as “any attempt to control or manage a known object,” they argue that “There is no such thing as complete or total control of an object or set of objects – governance is necessarily incomplete and as a necessary consequence must always fail.” (Malpas & Wickham 1997: 37, 40)

Examples from university, military, and self-governance are cited by Malpas and Wickham to show that despite the many techniques that have been devised, actors are always pursuing uncatchable objectives. The devil is in “the details of ‘assemblages’ ... of people, organizations, things and actions which together operate to produce certain outcomes, outcomes that never proceed entirely according to plan...” (41). Such assemblages are complex, nested, and loosely integrated structures whose elements’ interaction always brings resistance and interference such that “failure, and not success, is the characteristic feature of social action.” Not even the machine model of technical and mechanical perfection works perfectly and completely in practice, but always with some inefficiency and would eventually stop without sustained care. (41-42)

According to these authors, sociological theory has not paid adequate attention to governance failure (Hunt & Wickham 1994; Malpas & Wickham 1997). Certain organization and administrative theories, however, have addressed this tendency. One

is the “garbage can” model that purports to show that organization elements, including problems and their solutions, are far from tightly coupled but swirl around disjointedly until efforts are taken to bring them together (Cohen, March & Olsen 1972). Other authors have questioned ideals of “perfect administration.” (Hood 1976).

“Administrative man,” Herbert Simon famously argued, must “satisfice” because he has not the wits to “maximize.” He is “intendedly rational,” but his is a “bounded rationality.” (Simon 1997) Charles Perrow’s theory of “normal accidents” argues that accidents are inevitable and that tightly coupled complex organizations are prone to even greater, systemic disasters. (Perrow 1984) Some literature has also developed around the topic of “administrative evil.” An extreme philosophical view traces the malaise of public administration to original sin in homo peccator, fallen man. (Masani 1997).

From Management Failure to Societal Collapse

Christopher Hood, who earlier critiqued “perfect administration” (1976), returned to a related topic in *The Art of the State* (1998): how organizations fail as a central problem of public management.

“.... Even in what pass for the best-regulated states, malodorous stories about public services are common enough. Tales of monumental blunders, blatant self-interest and corruption, self-destructive organizational civil wars and feuds, astonishing failures to look ahead or take any initiative in the face of the most pressing problems are far from unusual in most societies, even if the incidence of such stories (and the extent to which they are aired in the media) varies. (24)

Hood argues that there is no generally accepted theory of collapse and failure in public management, nor is there agreement on what counts as a “problem” and what as a “solution,” or when the solution becomes worse than the problem. Law and order campaigns may be acceptable to some people but a needless provocation to petty offenders or the disadvantaged – for example, police “zoning” in the slums of Manila, which involves profiling and indiscriminate round-ups of criminal “types.”

Focusing on disasters, Hood uses “cultural theory,” which originates from the work of anthropologist Mary Douglas, to frame his analysis. Cultural theory suggests two basic organizational dimensions, “grid” and “group”, that in turn combine to produce a matrix of four typical organizational “ways of life” and behavior patterns, and four “styles” in public management. Grid denotes the dominance of (formal) rules or conventions, group by (informal) group or collective over individual choice. Table 1, below, depicts the weaknesses built into each type, according to Hood.

Table 1. Built-in weaknesses of major organizational types: Four Achilles’ Heels

Source: Reproduced from Christopher Hood, *The Art of the State* (1998), 28, Table 2.2

While Hood has applied his framework to disasters like the Kobe earthquake in Japan in 1995 and the failure of authorities there to act promptly, other authors have dealt with failure on different dimensions. James C. Scott (*Seeing Like a State*, 1998) recounts how and why large-scale development schemes of modern governments – such as forestry projects in Europe, Soviet farm collectivization, and “high-modernist” urban design in France and elsewhere – all failed to make their subjects follow their plans and resulted in monoculture crop epidemics, empty planned cities, and other fiascoes. Scott blames the planners for thinking that they were smarter than their subjects, ignoring future contingencies, and reducing the latter to abstract, inert citizens.

These tendencies, Scott argues, stemmed from “high-modernist” ideology and “administrative ordering” that sought to simplify and standardize diverse communities

Type of organizational bias	Achilles' Heel	Makes it vulnerable to:
Hierarchist	Misplaced trust in authority and expertise coupled with high mobilization capacity	Dramatic collapse of ambitious 'think big' plans or projects
Egalitarian	Unwillingness to accept higher authority to break deadlocks	Failures stemming from unresolved feuds or collegiality degenerating into coexistence
Individualist	Tendency to put individual before collective benefit	Failures stemming from lack of cooperation or individual corruption
Fatalist	Unwillingness to plan ahead or take drastic measures in extreme circumstances	Failures stemming from excessive inertia and passivity

- (1) failure to anticipate a serious problem before it arrives;
- (2) failure to perceive a problem when it arrives;
- (3) failure to try to solve a perceived problem; or

- (4) failure to solve a critical problem, such as loss of food supply.

Failure at any or all of the first three stages is likely to lead to the fourth - failure to actually solve a problem - but success in the first three is no guarantee of an effective solution, either. A fifth stage is probably common, where many intermediate successes are achieved, but fall far short of, or even contradict, the desired outcome(s). Climate change today is a good example of, say, technological successes converging toward a worldwide disaster. "The operation was a success; unfortunately, the patient died." E-voting machines that enable a candidate to steal an election, is another case in point. (See section on automated elections below).

The March of Folly

Aside from the factors already mentioned, other sources of failure have been cited, such as sheer luck or chance and personality quirks of individual rulers. In an equally sweeping and earlier account (*The March of Folly*, 1985; all page references in this section are to this work), Barbara W. Tuchman focuses on "folly or perversity" in group decision-making as a universal and persistent factor for well-known policy fiascos throughout history. Folly is manifested in "the pursuit of policy contrary to the self-interest of the constituency or state involved." (5) (Note that this may not fall neatly under any of the missteps in Diamond's scheme, because folly is a knowing or conscious mistake.) In this connection, Tuchman has some noteworthy observations of the poor performance of government compared to other institutions:

"A phenomenon noticeable throughout history regardless of place or period is the pursuit by governments of policies contrary to their own interests. Mankind, it seems, makes a poorer performance of government than of almost any other human activity. In this sphere, wisdom, ... the exercise of judgment acting on experience, common sense and available information, is less operative and more frustrated than it should be. Why do holders of high office so often act contrary to the way reason points and enlightened self-interest suggests? Why does intelligent mental process seem so often not to function?" (4)

Folly is one of four interrelated kinds of "misgovernment" identified by Tuchman: (1) tyranny or oppression, (2) excessive ambition, such as Athens' attempted conquest of Sicily in the Peloponnesian War, Philip II's of England, Germany's of Europe, and Japan's of Asia; (3) incompetence or decadence, e.g. in the late Roman empire, the last Romanovs of Russia, and the last imperial dynasty of China; and (4) "folly or perversity." Tuchman's book is concerned with the last, though he notes, as we will in sections below, that the four kinds of misgovernment come "often in combination."*

Tuchman insists on what might be called (in current social-science parlance) the "context-independence" of government folly: "Folly's appearance is independent of era or locality; it is timeless and universal, although the habits and beliefs of a particular time and place determine the form it takes. It is unrelated to regime; "monarchy, oligarchy and democracy produce it equally. Nor is it peculiar to nation or class." (6) This is so unexpected and disappointing because governments' impact on people is so much

greater than that of other institutions, so that they "have a greater duty to act according to reason."

"Just so, and since this has been known for a long time, why has not our species taken precautions and erected safeguards against it?" (7)

Some attempts have been made, starting with Plato's proposal to train or eugenically breed people to fit the requirements of government as a special art. Plato's "solution, beautiful and unattainable, was philosopher-kings." (7)

Unfortunately, "wooden-headedness" or stupidity is a source of self-deception that has played a large role in government. This consists in ignoring or rejecting any signs or facts that may contradict a government's preconceived notions, or in refusing to heed

From her stories of folly in history, including Japan's provocation of America's entry into World War II, Tuchman gleans a principle that "folly is a child of power." Lord Acton's dictum, that power corrupts, is well known, but less well known is that it breeds folly, often "causes failure to think," and "that the responsibility of power often fades as its exercise augments." (32)

One of the best illustrations of how different kinds of misgovernment come together, and how context-independent they can be, is the corrupt, abusive, and profligate regime of the six so-called "Renaissance Popes" (1470-1530) whose policies and practices provoked the Protestant secession from the Catholic Church. They pursued those policies in the midst of the cultural efflorescence that produced the likes of Copernicus, Erasmus, Thomas More, da Vinci, Michelangelo, and Machiavelli. (58) "Strangely," however, the Renaissance "reflected no comparable surge in human behavior but rather an astonishing debasement." In the absence of a central state authority, Italy's five major regions and minor city-states engaged in relentless violent conflict. "Seizures, poison plots, treachery, murder and fratricide, imprisonment and torture were everyday methods employed without compunction." (59)

Tuchman lays the blame for folly partly on the paltry attention it received from a long succession of political philosophers, from Plato and Aristotle through Aquinas, Hobbes, Locke, Rousseau, Jefferson, Madison, and Hamilton, Nietzsche and Marx. Except Machiavelli, who was concerned with government as it is, not as it should be, few of them bothered with the problem of folly though it had been pervasive and persistent. As one sovereign told his son, "Know, my son, with how little wisdom the world is governed." (78)

Similar criticisms have been laid at the doors of the contemporary disciplines of public administration and social science.

State Failure and PA's "Black Hole"

Weak and failing or failed states such as Somalia, Haiti, Cambodia, Kosovo, and East Timor, have become the sites of humanitarian and human rights disasters, harbors of international terrorism, and sources of serious problems like AIDS and poverty. Francis Fukuyama therefore argues in *State-Building* (2004) that SB – “the creation of new government institutions and the strengthening of existing ones” - is today one of the most important issues for the world community. A lot is known about state- or nation-building, but a great deal more is yet to be known, particularly about strengthening the performance capacity of governments rather than changing their scope or range of functions.

Fukuyama addresses these gaps in a chapter devoted to what he calls “the black hole of public administration.” Knowledge of organizational design and management – the province of the disciplines of public administration (PA), management, and economics – is the easiest to abstract, formalize, and transfer compared to knowledge of institutional design, basis of legitimation, and social and cultural factors.* However, even in the limited domain of PA, there are serious stumbling blocks because “there is no optimal form of organization” in both the private and public sectors. This in turn he ascribes to the ambiguity of organizational goals, the difficulty of monitoring organizational activities and enforcing accountability, and the tricky task of determining the appropriate degree of delegated discretion (i.e. decentralization).

Organizational goals are ambiguous in practice because they arise from the interactions and roles of organizational players rather than being simply those expressed formally or officially. The latter thus provide only part of the guide to participants’ behavior. Formal guidelines and monitoring schemes are also constrained by the important roles played by informal norms and tacit knowledge in the actual functioning of organizations. Fukuyama considers decentralization as the central problem because “all delegation involves a tradeoff between efficiency and risk” and both risk and proper delegation are often hard to determine. “The same degree of delegation will work in one setting and not another or in one time period and not another.” (51)

The absence of an optimal form of organization, Fukuyama argues, helps explain why PA is an art rather than a science.

“That there are no globally valid rules for organizational design means that public administration is necessarily more of an art than a science. Most good solutions to [PA] problems ... will not be clear-cut ‘best practices’ because they will have to incorporate a great deal of context-specific information ... Good solutions have to be ... local, which requires a very different relationship between governments in developing countries and their outside donors and advisors.” (43)

These organizational problems have not been alleviated despite neo-institutionalist economists’ efforts to deal with them with new theories, particularly those of transaction cost, principal-agent relations, and public choice. According to Fukuyama, their formal theorizing works better in the context of markets, where individual behavior is more self-interested and independent, and economists can fall back on their individualist

and quantitative methods. But not in organizations, where behavior is embedded in the “stickier” constraints of norms, socio-cultural structures, and informal organization.

An older generation of PA scholars, led by Chester Barnard and Herbert Simon, has dealt better with organization problems with their different (e.g. sociological) orientations. As Fukuyama concedes, the neo-institutionalists have gone over much the same ground though they have viewed the older insights with the newer lenses and language. Thus, in PA, we have long been familiar with the conundrums of bounded rationality, multiple goals, and sub-optimization that specialization, departmentalization, and decentralization entail.

Beyond reviewing old PA issues, however, Fukuyama contributes a different perspective by putting them in the context of weak and failed states, stressing the new urgency of state-building, and pitching these to the international level. He also underlines the limits of PA’s cross-national transferability and of the whole “social science project” by reminding all that local context counts for far more than foreign-aiders and consultants have admitted into their best-practice nostrums.

Why Social Inquiry Fails

That the whole social science project has failed is the burden taken on by another author, Bent Flyvbjerg. In *Making Social Science Matter, Why social inquiry fails and how it can succeed again* (2001), Flyvbjerg argues that the social sciences have not produced –and can never produce – the kind of explanatory and predictive theory and knowledge that the natural sciences have. And this failure has stemmed from their very efforts of social scientists to emulate the natural sciences with their abstract, formal, and “context-independent” theorizing, cumulative empirical as well as theoretical knowledge and their impressive practical results. (1-3). Although he does not mention her work, Flyvbjerg would thus dispute Tuchman’s claim that folly is timeless and universal and its implication of a scientific status for historiography – part of the “science wars” controversy that Flyvbjerg addresses (See Diamond 1999; Goodheart 2005). Some highlights of his thesis: Some thinkers believe that the natural and social sciences share certain aims and problems and that they can ultimately be unified. However, their objects of study are too basically different for the union to be possible. Unlike the objects of natural science, those of social science are human subjects who are self-reflecting and reactive, who can literally think and talk back to the (equally human) researcher – and thus confound research results with the need for multiple interpretations of phenomena. Their methods and aims, therefore, must be different. Whereas natural science abstracts data from context in efforts to generalize explanations and discover universal laws of nature, “context and judgment are irreducibly central to understanding human action” (4) – and understanding rather than explanation (in the sense of Weber’s *verstehen*) should be the aim of social inquiry.

Human action is situational and can hardly be grasped when taken out of the specific, complex situations in which it is embedded. Formal, logical and quantitative

theory and the rules for formulating such theory can help only to a limited extent in acquiring the kind of knowledge that human action entails. Based on a five-level learning model developed by Hubert and Stuart Dreyfus, Flyvbjerg asserts that people can gain middling competence (say, in chess) through formal rules and analytical-rational methods, but cannot go beyond to the more “intuitive, holistic, and synchronous action” that grandmasters attain and that social and political proficiency and expertise require. This limit shows why it is hard to extract and explicate formal “expert systems” from the world of tacit knowledge and “tacit skills” that true experts or virtuosos develop in practice.

Despite criticisms of myopia and relativism, therefore, the case study is suitable to the requirements of context-dependent social inquiry, along with inductive methods and ethnographic (“ethnomethodological”, 33-4) “thick description.” More broadly, Flyvbjerg advocates the revival of a kind of knowledge more appropriate to social inquiry – phronesis, or prudence or practical wisdom – that Aristotle had prescribed as distinguished from “analytical, scientific knowledge (episteme) and technical knowledge or know-how (techne). Eclipsed by epistemic and technical knowledge in the West, phronesis “involves judgments and decisions made in the manner of a virtuosos social and political actor. I will argue that phronesis is commonly involved in social practice, and that therefore attempts to reduce social science and theory either to episteme or techne, to comprehend them in those terms, are misguided.” (2-3)

Flyvbjerg critically discusses several epistemic-leaning schools of thought but does not give sufficient illustrations of the shortcomings or misdirections of the social sciences, such as his contention that their developments represent only changes in style and fashion, not paradigm shifts. He cites Herbert A. Simon only as a cognitivist associated with what Flyvbjerg views as the failed artificial intelligence project. In fact, Simon expressed views broadly consistent with the author’s premises and proposals, and contributed to what arguably are paradigmatic shifts in the social sciences (e.g. “bounded rationality”). For one thing, Simon also proposed a return to practical wisdom in engineering and other design professions (*The Sciences of the Artificial* 1996). Interestingly, this is also the sort of reorientation that Michel Foucault made toward the study of “governmentality” as techne or practical rationality. Flyvbjerg duly notes Foucault’s makeover (111).

It is hard to do justice to Flyvbjerg’s erudite book in these few brief remarks. But another point I have missed so far that deserves at least passing mention is that the feasibility of a phronetic type project may have been partly suggested by the fact that in their long-term history technology preceded science. People learned to use and make fire, and to build bridges, long before they were able to understand and explain how and why they worked (McClellan & Dorn 1999: 13, 372). Modern technologies, however, have become science-based – so that, Simon fears, the teaching of engineering today has been swamped by basic science (*The Sciences of the Artificial* 1996: 111-112) - and it seems difficult nowadays to invent or discover anything of importance without the help or imperatives of science. Can a discipline like PA go phronetic (and do better) without the support of epistemic knowledge? remains a fair question.

We will encounter Flyvbjerg in the more mundane world of transportation infrastructure development in a later section. Working with other scholars, he contributes empirical studies to show that wicked problems and failures have been rampant in particular sectors of development and governance which are often the sites of corruption as well. We turn first to experience with “infostructure” development – high-technology, digital, computer-based information and communication systems, variously referred to as IT, IS, ICT, “e-government”, and other “e”-prefixed projects. These are perhaps the epitomes of today’s high-modernist dreams, though we will later find traditional infrastructure not far behind in ambition and predicament.

Infrastructure Project Failures

ICTs and informatization have promised to help solve a wide range of problems in government and outside, including not only those of communication and transportation but also economic, social and political problems. Many governments have invested large sums of money on particular technologies and on comprehensive projects of electronic or “e-government.” These projects have been mounted to enhance government efficiency, make public information and services more readily accessible, and enable citizens to participate more directly in government administration and politics. Technological solutions have been used or considered in various modernization and reform programs, such as automated tax, procurement, and electoral systems, and even anti-corruption campaigns. Unfortunately, however, “hi-tech fixes” have promised much more than they can actually deliver in transforming government as well as making it more efficient. E-government projects can claim only partial successes, not getting far beyond automating certain government operations and making information more accessible. They have come short of fully facilitating on-line service transactions and integrating silos of databases and operations as expected from major reorganizations. Moreover, e-gov development projects have compiled a dismal record of total and partial failures, though this has not fazed government and private investors in continuing to underwrite mega projects.* (Foley & Alfonso 2008: 371-372; Ocampo 2008: 100-102).

Richard Heeks, Senior Lecturer in Information Systems at the University of Manchester, UK, has focused portions of his extensive writings on ICT-oriented government reform to success and failure in this field. “In general,” he observes in *Reinventing Government in the Information Age* (1999: 56) that “failure of information age reform seems more common than success.” Failure could be total, in which projects are never implemented or are abandoned, or partial, in which reform is implemented but “has something wrong with it.” This means that the reform goals are unattained, or that it has had undesirable outcomes. (56).

Although he could find few comprehensive reviews of experience, Heeks cites a number of cases in Western and other countries that gave him the impression of failure and a basis for trying to understand the phenomena. (57) These cases, along with other

studies, have been cited as well by Shaun Goldfinch, a New Zealand academic, who has updated and summed up previous research findings in *Public Administration Review* (Goldfinch 2007). Like Heeks, Goldfinch has found more failures than successes.

“The majority of information systems development projects are unsuccessful. The larger the development, the more likely it will be unsuccessful. Despite the persistence of this problem for decades and the expenditure of vast sums of money, computer failure has received surprisingly little attention in the public administration literature. This article outlines the problems of enthusiasm and the problems of control, as well as the overwhelming complexity, that make the failure of large developments almost inevitable.” (Abstract, 917)

Based on previous studies, but without citing numerical totals, Goldfinch finds that 20% to 30% of the projects were total failures and abandoned. Partial failures, including time- and cost-overruns and other problems, accounted for 30%-60%, while successes were fewer. In 2001 in the U.S., 26% succeeded, 28% failed, and 46% were overbudget, behind schedule, or delivered fewer functions and features than promised. New Zealand showed better numbers, 38% succeeded, only 3% failed, but 59% “involved problems.” In both countries, smaller projects were more successful, while those costing over US and NZ \$10 million had zero success. Both public and private projects experienced significant failures and successes.

The financial losses incurred were also staggering. Cost-overruns in the U.S. averaged 200%. The U.S. GAO reported in 1994 that US\$200 billion spent in 12 years “led to few meaningful returns.” In the UK, a study of public IS or IT projects found 84% to have “resulted in failure of some sort.” Another study found project failures costing 5 billion pounds. (917) Goldfinch goes on to cite other examples of costly shortcomings in the U.S., E.U., China, Africa, etc. including projects funded by the World Bank and other donors. Despite this experience, “there is little evidence that IS developments failures are decreasing in the public sector.” (918)

According to Goldfinch, the three decades of experience have led many IS professionals to accept failures as inevitable, and he himself thinks they are “largely unavoidable.” Various explanations have been advanced – a comprehensive set of “critical factors” cited by Heeks, organizations’ failure to learn, and various other sources such as uncritical reliance on management fads. In particular, no reliable methods and software have been found to estimate project size, costs, and cost-overruns. (920)

Heeks attributes failure to a series of gaps, particularly gaps between rationalist assumptions and realities about how best to meet reform objectives. These include “rationality-reality” gaps, those between the public and private sectors, and gulfs between “country contexts” of the origin and destination of reform designs. (62-71). For example, a decision-support system (DSS) project would have rational premises about the objectivity of information, the formality of management and other processes, people’s skills and roles, the presence or absence of strategies, rational culture, and politics. (59) Yet, as it gets implemented in the recipient, the system may fall under circumstances far different from those assumed.

Several approaches to information-age reform have been developed, Heeks says. These are reflected by four types of attitudes of public officials: (1) "Ignore" means that they are ignorant of IT and devote scarce resources to it; (2) "Isolate" means that they, being computer-illiterate though aware of IT's importance leave IT decisions to the experts; (3) "Idolise," means that becoming semi-literate, public officials believe IT can transform the business of government, so that the public sector "becomes awash with IT-driven reform projects" with huge budgets; and (4) "Integrate," i.e. information is seen as central but IT is now only a tool fully integrated in organizational processes driven by reform objectives rather than by technology. (Heeks & Davies 1999: 26-28).

In the late 1990s, Heeks found the first approach still prevalent; computers served only as "executive paperweights," while the second approach was little more than lip service to IT. (28-29). The third was not faring much better, with e-government projects in their infancy but already with a long history of failure (29). The fourth was more promising, with notable successes in South Africa and Denmark, but these were rare. (32). Moreover, this approach was facing formidable barriers – in terms of the skills and knowledge, costs, and infrastructure required, public suspicion, and other conditions that get governments stuck in the "idolize" approach. These include the various IT drumbeaters (with vendors in the "vanguard" (33)) and imitator-types who tended to gloss over the technical and other barriers in their upbeat image of IT's capabilities. (33-37).

In his 2007 update, Goldfinch finds previous explanations wanting though still partly useful and offers his own in terms of "Problems of Enthusiasm." He cites four types of enthusiasm that recall much of what Heeks has said:

- (1) Idolization or technological infatuation, public officials' belief that IT can transform government, so that it "becomes awash with IT driven reform projects, which place technology at the heart of the change process (Heeks and Davies 1999)."
- (2) Technophilia, or the tech-fix myth "'that better technology, and more of it, are remedies for practical problems' (Lyytinen and Robey 1999, 95)."
- (3) "Lomanism", the enthusiasm that company representatives promote for its products and its ability to produce new products and technologies.
- (4) "Managerialist faddism" that sees problems as solvable or preventable through more "rational" management and skilled managers. (922)

The synergistic workings of these enthusiasms are compounded by the problems of control over complex ICT systems and their human actors. These include information overload, principal-agent problems (e.g. information asymmetry whereby the agent gets to know more than his principal), politics outside and inside an organization ... and IT believers' insistence that a foundering project "'will be right on the night'" The last has resulted in the slowing down of the progress of projects since they were first reported to be 90% completed; some of these were said to have been 90% completed for half their duration (the "completion effect").

Goldfinch argues that privatization strategies have not prevented public failures in ICT projects. Contracting out presents its own complexity with the problem of incomplete contracts which are unable to control agent behavior. Moreover, government agencies that do not have adequate in-house capacity are in no position to monitor an outsourced project. In one study, local governments that outsourced more were found less likely to complete their projects on time and within budget and to benefit from technology transfer. Competition in this sector is doubtful, since it is often dominated by a few big vendor and consultancy companies. Nor is enforcing accountability easy, because sponsors themselves may be reluctant to cut back or abandon failing projects. (925) (On privatization's failures or shortcomings in traditional infrastructure projects, see Estache, Goicoechea, & Trujillo 2006; Kenny & Soreide 2008; and Gomez-Ibanez & Meyer 1993).

According to Goldfinch, the best that the usual prescriptions can do is make it easier for senior management to discover that a project is in trouble, but then they may not even want to disclose this problem. Instead, the author recommends a strong dose of pessimism to counter ambitious enthusiasms. Will a project really be beneficial? Won't incremental adjustments or upgrades and buying off-the-shelf be better than investing huge sums in big "bleeding edge" systems? Can't a government agency get by without "further IS development," given that it cannot be "competed out of existence"?

Even if a proposed project can pass muster, pessimism should be its guiding principle. Beware, Goldfinch warns, of "producer and consultancy capture;" organizational restructuring or changing specifications mid-stream; being overtaken by technological innovations and legislative changes. Be prepared to terminate due to cost overruns, delays, or nondelivery. And don't expect huge savings, jobs, or productivity, even if a project does work.

Technology to Fix Corruption?

In a more recent article, Richard Heeks (2007) offers similar warnings with respect to anti-corruption programs. He views these programs as part of a global project of technology transfer. As such, they share the theme of failure found in evaluations of anti-corruption intervention at various levels. (259). Failure is expected because of the differing assumptions that carriers of the "context of design" of ICTs bring to the "context of deployment" regarding the technical, organizational, cultural, and behavior conditions surrounding the program.

Since the designers are usually outsiders, they operate on assumptions about information, technology, processes, objectives and values, staffing and skills, management systems and structures, and other resources that are likely to "collide" with the conditions existing in a host country or organization. Foreign consultants or vendors, for example, may assume that decision-making is (or should be) formal, open,

and rational, when in reality it is informal, closed and “highly politicized.” (263) Such gaps between contexts are hard if not impossible to bridge.

The resulting design failures can be due to designers’ “thoughtlessness, shortage of time or lack of competence” (263), but they also arise from other sorts of incongruence, such as that between “espoused theory” and “theory-in-use.” This parallels the split often found between public discourse and private behavior especially in developing and transition countries. Concrete examples seem to reflect a wider duality between the trappings of modernity, on one hand, and the reality that a host is “traditional, self interested, informal and politicized,” on the other. (264.

In the projects that he examined, Heeks found three types of outcomes ensuing from the above-mentioned differences: (1) failure, (2) “local appropriation,” and (3) “reciprocating accommodation.” Some of the results involved corrupt practices. Examples:

- (1) Partial failures or largely unsuccessful projects included village Internet kiosks that did not get the electricity and telecom infrastructures required to function, and an eCOPS project that partially failed due to politicized and self-interested behavior by the police officers involved.
- (2) Senior party officials appropriated “inscriptions of objectivity, fairness, and rational justice” from the eCOPS project but afterwards yielded to local operational resistance and institutional values.
- (3) To gain acceptance of other project features, designers allowed key officials to use their systems for personal purposes; provided railway clerks with white “lab coats” to look like computing professionals; and let railway station masters retain manual control of passenger reservations (a source of corrupt incomes and favors). (264-267)

Heeks identifies three basic factors that may determine which outcomes will occur. One is the depth of the commitment to impose anti-corruption requirements concerning processes, values, and competencies and to resist attempts at improvisation during deployment. Most of the e-transparency projects studied were intended to minimize flexibility “because staff autonomy was associated with corruption and self-interested behaviour.” (267-268). The other end of the “obduracy-plasticity continuum” is more amenable to improvisation but is less likely to occur in anti-corruption programs. A third factor is that the project design may offer opportunities for closer understanding of the deployment context through, say, longer engagement of consultants. . (286-269)

Finally, Heeks brings up the value of actor-network theory (ANT) in appreciating the networks of interests that drive project outcomes, bad or good. The bad part was illustrated by the eCOPS project. By contrast, an e-procurement project elsewhere illustrates the convergence of strong anti-corruption networks that sustained the project, substituting automated decision for human discretion in contract allocation and thus minimizing the opportunities for corruption. (269-270)

E-Voting Machinations

Like other hi-tech initiatives, automated election (AE) projects manifest an undue reliance on technological solutions, this time to the problems of a system that is particularly vulnerable to corruption. The Philippines has embarked on just such a project since the 1990s. Now its national government has been officially committed to it with the passage of a law and the award of a P7.2 billion contract to install e-voting machines throughout the country with a foreign vendor, Smartmatic, and its local partner, Total Information Management (TIM).

Those supporting the project have been hopeful from the start that voting technology can reduce or eliminate corruption, fraud, and human error, and “relegate ‘wholesale cheating ... to the dustbin of history.’” (Luyt c. 2005: 29). With voting machines, votes can be counted and transmitted much faster, reducing the time from the 45 days it took to proclaim President Fidel Ramos in 1992, to as few as two days (29-30) – a number that has been reaffirmed publicly by Smartmatic-TIM and the Commission on Election (COMELEC).

The project would also enable the Philippines to get away from its “Jurassic-age” relic and replace it with a modern election system – a technological achievement and a matter of national pride. Its boosters wonder why it has taken so long for the country to automate, when others have done so for years and shown how e-voting can facilitate and clean up elections. As in anti-corruption campaigns, comparisons with developed countries have been invoked – particularly with the U.S., where electoral contests are concluded shortly after election day.

Despite such optimism, however, serious doubts have been raised about the claims made for AE, not only in the Philippines but also in the U.S. Experience with the 1996 regional elections in the Autonomous Region of Muslim Mindanao (ARMM) showed that counting machines were slower than expected. Now fears have been expressed that technical and non-technical problems with voting machines could be multiplied in the May 2010 presidential elections. Recent experience with American presidential elections has not been reassuring, either.

Robert F. Kennedy, Jr. has published two articles that suggest that Democratic presidential candidates Al Gore in 2000 and John Kerry in 2004 both lost to George W. Bush through “dirty tricks” perpetrated by the Republicans and partisan vendors of faulty voting machines. E-voting devices, particularly those that do not leave an auditable paper trail, are susceptible not only to error but also to breakdown, malicious tampering, and deliberate manipulation. Kennedy’s findings are summarized below.

“Was the 2004 Election [in the U.S.] Stolen?”

This is the telling title of Kennedy's first article (June 2006). Shortly after the election, he wondered why the usually-reliable exit polls' prediction of a Kerry victory got reversed. Disturbing evidence of anomalies then emerged. He expected anomalies to occur in a complex election system, particularly one run by 13,000 counties and cities. But when he examined the many cases that turned up, he was convinced that the Republicans had "employed a wide range of illegal and unethical tactics to fix the election." In the make-or-break state of Ohio, 357,000 voters were prevented from voting or having their votes counted. About 25% of state voters were de-listed from the registration rolls. More than 80,000 votes for Kerry were counted for Bush. These numbers, says Kennedy, would have been enough to make Kerry win the White House.

The voting machines were partly responsible for the anomalies, but only partly. In Ohio, the e-voting machines used were plagued with suspicious errors. In one place, voters would press the "Kerry" button and watch "Bush" light up on the screen; 20 machines were "chronically flipping." Election officials, headed ex-officio by the state secretary, Republican Kenneth Blackwell, relied mostly on antiquated punch-card machines. Moreover, they maldistributed the new machines among the recently-clustered precincts, creating long lines of mostly Kerry-leaning voters who had to wait 3-7 hours on election day. Many left without voting. In one liberal school, 1300 students had to wait 11 hours before they could vote on just two machines, while in another school nearby 100 "fundamentalist" students had one machine all to themselves.

The redrawing of precinct boundaries led to confusion and disenfranchisement of many voters in Ohio, who had to find their way into its "bewildering array of 11,366 precincts." Worse, precinct boundaries were misidentified on Blackwell's own Website, which was not updated, thus misleading voters. To top it all, Blackwell decided to toss out the ballots of anyone who showed up in the wrong precincts.

There were cases of tampering with the machines in Ohio. An employee of a touch-screen machine maker (ES&S) was seen making an unauthorized log-in to the central tabulating computer of one county. In another, an employee of a software supplier (Triad) was caught making unauthorized changes in the tabulating computer. He also gave county officials a "cheat sheet" to enable them to avoid a full manual mandatory recount. In a third county, 18,615 votes were "inexplicably added" to the final tally of votes, giving Bush a margin of nearly 6,000 more.

There were other cases of outright cheating, manipulation and intimidation. A consulting firm hired to register voters in six states were found shredding Democratic registrations. In another Ohio county, ballots marked for Kerry were covered and refilled with Bush marks. In one precinct, Blackwell announced a terrorist threat alert to keep reporters out of the counting of votes. The FBI denied having issued such a warning. Blackwell sought to scare off new voters in other ways: "caging" or invalidating the registrations of voters who failed to respond to mail sent by the election board; invalidation of registrations due to "immaterial" errors; and denial of provisional ballots to voters whose eligibility was questioned by poll workers. These tactics were declared illegal by the courts, but Blackwell defied them, even setting up his own "kangaroo

courts" to intimidate new voters.

Until the election shenanigans came to light, Kennedy had noted an uncritical public acceptance of the official election outcome, even among Democrats. The mainstream media seemed indifferent, except for one sports writer, who said that his fellow-journalists censored themselves, refusing to investigate such anomalies as the faked terrorist threat in Ohio.

"Will the Next Election be Hacked?"

Kennedy asks ominously in his second article (October 2006), re-raising alarms about the dangers of e-voting machines, their makers, and their political supporters. In 2000, Al Gore lost in Florida not only because of the "hanging chads" and "butterfly ballots" that forced a recount - and got most of the public attention - but also due to a faulty memory card installed by a firm acquired by Diebold Election Systems, a vendor with links to the Republicans. The card slashed 16,000 votes from Gore and led the media to prematurely call the election for Bush and pressed Gore to concede, when an investigation later showed that Gore was actually ahead by 13,000 votes. (3)

The 2000 election debacle, Kennedy says, had made it clear that "our electoral system is broken." Yet vendors offered to fix it with their touch-screen voting machines, and the U.S. Congress bought them with a \$3.9 billion budget and a new voting law (Help America Vote Act, or HAVA). The legislature was maneuvered into rejecting pleas by 212 congressmen to require a paper trail for the devices. As the November 2006 mid-term elections approached, it appeared that e-voting machines "are making things worse instead of better."

"... Studies have demonstrated that hackers can easily rig the technology to fix an election - and across the country this year, faulty equipment and lax security repeatedly undermined election primaries. In Tarrant County, Texas, electronic machines counted some ballots as many as six times, recording 100,000 more votes than were actually cast. In San Diego, poll workers took machines home for unsupervised 'sleepovers' before the vote, leaving the equipment vulnerable to tampering. And in Ohio ... dirty tricks may have cost John Kerry the presidency." (1)

Just how Diebold's machinations influenced the adoption of voting machines and rigged elections is told by Kennedy in some detail. Diebold lobbyists worked hard and spent much to get the Bush administration to pass HAVA, which supplied the funds for largely Republican-partisan vendors and "effectively pressured" precincts to install machines with no paper trail. In the 2002 midterm elections in Maryland, Diebold employees took control of a county tabulation center and tallied the votes without any state official present. A whistle-blower (who was fired later) speculated that it would have been easy to insert a card with a malicious code to get the desired voting result.

Diebold's AccuVote-TS machines would have been installed across Maryland except that experts found them faulty, having "back doors" for would-be hackers. Besides,

there were no procedural controls against hacking. Despite this, the state governor ordered the purchase of the machines. (4-5)

Kennedy cites the testimony of a battery of computer scientists and experts to bolster his warnings against e-voting machines, particularly those that leave no paper trail. (See Table 2)

Table 2 Computer scientists and other experts on the dangers of e-voting machines

The US GAO (Government Accountability Office) reported that irregularities and malfunctions were widespread in the U.S. automated elections. It noted that lack of a clear "chain of custody" could make it easy to handle and transport software. "Unsecured memory cards could enable individuals to vote multiple times, change vote totals and produce false election reports."

In view of the negative findings about e-voting, Kennedy finds it curious that the technology continued to spread in the U.S., with 23% of voters using it in 2004, and 33% of 8,000 jurisdictions expected to use it in 2006. Voting rights activists have begun to fight back, filing suits to stop the proliferation of touch-screen systems. Kennedy suggests equipping touch-screen systems with verifiable paper receipts. Better still, he says, use paper ballots, which are then scanned and counted electronically, as has been instituted by the governor of New Mexico. Meantime, he and the whistleblower mentioned above also repeatedly warned against vendor capture of the electoral system.

Automated Anomalies in the Philippines?

In the light of Kennedy's accounts, American experience with AE can hardly be a model to emulate, but it is full of warning bells worth heeding. Other authors have described elections as basically complex systems so prone to failure that the theory of "normal accidents" would apply to them. According to Montjoy, "The very features

designed to prevent abuse of concentrated power – decentralization and fragmentation of administration, and reliance on the public in their roles of poll workers, poll watchers, and voters – plus rapid changes in the system all increase the chances of error.” (Montjoy (b) 2008: 796) Error could occur at many points and could easily spread in a system with tightly-coupled components. (Montjoy (a). 2008: 785-786). But the same risk exists in a loosely-coupled one as well.

Add malicious intent and one has a formula for failure, i.e. of an electoral system intended to produce honest and credible outcomes. Early warnings have been raised in the Philippines about the risks of AE. One scholar questions the notion that fraud can be reduced if human contact with the system is minimized: The labor it takes to create, install, maintain, and repair voting machines constitutes human interventions at many points and these offer opportunities for fraud. (Luyt c. 2005: 29). Senator Miriam Defensor-Santiago had argued that the machines used in the ARMM elections were slower than expected, were not error-free, and failed to keep the elections clean. Without safeguards, she said, e-voting technology would lead to massive fraud, “not by voters or candidates, but systems programmers and election officers.” (Luyt c. 2005: 33).

Table 3. Computer Experts Cited by Luyt

Source: Brendan Luyt, "The Hegemonic Work of Automated Election Technology in the Philippines," c. 2005. (brendan@ntu.edu.sg), 34-35.

Citing his own list of expert authorities, Luyt argues that the promise of AE is illusory and does not go to the root causes of the Philippines' "electoral malaise," i.e. fraud. "This malaise stems from the great disparities in wealth and influence that make it possible for some, and necessary for others, to participate in the market for votes or other forms of illegal electoral activity." (36) Then, paradoxically, he states that AE may work because it repeatedly fails, i.e. shatter the myth that technology can fix the country's electoral problems and thus expose the need for "deeper reform."

The AE system being deployed today, however, may deserve a second look. Smartmatic-TM, with the COMELEC, may have incorporated the necessary safeguards. For one thing, paper ballots will be used with an optical mark reader (OMR). The counting, tally, transmission, and consolidation of votes will all be done by computers. The COMELEC has purchased 82,200 voting machines, called Precinct Count Optical Scan (PCOS), for distribution among 80,136 clustered precincts. These machines are labeled SAES 1800 (Smartmatic Auditable Election System). (Bautista 1/22/10). The COMELEC has announced that 76,000 of the machines will be distributed among as many precincts; that each machine will process an average of 1,000 ballots per precinct; and that tests show that it is actually capable of processing 1,320 ballots per precinct.

Just before actual voting begins, precinct Boards of Election Inspectors (BEIs, each composed of a chairman, a poll clerk, and a third member) will "initialize" each machine before poll watchers to show that the ballot box is empty and that the machine is "zeroed out." At the close of the polls, each BEI will press a "close" button to prevent any more ballot insertion and to enable the machine to automatically tally the votes and produce

Michael Shamos of Carnegie Mellon University: The system for testing and certifying voting equipment was "virtually non-existent."

Dept. of Homeland Security's computer team: Diebold used a database that had "an undocumented backdoor account."

University of California statistics experts: E-voting machines in Florida in 2004 "may have improperly awarded as many as 260,000 votes to Bush" (4)

US GAO: "a host of weaknesses with touch-screen and opticalscan technology 'could damage the integrity of ballots, votes and the voting system software by allowing unauthorized modifications'." (5)

New York University School of Law think tank: E-voting machines adopted since the 2000 election "pose a real danger of the integrity of national, state and local elections." The easiest method is to use corrupt software that shifts or "flips" votes.

Princeton University computer scientists: "Within sixty seconds a lone hacker can own an election." A hacker can create a vote-stealing software that can be injected quickly in a Diebold machine and remain there undetected. (7)

~ Source: Robert F. Kennedy, Jr., "Will the Next Election be Hacked?" (June 2006), 5-7.

The public test-runs of the machines have shown some disconcerting glitches that raise apprehensions that they are subject to breakdown and manipulation. Although the sponsors have added some reassuring features (e.g. portable batteries to forestall electrical outages), recent successful hacker attacks on certain government computer sites have been seen as a prelude to attacks on the AE system. The sudden offer of “telcos” Globe and PLDT to transfer transmission centers to more secure sites, and the current “rolling” or “rotating” brownouts and power crisis, have all added anxieties to public fears of an election failure in May.

While the paper ballots to be used imply a paper trail, it is not yet clear just how “auditable” the system really is or would be. Is there a clear “chain of custody” of the ballots and voting equipment? Will there be a mandatory post-election sample recount to verify the integrity of the process at some points? A related question raised by the experts is whether the system’s source code will be made available to interested parties. The vendor has made a big show of depositing CD records of the source code in the central bank’s vaults, but will it be accessible to people who can know what it contains - for example, the computer experts in the organization, aesWatch2010, which has a list of 20 questions (evaluation criteria) waiting for answers?

One COMELEC official has admitted that it is not looking for a perfect system. The COMELEC seems prepared to fall back on the manual system if necessary. They insist, though, that the AE system contracted out to Smartmatic-TIM has adequate safeguards.

Perhaps we have no choice but to give the AE system a chance to prove itself, to take any remaining risks with what is on offer, if only to learn what these risks are, and then to try to move forward. Still, two other concerns must be mentioned at this point.

One is who will be in effective control of the electoral system? When Smartmatic and TIM quarreled as to who should control their contract funds, the COMELEC was urged to take the latter’s place as Smartmatic’s partner. The COMELEC chairman rejected this opportunity to be more than an overseer and have a more direct hand in managing the election process. (“Comelec: Smartmatic, Tim ...” 2/2/10). Will contracting out result in vendor capture in this case?²

The second question is, the risks of AE may not be so much in what is originally embodied in the voting machines, as in the human mischief that originates “outside the box” but is quite capable of getting in it. We have had enough of our own experiences with dagdag-bawas and other corrupt election practices to know that they can be concocted, perpetrated and orchestrated from the highest to the lowest places, as the still-alive “Hello Garci” scandal of the last presidential election has amply adumbrated (Wikipedia, http://en.wikipedia.org/wiki/Hello_Garci_scandal, 10/20/09). The present COMELEC’s disqualification of some non-presidential candidates – all belonging to the opposition Liberal Party – has not been reassuring. Is another mode of capture in the offing?

Rebecca Mercuri of Bryn Mawr's computer science department: Computer science and engineering could not design a fully electronic, self-auditing voting system that guarantees results faithful to voters' intentions, due to the "essentially unsolvable problem ... of unknown additional features' being incorporated into computer products." (34)

Ken Thompson, co-inventor of Unix: "You can't trust code that you did not tally create yourself. No amount of source-level verification or scrutiny will protect you from using untrusted code. A well-installed microcode bug will be almost impossible to detect." (quoted in Mercuri, 2002: 48)." (34-35).

Caltech/MIT Voting Technology Project: "... of all voting technologies presently used in the United States (paper ballot, lever machines, optically scanned ballots, punched cards and direct recording electronic devices or DREs), the DREs have the 'highest average rates of spoiled, uncounted and unmarked ballots', suggesting that claims of infallibility or even marked improvement ... are hardly objectives...." (35)

Bruce Schneier, Counterpane Internet Security: "... systems are vulnerable without a paper ballot.... 'My suggestion is an ATM-style computer voting machine, but one that also prints out a paper ballot. The voter checks the paper ballot for accuracy, and then drops it into a sealed ballot box.... Even this system is not as easy to design and implement as it sounds.... Adding the printer adds problems; it's yet another part to fail.'" (35-6).

control and accountability.

Cost-Underestimation/Cost-Overruns

In the first article, Flyvbjerg, Holm & Buhl (2002) present "results from the first statistically significant study of cost escalation in transportation infrastructure projects."

Based on a sample of 258 projects worth US90 billion representing different project types, geographical regions, and historical periods, they concluded that the cost-estimates used to decide whether the projects should be built "are highly and systematically misleading. Underestimation cannot be explained by error and is best explained by strategic misrepresentation, that is, lying." The authors argue that no one should trust the cost estimates and cost-benefit analyses made by project promoters and

their analysts. (Abstract 279).

Comparing cost estimates at two points – when the decision to build was made and when the project was completed – they show that costs were underestimated in almost 9 out of every 10 projects. The probability that a project would incur a cost-overrun was 86%. The actual cost was 28% higher on the average, but this varied with project type: rail projects, 44%; fixed link, 33.8%, and road (highways and freeways), 20.4%. “Estimated costs are biased, and the bias is caused by systematic underestimation.” The error of underestimation was significantly much more common than overestimation of costs. The result was frequent and substantial actual cost-overruns. (281)

There were geographical differences in rates of cost-overruns. Yet these were found to be statistically “nonsignificant” between Europe and North America – despite the authors’ statement that “Geography matters to cost underestimation.” (284-285).

Among four types of possible explanations for the patterns found by the authors, the one that did not fit the data were technical errors (“imperfect techniques, inadequate data, honest mistakes, inherent problems in predicting the future, lack of experience on the part of the forecasters, etc.”). This was suggested by the biased distribution of errors and by the absence of any improvement in forecasting accuracy and methodology despite several decades of resources invested in improvement efforts.

Other types of explanation seem more credible but involve lying. Both economic self-interest and public-interest motives better fit the data. Cost underestimates could benefit project promoters by making a proposed project look more affordable than it would turn out to be, and would presumably result in increased jobs, revenues and profits for private stakeholders and also for cities and states. “Lying pays off, or at least economic agents believe it does.”

But the “noble lie” argument that cost-underestimation would save public funds, Flyvbjerg et al. argue, is faulty because it would lead to a deceptive cost-benefit ratio and inefficient use of resources. As a lie in the name of the public interest, it is also ethically and legally objectionable in societies where truth-telling is a constitutional obligation.

Psychological explanations involve self-deception and hence error rather than lying.

“Appraisal optimism” has nonetheless been a strong driver of project promotion. Deceptive assumptions of “Everything-Goes-According to Plan” have so often propelled project launches that the World Bank has coined a special term for it, the “EGAP principle.” This ignores all risks of cost escalation due to delays, accidents, project changes, and other contingencies.

At the outset, Flyvbjerg et al. disclaim offering any “final proof” that lying is the main cause of cost underestimation. Such proof is hard to come by. Promoters and

forecasters are unlikely to disclose any fabrication to justify a decision to build. One previous student, however, has found enough candid admissions of “cooking” cost data downward and patronage data upward to hypothesize that such practice is “nearly universal.”)

A case study by William P. Anderson and T.R. Lakshmanan (2006) of Boston’s “Big Dig” project, known otherwise as Central Artery/Tunnel (CA/T) project, lends insight into the factors that could cause cost-overruns. This project was “the largest infrastructure project in America and one of the most ambitious urban transportation projects in history.” (275). It was designed to “depress” the elevated Central Artery in favor of tunnels and to build a third tunnel across Boston Harbor. It has also been criticized for its cost increase from \$2.5 billion in the early 1980s to \$14 billion by year 2000 (278), a remarkable rate of increase in a period of low inflation. (278)

The CA/T project cost was very high (\$1 billion plus per mile) for various reasons: its complexity, involving over 100 interrelated contracts, design, engineering and management costs (\$3 billion);⁴ its old city site, with its accumulated infrastructure of various kinds and vintages that had to be cleared for excavations and new tunnels; mitigation of negative environmental and economic impacts; and numerous “commitments” to avoid cut-and-cover tunnel construction so as not to disrupt existing rail traffic, not to take any residential properties, and to build a park, etc.

The cost inflation was attributable substantively to design changes and the commitment and mitigation costs (the mitigation costs alone were one third of the budget). The authors do not examine the cost-estimation methods used, except to note that initial cost-benefit estimates in 1985 were made for “transportation benefits alone.” This was followed by an Environmental Impact Assessment in 1990 that included an economic impacts section. Anderson and Lakshmanan propose a more comprehensive assessment framework, but mainly or primarily for the economic benefits of the project.

Over-estimation of Demand

The second article by Flyvbjerg, Holm, and Buhl (2005) addresses the demand instead of the cost side in terms of the traffic expected to be generated by transport projects (rail and road projects only). Summing up, they present the results of “the first statistically significant study of traffic forecasts” in 210 projects in 14 nations worth US\$59 billion, the largest sample of its kind. Again with very high statistical significance, they find that forecasters do a bad job of estimating the demand for the projects. In 9 of every 10 rail projects, passenger forecasts were overestimated by 106% on the average. In 50% of the road projects, the difference between the actual and forecasted traffic was plus-or-minus 20%.

“... The result is substantial financial risks, which are typically ignored or downplayed by planners and decision makers to the detriment of social and economic welfare.... forecasts have not become more accurate over the 30-

year period studied, despite claims to the contrary by forecasters. The causes of inaccuracy in forecasts are different for rail and road projects, with political causes playing a larger role in rail than for road. The cure is transparency, accountability, and new forecasting methods. Our article shows how planners may help achieve this." (Abstract)

The authors state that the accuracy of demand forecasting is as important as cost forecasting because the financial viability of mega infrastructure projects depends crucially on traffic as well as cost predictions. The hundreds of millions of dollars involved warrant this attention on forecasts, and the socioeconomic and environmental aspects of transportation also depend critically on demand forecasts. Experience with forecasting traffic volumes, spatial traffic distribution, and inter-modal traffic distribution, however, shows that demand as well as cost estimates have been a major source of uncertainty and risk, "despite all scientific progress in modeling." (2)

Traffic forecasts may be over-estimated or under-estimated with equally adverse effects on transport facilities. For example, Bangkok's US\$2.5 billion Skytrain's passenger forecasts were 2.5 times the actual traffic, so that station platforms turned out to be too long for the shortened trains now in service, trains and cars are idly parked, terminals are too long, etc. Conversely, UK road projects were under-dimensioned because traffic forecasts were too low, leading to "multi-million dollar inefficiencies, because it is much more expensive to add capacity to existing, fully used roads than it is to build the capacity up front." (2)

Flyvbjerg et al. find that road traffic forecasts are not usually overestimated although often "very inaccurate, whereas forecasts of rail patronage are generally overestimated, often dramatically so." (2) Among half of 183 road projects, vehicle traffic was 20% more or less than forecasted. Underestimated road traffic turned out to be 9.5% higher on average. There was no significant difference in errors among highways, bridges, and tunnels.

Of 27 rail projects, passenger forecasts were overestimated by 105.6% on average, resulting in actual traffic 51.4% lower than forecasted. Statistical tests show that the forecasts were less accurate and more inflated than the road vehicle forecasts, and the risks "more balanced" in the latter. The standard deviations were high in both project types (lower for rail), "indicating a large element of uncertainty and risk" (3)

Demand forecasts have not improved over the 30-year period studied, despite claims to the contrary. Those for roads seem to have become even more inaccurate. Danish experience with road projects after 1980 has been explained by "assumption drag," whereby an assumption continues to be used even after it has been contradicted by data. (5-6)

The two most important causes of rail forecast inaccuracies – according to project managers and researchers sounded out by the researchers – were uncertainty about trip distribution and "deliberately slanted forecasts." They often find it hard to gain acceptance for realistic forecasts that run counter to policies designed to boost rail passenger traffic.

For road projects, the causes are also uncertainty about trip generation and land-use development. Traffic counts and demographic and geographic data underlying trip generation are often dated and incomplete, while land-use development is based on plans that often differ from what is actually implemented. (7)

The rail demand forecasts, the authors point out, “are systematically and significantly overestimated to a degree that indicates intent and not error ...” This interpretation is consistent with the findings of other studies. The road forecasts indicated more balance and “fair play”, with more technical factors at work, though not completely free of political manipulation and inflated-benefit claim. (8)

Proposed Improvements: RCF

“Reference class forecasting” is one of the improvements recommended by Flyvbjerg et al. to reduce inaccuracy, bias, and risk. Drawn from a Nobel Prize-winning work of Daniel Kahneman, RCF places a particular project in a comparative framework which (1) identifies a relevant class of past projects “broad enough to be statistically meaningful,” (2) establishes a probability distribution based on credible, empirical data for the class, and (3) compares the specific project with the reference class distribution to “establish the mostly likely outcome for the project.”

This “outside view” would take the place of the usual “inside view” which focuses on the details of a project ⁵ and is prone to error due to cognitive and organizational biases, as exemplified by “appraisal optimism” and strategic misrepresentation. RCF cuts directly to outcomes and does not require planners and forecasters to make scenarios, imagine events, and gauge their own ability and control on others’. RCF may not itself be error-free, particularly with novel projects. But mega transport projects are “both nonroutine locally and use well-known technologies,” and are therefore likely to benefit from RCF.

Flyvbjerg et al. finally propose measures to change power relations that actually govern and go beyond better techniques and appeals to ethics, into institutional reform for greater transparency and accountability in both the public and private sectors. These include expanding grant categories for infrastructure projects, independent peer reviews of forecasts, benchmarking as with RCF, public inputs into plans, forecasts and reviews, and professional and “even criminal penalties” for planners and forecasters who habitually engage in such “malpractices” as deceptive forecasting. (11)

Public Works and Corruption in the Philippines

The Flyvbjerg studies cover some of the biggest infrastructure projects in history. The Philippines may have had comparatively smaller projects, but “mega” enough for the country. There have been reports of cost-overruns in foreign-funded projects,⁶ but so far no more systematic studies of such problems like Flyvbjerg’s have come my way. Yet

some of the projects have also been malodorous enough to elicit the attention of foreign donors. According to a World Bank report in the Philippines, *Meeting Infrastructure Challenges* (2005), infrastructure projects are

“By their very nature...prone to corruption in various aspects of the project cycle, from identification to implementation. And while the Philippines is not unique, corruption in its infrastructure sectors has been widely reported.” (17)

Although the Bank found it difficult to get detailed data “because of intrinsically covert nature of corruption,” it said that there was strong informal evidence from studies, media articles, and surveys. Misuse of public works resources was estimated to consume 20%-40%, with regional agency directors getting 10% commissions and Department of Budget and Management, 15%. The leakage from public-private transactions in BOT (build-operate-transfer) projects was placed at P74 billion in 2001. (17-18).

The WB report does not say what the base numbers are for the above-cited percentages. And while it devotes much space to investment and expenditure data, it does not say anything about cost-underestimation and demand-overestimation, except to point out that the government underspent on road maintenance by 25% of its authorized budget and by 25%-30% of “estimated requirements” of existing road assets (56).

Corruption in infrastructure projects has not escaped public notice, either, thanks to whistleblowers and vigilant media. One of the most publicized has been the “ZTE-broadband” scandal. This involved an ambitious undertaking to extend electronic communications throughout the government and the public schools. It began modestly with emphasis on private sector participation but was suddenly scaled up into government projects to build and operate two digital “backbones” and associated facilities. The total estimated cost of the two projects thus rose from P10.3 billion to P43.9 billion, an increase justified on inflated claims of government savings as well as the expanded systems proposed. (Fabella and de Dios c. 2007-2008). Due to charges of wrongdoing aired by whistleblowers, the projects were scuttled. The scandal itself escalated into unresolved allegations of bribery, coercion and cover-up that implicated the First Couple and resulted in the downfall of key government officials, including House of Representatives Speaker Jose de Venecia, whose son blew the caper wide open.

The latest scandal shifts from infrastructure to a road project that involves a presidential candidate in the 2010 election – Senator Manuel Villar - in the C-5 road project. He has been accused of using his position as Senate president to insert P200 million more into a budget of P200 million that in effect would duplicate a pre-existing road link project with another, partly parallel link that would traverse landed properties owned by him and his family in a section of Metro Manila. After investigating the case, a Senate “committee of the whole” recommended penalties for conflict of interest and unethical conduct. Villar has denied the charges, but would not face his accusers (some of whom are his rivals for the presidency), and, despite the expose, he has been

catching up with the leader in the poll surveys.

Lesser (?) Evils in the Commonwealth

So much for the seamier sides of public works. We turn now to what may seem to be milder cases of misfeasance in road transport development, particularly in a segment of Commonwealth Avenue in Quezon City, Metro Manila. The following account is based on impressions I've gained over more than a decade of living in the area. Some of the observations may be viewed as hypotheses that future students could in/validate. Significant issues of priorities and quality may be seen even in just a small segment of this Broadway.

Commonwealth Avenue extends northeast from the Quezon memorial circle toward the Fairview area. Road expansion projects have been intermittently undertaken on Commonwealth over the past two decades or so, so that it is known eight-lane affair on each direction, though it is wider or narrower at different stretches. The addition of lanes has proceeded on a piecemeal basis, with no apparent logic in the sequence of segments being done; i.e., expansion areas have leap-frogged back and forth.

The result is a roadway of very uneven quality. The surface readily shows the different "geological ages" of the segments added over time, including the wear and tear from use, the patchwork of maintenance and repair, and the ravages of curb cuts, excavations, and other alterations that soon follow new construction work.

Expansion projects have been done with hardly any regard for the bottlenecks existing or created on the roadway. Until very recently, the stairways and pillars of existing pedestrian overpasses were left in the roadway long after the new lanes had been added outward. Their "feet" thus continued to constrict vehicular traffic flow, particularly during peak periods, for many years. Some of these overpasses are being removed only now (late 2009-Feb. 2010) and replaced with longer footbridges.

The newly added lanes have been offset in some places by the u-turn slots built around the median or island on Commonwealth Ave. and by the waiting sheds or fenced "fish cages" built along the roadsides. Thus, if three or more lanes have been added to make eight or more lanes on each side, new u-turns have taken up as many as four lanes, thus negating the expansion and creating potential new traffic choke-points where they did not exist before.

The waiting sheds or cages on the far sides of the avenue, which are protected by low concrete rail guards for public passenger vehicles, tend to aggravate the constriction of traffic by the u-turns built on the opposite side. The cage areas have not been fully used as vehicle stops, partly because of their inconvenient locations far from pedestrian traffic flows. Some of the waiting sheds have been removed or stripped of their protective fences.

The older u-turns were often located indiscriminately, so that several openings

on the island have been closed and relocated, but only short distances from the original sites. The designers seem to have changed their minds frequently, but have hardly improved u-turn locations in the process. The abandoned u-turn sites have not been replanted, leaving them bare on an island where painstaking tree-planting and maintenance activities have been undertaken over the years.

Four new u-turns, longer and wider with provision for longer as well as shorter vehicles, have narrowed the usable roadway and, together with the older ones, have rendered useless the road segments located between them because motorists generally avoid oncoming barriers and bottlenecks on the road. Some of these unusable intervals have been covered and thus made doubly impassable.

The u-turn slots and median fences in many parts of Metro Manila's road network have been the frequent sites of vehicular accidents. The protective barriers around some of the u-turns are concrete blocks that are poorly visible at night, though blinking lights have been installed. The accidents are routinely blamed by authorities on the drivers for DUI or for ignoring the barriers. But they occur so often on such barriers that they probably are part of the hazards.

The traffic hazards reflect both a poor sense of risk and poor management. The MMDA-built footbridges, whose sleek design and quick construction are among the few bright spots on the Avenue, have not been fully used. Some pedestrians still cross the highway on grade, often just beneath the footbridges, and destroy portions of the fences built to prevent such crossings. Tricycles and an increasing number of motorcycles aggravate the dangers on Commonwealth and other broadways.

Tricycle and motorbike drivers often bring extra riders on their vehicles. The tricycle drivers sometimes put very young children in front of them, with no harness of any kind, and go about their business mindless of the danger. They do that perhaps because they have no one else to take care of their kids while they work. But other bike drivers who have no such excuse do the same. At any rate, no one else seems to mind the risk they take.

Traffic enforcers and transport policymakers turn a blind eye not only on risk-taking of that kind but also on other sorts of traffic infractions besides their main mission or target. Traffic enforcers, for example, focus their attention on number-coding violators and hardly heed frequent instances of traffic obstruction (e.g. buses and jeepneys stopping in the middle of the road to pick up or unload passengers), reckless driving, jeepneys operating without headlights at night, smoke-belching, colorum vehicles, etc. Presumably, some of these are the responsibilities of other government agencies, in a system where the police function has been splintered into many specialties since the end of WWII.

Traffic management and transport policymaking in what has become "Mega Manila" are in fact so fragmented among many national, metropolitan, and local government agencies that, together with the private segments of the sector, they form

an institutional labyrinth that we cannot go into here. Suffice it to say that this system seems to be congested and broken, and previous attempts to fix it might have only served to complicate the system and make it less governable.

One point about policymaking needs to be made. Regulatory agencies have tended to use regulation as a blunt instrument of domination motivated more by revenue-raising than by substantive purposes. These include blanket requirements that burden motorists rather than specific measures that target violators or provide incentives for compliance; for example, the requirements that all (1) drivers undergo drug tests when applying for or renewing their driving licenses, (2) owners have their vehicles undergo pollution emission tests upon registration, and (3) owners have RFIDs (radio frequency IDs) installed in their vehicles at registration.

These shotgun regulations do not make much sense and have been widely criticized. No “drug driving” enforcement measure seems to have accompanied the drug-testing mandate. Anti-smoke-belching campaigns have been conducted only desultorily by an agency other than the one that requires it (the Land Transportation Office; testing is outsourced). The new RFID requirement seems to be revenue-driven rather than being a credible security measure; the LTO prides itself in being one of the government’s biggest revenue earners. Its legality and necessity have been challenged and has been temporarily withdrawn by court order.

Conclusion: Sins of Omission

In the preceding sections, I have tried to show that corruption represents one – a most significant and consequential one – of a range of difficult problems and failures that seem inherent in government and that it must forever grapple with. Philosophically, problems and failures are embedded in the nature of life itself as an ill-provisioned enterprise. But they also have a history and show evolutionary variations in causes, correlates, and consequences. Modern states took on more problems and failures when they expanded their governments to encompass (and to try to simplify) more of life’s complexities. Even when the role of governments has been presumably diminished by liberal, market-oriented regimes, they have been left holding the Cassandra box of nearly impossible missions.

With or without corruption, various areas of government and development have encountered problems and failures of significant if varying magnitudes and depth. Their causes have been equally varied, and scholars have offered explanations, ranging from organizational culture to environmental factors to simply foolish policies, and down to the failings of public administration and social science as disciplines for understanding and solving problems. For empirical illustrations, I have summarized the results of various studies that show persistent and wasteful failures in information and communication technology development projects, the vulnerability of automated election systems to abuse and cheating, and not-so-honest estimates of costs and benefits in big transport infrastructure as well as infostructure projects.

The just-preceding section presents my impressions of the questionable ways roads have been built and used in a section of Metro Manila's network. Here I have made no suggestion of any malicious wrongdoing that may lurk, say, in the way that contracts or works have been farmed out and supervised. But when one thinks of the human costs involved in even the most innocent-looking technical errors – for example, the accident rates at the u-turns and median fences – one is reminded of similarly high costs incurred with cases of nonfeasance. Several instances of non-performance are listed in Table 4.

Table 4. Some instances of nonfeasance in public services

⁷ Fires in Metro Manila are such an almost-daily occurrence, particularly around the "Fire-Prevention Month" of March, that each year they incinerate probably tens of thousands of homes, especially of the urban poor. Fire officials routinely attribute the fires' origins to faulty electrical wiring or a fallen candle, and their extent to combustible materials, narrow or overcrowded streets, and/or lack of water. They promise to conduct further investigations, but the results of these never see the light of day – and fires continue to raze communities to the ground.

⁸ Encounters between police and suspected carnappers and other criminal elements are regularly reported by police as "shootout" cases. Although a few "rubout" cases in Metro Manila have been uncovered, suspects, though armed, still almost always end up shot dead, and no further investigation or follow-up report is usually made or made public. These are just part of a frightening and broader pattern of unsolved cases of disappearances of suspected dissidents and of the murder of journalists.

⁹ Typhoons, floods, and volcanic eruptions occur frequently with those living in hazardous places (creeks, mountainsides, etc.) warned to leave and relocated permanently or temporarily to safer places. Here authorities and civil society groups exert more efforts in terms of preparation, response and relief activities as well as relocation. But regarding potential victims who refuse to vacate hazardous areas, the usual explanation given is that they are simply "hard-headed" when it is often apparent that they have vital interests to protect in their homes.

¹⁰ The Philippines holds the world record in peacetime maritime disasters, with over 5,000 persons dying in a single ship sinking, and perhaps also in the frequency of ships going under in recent years. One common factor for such "accidents" in most cases is overloading with passengers and poor seamanship by captains and crews. But the maritime inquiries that follow these incidents and the measures taken afterwards seem ineffectual in reducing the risks in this area. Shipowners have lately even threatened to call a strike when the authorities threatened to impose heavy penalties on them, including cancellation of their licenses.

It is hard to ignore these lapses when one sees their many victims, direct and collateral, for example, those left homeless on the streets just after a fire. Nor can one gloss over the complexities of the underlying cases of nonfeasance as well as misfeasance and malfeasance. On the contrary, the point is rather to acknowledge and deal with the

often many-layered phenomena involved. But Barbara Tuchman's horror stories about persistent folly over many centuries past may still be instructive. One serious constraint suggested above is a failure, perhaps a reluctance if not a refusal, to understand motives better and learn improved methods for dealing with wicked problems.

Can wicked problems and failures be solved at all? I have suggested at many points above the optimism that they can, after all. But the solutions will take much more than I can say here, starting with a more perspicacious understanding of the challenges of complexity and an appreciation of appropriate strategies.

Endnotes

¹ For a more positive view of how effective and pervasive "digital-era governance" has become, at least in developed countries like the UK, see Dunleavy et al. 2005, summarized in Ocampo 2008: 103-105.)

² An issue raised against Smartmatic when it won the COMELEC bidding was its foreign provenance. It had been organized by Venezuelans and was said to have close links with the Hugo Chavez government. When it acquired a giant (cont'd. at next page)

³ These projects include: the English Channel tunnel to France, the Oresund bridge between Denmark and Sweden, the German MAGLEV train between Berlin and Hamburg, Hong Kong's Chek Lap Kok airport, China's Qinling tunnel, Japan's Akashi Kaikyo bridge, Sydney's harbour tunnel, Malaysia's North-South Expressway, Thailand's Second Stage Expressway, Boston's "Big Dig", the Bi-Oceanic highway across South America, and a proposed US\$50 billion Bering Strait link between the U.S. and Russia. (Flyvbjerg et al. Megaprojects and Risk, 1-2)

⁴ A magazine article (Motavalli 2000) suggests that the project offered opportunities for corruption and had to go through a bureaucratic gauntlet. A whistleblower's suit charged that it "contained at least \$10 million in 'false claims.... just to get the Big Dig approved the contractors had to make more than 2,000 individual commitments to get through the bureaucratic hurdle of 1,000 different permit actions."

⁵ At this point, one is tempted to ask whether RFC and the use of statistical analysis are consistent with Flyvbjerg's advocacy of social inquiry as a phronetic, context-dependent and locally focused learning process and kind of knowledge, as presented previously in the section on the failure of social science.

⁶ For example, 19 such projects, including nine in the Department of Public Works and Highways (involving P12.70 billion) and four in the Department of Transportation and Communications (P6.7 billion), were reported in 2008 to have incurred a total of P31.15 billion in cost-overruns. The National Economic Development Authority (NEDA) said that these were due to "high bids, consultancy services, additional civil works, right of way, land acquisition, currency rate movement, increase in administrative cost, and claims for price escalation." ("19 foreign-funded projects incur P31.15B in cost overruns –

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Toward A Reform Framework for Good Governance: Focus On Anti-Corruption

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The history and experience of most nations show that no matter a country's level of development (or underdevelopment), size, or location, as long as there is government, there will always be some degree and variation of corruption, with officials supported by public resources using public office for private gain. In other words, corruption is universal. It must be emphasized however, that over the years this problem has been pervasive in Third World Countries which has resulted into the deprivation of basic services and loss of citizens' lives and futures.

The pervasiveness of corruption in a government institution with its systems, procedures, culture and leadership renders the need for a holistic, multi-dimensional and multi-disciplinary answer. From a public administration and governance standpoint, the authors recommend a four-pronged strategy or reform imperatives for good governance by which the problem of corruption may be addressed. First, corruption is addressed by reforming institutions, structures, processes, and procedures. Second, corruption can be confronted by reforming behaviors and mindsets across the sectors engaged in governance, government and non-government alike, among the so called corruptor and the corrupted. Third, the causes and effects of corruption can be minimized if not to totally eliminate through leadership and political will. Finally, and equally important is, corruption can be addressed by emphasizing the role of good citizenship i.e. to engage citizens in the fight against corruption.

This paper explains these four governance reform imperatives in the light of graft and corruption. The paper begins with the contextualization of corruption in the Philippines along with its causes and effects; identify issues and challenges of corruption; and discuss the four areas or imperatives for reform. The purpose of this paper is to examine how the four imperatives of reform can contribute to minimize if not to totally eradicate corruption and in promoting good governance. Examples of best practices in each reform areas are highlighted.

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The Source and Scourge of Corruption

Corruption erodes trust in government and weakens the moral bonds of a democratic society like the Philippines. It has become endemic even in the bureaucracy where trust is primordial. It has many damaging effects: weakened national institutions, inequitable social services, and blatant injustice in the courts, economic inefficiency and environmental exploitation (UNDP 2008). Coronel and Kalaw-Tirol (2008: 17-22) enumerate five consequences of corruption: (1) corruption impedes economic growth, (2) corruption worsens income inequity and poverty, (3) corruption damages political legitimacy and stunts democracy, (4) corruption endangers public order and safety, and (5) corruption results in bureaucratic inefficiency and democratization. Some several empirical studies have shown that corruption impedes economic growth. Studies also show that the most significant impact of corruption is that it reduces investment. Corruption also worsens income inequality and poverty. In the Philippines for example, where crony capitalism has had disastrous results, exactions from corrupt officials increase the cost of business so investors would rather put their money somewhere else (ibid).

Several studies link poverty with corruption. No less than the President of the country says, "Kung walang corrupt, walang mahirap." Not surprisingly, according to Bello (2010) the international financial institutions have weighed in. The World Bank has made "good governance" a major thrust of its work, asserting that the "World Bank Group focus on governance and anticorruption (GAC) follows from its mandate to reduce poverty—a capable and accountable state creates opportunities for poor people, provides better services, and improves development outcomes." (Bello 2010 as cited in World Bank, Guiding Principles for Strengthening World Bank Group Engagement on Governance and Anticorruption). According to Tony Kwok, the causes of corruption are: (1) Opportunity – lack of system control (2) Attitude – low ethical value (3) Pressure – low salary, peer influence, and (4) Low Risk – lack of deterrence.

Where are we in the plane of corruption?

There is rich literature on corruption. In the early 1970s, the study of corruption has been one of the major concerns of the College of Public Administration (National College of Public Administration and Governance). The earliest publication has focused on "negative bureaucratic behavior" both the positive and negative. Corruption then was a forbidden, thus the term "negative bureaucratic behavior" (De Guzman, Carino and Carbonel 1973; Alfiler 1975, Carino 1975, 1977, 1986). Highlights of the studies were: (1)

However, while many neighboring countries have been gaining ground, the Philippines continues to slip down and lag behind. A review of our country's CPI¹ over the past 13 thirteen years in relation to the rest of the world alarms the Filipinos for two distinct reasons: first, Philippines' CPI has consistently gotten worse since 1999, improving slightly only in 2001 and 2003 and second, 37 of the 47 countries that at one time or another ranked beside the Philippines have outranked the country(See Annex 1, Philippine

CPI from 1995-2008). There might be an urgent need to ponder how these countries have reduced corruption while when the Philippines continues to lag behind. An increase of the countries CPI is not a good indicator for the Filipinos.

The abundance of discussions initiated by various groups to which UPNPAG is invited articulate the irony that despite the institution of this “decade of moral recovery (EO 828) initiating the pouring in of funds for “moral recovery” (the term has been recently revised into “moral renewal”), the enactment of comprehensive anti-corruption laws, and the existence of overlapping mandates given to institutions to monitor and police corruption in order to minimizing if not eradicate it (the word used in EO828) our CPI indicates that corruption in the Philippines has, on the contrary, been increasing, towards an unprecedented unfavorable score of 2.3 in the 2008 CPI from the highest 3.6 score we obtained a decade ago in 1999. World Bank and Transparency International data show that the Philippines and China exhibit the same level of corruption, yet China grew by 10.3 per cent per annum between 1990 and 2000 while the Philippines grew by only 3.3 per cent. Moreover, as a recent study by Shaomin Lee and Judy Wu shows, “China is not alone; there are other countries that have relatively high corruption and high growth rates.” (2)

Where are we in the battle of corruption?

National, bilateral and international organizations have supported anti-corruption initiatives anywhere in the world. Since 1997, UNDP has been involved in accountability, transparency and integrity (ATI) programmes as part of its interventions (UNDP 2005). UNCAC, ADB and other unilateral organizations have emphasized corruption and good governance in their programs especially in developing countries.

We have the following milestones as far as the fight against corruption is concerned:

Comprehensive Legislation

Many laws have addressed graft and corruption since 1930, defining graft and corrupt practices and punishable acts, as well as identifying agencies and organizations responsible for enforcing these laws. Three major laws define and penalize graft and corruption in the country: (1) The Revised Penal Code, (2) Article XI of the 1987 Philippine Constitution and (3) RA 3019 or the Anti-Graft and Corrupt Practices Act. The latest addition to these laws is the Anti-Red Tape Act (ARTA) of 2007. This law directs agencies, corporations and financial institutions with government interest to develop citizen's charters to serve as conduct guidelines for employees. In relation to this, DILG has initiated Project C.U.R.E Red Tape (Comprehensive and Unified Response to Eliminate Red Tape). This project is aimed at enhancing the delivery of basic services to the people by eliminating red tape practices. A striking development arising from this law is the crafting of Naga City Citizens Charter authored by Mayor Jesse Robredo. (See Annex 2 for the updated list of related laws, Presidential Decrees, Proclamations, Executive Orders, and

other Regulations on Corruption Prevention).

Abundance of Institutions

Seven institutions oversee corruption: The Civil Service Commission, Office of the Ombudsman, Sandiganbayan, and Commission on Audit, Supreme Court, National Bureau of Investigation, the Anti-Money Laundering Council and the Office of the Ombudsman. A recent addition is the Presidential Anti-Graft Commission. The Office of the Ombudsman has convened the Multi-Sectoral Anti-Corruption Council (MSACC) to engage the collaborative involvement of business and civil society in the fight against corruption. Most recently, this body has reviewed the gaps in anti-corruption legislation, using as a framework, the provisions in the United Nations Charter against Corruption (UNCAC), to which the Philippines is a signatory. This charter defines four thematic clusters for anti-corruption initiatives: Technical Assistance and Information Exchange, Prevention, Criminalization and International Cooperation. (See Annex 3 for a Comprehensive Review of Gaps). On the other hand, the Presidential Anti-Graft Commission (PAGC) has tasked itself with overseeing the implementation of AO255, which directs the heads of the executive department to lead moral renewal in their agencies. (See Annex 4 for the full text of AO 255) NCPAG responds to requests of these institutions for assistance and collaborative undertakings.

Civil Society Participation

The role of the civil society cannot be overemphasized. NGOs like the TAN perform an important role in the advocacy of corruption. TAN is a civil society coalition formed primarily for the purpose of exchanging information on developments and initiatives in transparency and accountability. It has a membership base of 21 organizations composed of academe, private sector, and civil society groups with strong interest in anti-corruption and good governance. The coalition envisions the country with transparent, accountable, and efficient public institutions and an empowered citizenry intolerant of corruption.

Where have we failed?

Failure to Institute Good Governance

Viewed from a broader context, the country's underdevelopment is largely attributed to our failure to institute good governance. We have a weak state apparatus, which prevents our country from providing an enabling environment to improve living conditions for common Filipinos. A good context for comparing our governance performance is the ASEAN region. In terms of Integrity measures, we lag behind Singapore, Malaysia, Thailand, Vietnam and Indonesia. We are ahead of Laos, Cambodia and Myanmar. (See Annex 5, CPI of ASEAN Countries, 1995-2008) In terms of fulfilling MDG commitments, India, Thailand and Malaysia are ahead of the Philippines. We are spending only about 0.5% of our GDP on education while others are spending more than 5%. We are under-investing on infrastructure - only about 2% of GDP while the requirement should be at least 5%. We have been unable to sustain economic growth that will build industries, create wealth, and raise living standards.

Perhaps and most importantly, the next question would be, what are the reform imperatives in fighting corruption? The next part of the paper discusses the imperative reform in promoting good governance and corrupt-free society.

A Need for Reform

Reform imperatives are needed to address graft and corruption in the Philippines. There are various approaches and strategies in fighting graft and corruption but the authors suggest four areas: reforming institutions, processes and procedures, (2) reforming mindsets and behaviors, (3) reforming leadership and political will, and (4) reforming citizenship i.e. exploring citizens' engagement and people's participation. The papers seeks to explore these four areas of reforms and identifies examples of each. The main objective of the paper is to explore how the four areas of reform imperatives can contribute to good governance and how it could give light to curbing corruption through a review of source documents stated under the references including various news paper articles.

The Imperative for Reform

Reform of public administration has become imperative to all the countries. Though, there are massive difficulties in shifting vested interests, it offers significant improvements in public service that makes it more efficient, effective, and economy. It also makes the public service more accountable and transparent.

Public Administration (PA) is an executive body of the government through which the government implements its plan, program, and projects; and also will have a relationship between the government with civil societies and private organizations. The success or failure of the government is sternly depended on the effective functions of public administration. Therefore, reform in public administration is supremely important for the proper functioning of a nation. Public administration reform is a means towards high standard public service. The UN Resolution 57/277 of the General Assembly on Public Administration and Development has reiterated the spirit of a well-performing public administration. It says, "An efficient, accountable, effective and transparent public administration, at both the national and international levels, has a key role to play in the implementation of internationally agree goals" (UNDP 2003: 1).

There is no single solution to fight corruption, it all depends on the country and on what level the corruption has taken place but we might consider a solution that is appropriate in our country. In Hongkong, Kwok introduced the ICAC model. He offers a three-pronged approach to fight corruption. These are (1) deterrence (2) prevention and (3) education. But if we are to solve the problem of corruption, the authors suggest a four-pronged strategy of: (1) reforming structures, processes and institutions, (2) reforming mindsets and behaviors across sectors, and (3) effective leadership by righteous and committed leaders, and (4) citizens' engagement might provide the answer to the pervasiveness of corruption in government institutions, systems, procedures, culture and leadership.¹ The framework has evolved from the studies of North, De Guzman, Reyes, and Brillantes on development reforms and governance imperatives.

This strategy will be most effective when it concretely addresses actual experiences of (1) processes that ought to be reformed, such as loopholes, discretionary decisions, and unclear procedures¹; (2) cultural, political, economic and social perceptions that ought to be transformed² (3) concrete leadership attitudes and behavior pertaining to regard for wealth, self interest and power, (4) active citizens' engagement.³ In this context, accurate knowledge about the reform experiences attributed to specific institutions and individuals will be gathered and provide the basis for instituting the four-pronged strategy for reform. The examples are not limited to the Philippine context; hence, other best practices from other countries are cited in this paper.

Figure 1. Reform Framework for Governance



Reform in Reforming Institutions, Processes and Procedures

Corruption is a symptom of something gone wrong in the management of the state. Institutions designed to govern the relationships between citizens and the states are used instead for the personal enrichment of public officials and the provisions of benefits to the corrupt. (UNDP 1997: vii)

Reforming institutions includes reform in processes and procedures and improvement of structures. Reforms in public administration generally keep rank alongside the reforms of institutions, processes and procedures as a priority for action because of the growing recognition of their significant roles in the development (Manning and Parison 2003: 6). Reforming institutions processes and procedures is important in light of fighting corruption. According to North (1997), "institutions are the humanly devised constraints that structure human interaction." In other words, institutions are formal and informal constraints on political, economic, and social interactions. It provides incentives and disincentives for the people to behave in a certain ways. Therefore, good institutions are necessary to establish an incentive structure which reduces uncertainty and enhances efficiency that strengthens the economic performance (North 1991). "There is also a need for institutions for the right policy formulation and to be implemented. (Chang 2005: 2)."

UNDP (1997) suggests that if a country is caught in a "corruption trap" a piecemeal reform efforts are unlikely worthwhile. UNDP emphasizes a need for more fundamental reforms. Reforms must be institutionalized. There are no quick fixes on reforming institutions, processes and procedures, but there is nothing wrong in trying.

Insofar as the Philippine politico-administrative system is concerned, comprehensive anti-corruption structures, processes and institutions exist, with major laws (including the Revised Penal Code, Article XI of the 1987 Philippine Constitution and RA 3019 or the Anti-Graft and Corrupt Practices Act, and RA 6713, the Ethics and Accountability Act); and seven institutions (including the Civil Service Commission, Office of the Ombudsman, Sandiganbayan, Commission On Audit, Supreme Court, National Bureau of Investigation, the Anti-Money Laundering Council, the Office of the Ombudsman, and recently, the Presidential Anti-Graft Commission) overseeing anti graft and corruption initiatives. We are therefore not lacking in anti-corruption laws. Neither are we lacking in anti-corruption. What we need is honest to goodness implementation and, as emphasized at the end of this article, leadership and political will. (Brillantes and Fernandez, 2008)

Looking at the question behind the question however, why have other countries gained ground while ours continues to slide down in integrity measures? The UN Convention Against Corruption (UNCAC) has emphasized the need to further fine-tune and amend existing structures, processes and institutions to prevent and criminalize corruption and encourage international cooperation, technical

Box 1. Institutional Reforms to be Considered to Strengthen the Enforcement of Anti-Corruption Incentives
<ul style="list-style-type: none"> • Establish independent investigators, prosecutors, and adjudicators that ensure 'equal' enforcement of the laws and regulations. • Strengthen capacity and integrity of the police as the frontline investigative agency for criminal infractions. • Strengthen and ensure independence and accountability of the judicial system. • Provide adequate powers of investigation and prosecution consistent with international human rights norms. • Integrate transparent mechanisms, which eliminate privileges that have no relations with the needs of the public, and which high public officials enjoy by reason of their office, into the reform of enforcement measures. • Develop effective complaints mechanisms and procedures for appeals, whether internally by a public servant or by a member of the public • Develop mechanisms to protect whistleblowers: encourage the development of institutions, laws and practices, which ensure that responsible citizens can report corrupt practices without fear of reprisals, and to ensure that the media is empowered to play its pivotal role in holding relevant individuals and institutions accountable. • Tackle special sectors that are known to be breeding corruption (e.g. in Georgia, the fight against corruption started in the Ministry of Education, considered to be one of the most corrupt systems). • Impose powerful deterrents for the would-be corrupt, such as civil penalties, blacklisting of corrupt firms, extradition arrangements, and other legal provisions that enable the profits of the corrupt to be seized and forfeited, inside or outside the country • Strengthen the ministry in charge of civil service reform and establish a close relationship between it and other anti-corruption agencies (enforced codes of conduct; increased supervision; results-oriented enforcement, management-based measurable performance indicators; empowering the public through citizens' charters; a credible public complaints system; access to information

Source: UNDP 2005: 11

Looking at the question behind the question however, why have other countries gained ground while ours continues to slide down in integrity measures? The UN Convention Against Corruption (UNCAC) has emphasized the need to further fine-tune and amend existing structures, processes and institutions to prevent and criminalize corruption and encourage international cooperation, technical assistance from international partners and continuous exchange of information is visibly urgent.

Cariño and De Guzman (1979) recommended the following initiatives to guard against individual negative bureaucratic behavior: (1) procedural changes to plug anti-corruption loopholes; (2) personnel's areas of discretion; Improving technical expertise, standardization and clarification of decision rules; (3) increasing visibility by making rules and procedures clear; (4.) management audits as a "proactive" or preventive step; (5) ethics seminars to address moral lapses; Institution of rewards; and purges and variants. Recommendations to control systemic corruption were as follows: (1) attacking the agency's administrative culture with a multi-pronged and concerted approach against graft and corruption; (2) attacking the political and administrative system by providing honest and effective leadership; (3) attacking the ethico-cultural system by harnessing cultural agents of church, mass media, bureaucracy; and (4) attacking the economic system by strengthening the government's bargaining hand against the private sector. (Ledevina V. Cariño and Raul P. de Guzman, *Negative Bureaucratic Behavior in the*

Philippines: The Final Report of the IDRC Philippine Team, PJPA, July-October 1979, pages 377-385). Mangahas (2009) likewise suggests the following mechanisms in eliminating corruption. According to him, it rests largely on (1) the existence of well-defined and implementable rules and procedures in transacting with government; (2) a credible legal and judicial system that efficiently resolves corruption cases brought to it; (3) a professional and nonpolitical career civil service; and a system of sanctions against erring agents, whether public or private; (4) a continuing review and rationalization of compensation and incentive structure for better performance; (5) credibility of the system to punish corrupt behavior; and (6) insulation against political intervention and a deliberate reduction in the scope of political appointments.

Institutions should be able to provide clear and practical recommendations on how the aforementioned action areas can be promoted. The academe for instance should likewise be able to actively engage in the discourse and process of strengthening the country's public financial management system (PFM) - which is considered as the core of public sector reform. Although some gains have been achieved in introducing the medium-term expenditure framework (MTEF), the country is yet to put in place a sound framework for PFM, adopt public expenditure financial accountability targets, and implement reforms to address issues related to budget execution, budget legislation, release of appropriated funds, utilization of funds, accounting, financial reporting, and audit. Needless to say, addressing corruption in these areas require deep appreciation of systems and processes.

Box 1. BIR

Some of the most significant initiatives undertaken under CIR Parayno's administration are: 1) expansion of VAT coverage to include professionals and banks and other financial institutions; 2) rollout of various e-services, which include Electronic Broadcasting, Web-based TIN application and processing, electronic raffle of invoices/receipts, provision of e-payment gateways, e-substituted filing of tax returns and electronic submission of sales reports (eSales); 3) building of third party information through computer linkages and data matching; 4) enhancement of existing detection systems, which include conduct of Tax Compliance Verification Drives and accreditation and registration of cash register machines and point-of-sales machines; 5) audit of exempt entities and cases involving non-remittance of withholding taxes; 6) conduct of special operations on high profile tax evaders, which resulted to the filing of tax cases under the Run After Tax Evaders (RATE) Program; 7) establishment of linkage with private sector groups for joint monitoring and implementation of good governance projects; and 8) establishment of the BIR Contact Center and eLounges in Regional Offices.

Source: BIR website <http://www.bir.gov.ph/about/history.htm>

Reforming mindsets and behaviors

One of the most challenging imperatives on good governance is reforming the behaviors and mindsets of the people both from the supply side and the demand side. Change of mindsets and behaviors is difficult in general, especially, in some countries where there is still a strong overlap of traditional social systems with state modernization efforts; merit reform is resisted in order to practice nepotism and favoritism in civil service appointment and promotion. Additionally, public employment patronage that finances competition between political parties and factions continues to be a dominant feature. There will be a high practice of political appointments and compulsory political levies on civil service (Shepherd 2003). Culture in particular is a challenge. There is this so-called "culture of corruption" that is deeply imbedded in the system of the bureaucracy.

Reforming mindsets refers to the molding of the individual and collective perspectives or paradigms of public officials in line with the demand of the changing context. It is also called reforming the "culture" (Pant 2007: 82). There are two ways of reforming the mindsets: individual mindsets, and collective mindsets. Individual mindsets include desirable work behaviors, positive thinking and attitude, emotional intelligence (self and social awareness – matured behaviors), and moral intelligence (integrity, honesty, compassion, and forgiveness). These personal values help an individual in setting personal goals and daily conduct and conforming ethical code both at personal and organizational levels (Ibid., 89). Pant says, "Collective mindsets should be the development of model work culture that manifests and fosters the type of organizational values and behaviors performance by maintaining high ethical and moral standards and public image" (Ibid.).

According to Pant, the ideal model culture consists of the following features which have been the secrets of successes of many organizations in the world:

1. People-centered: Staff personal and professional development
2. Performance driven: Performance and merit based promotion and rewarding system.
3. Goal oriented: A clear sense of direction.
4. Innovation inclined: Value of Innovative and creative thoughts
5. Client committed: Identify and satisfy the needs of clients
6. Productivity oriented: Optimizing outputs and economizing inputs
7. Quality obsessed: Consecutive efforts for betterment
8. Inclusion-oriented: Embracing all sectors of society

In some countries, the civil service is highly politicized and accountable to the political leaders rather than the public and the national interest. It diminishes the public service standard, but fosters graft and corruption in a high rate that causes incompetence, inefficiency, redundancy and oversized of staffs in civil service. Similarly, in other countries mainly in Africa and Middle East Asia, civil service is considered to buy a political support as a result downsizing public sectors in these countries are difficult.

Additionally, the use of civil service to create jobs leads fiscal pressure, which in turn drives low wages that frustrates the qualified people. Consequently, sooner or later, there will be the scarcity of qualified people in the public sectors that ultimately affects in functioning nation well.

According to Shepherd, the politicized in civil service can be minimized by “developing a more politically-informed view of the relative advantages and disadvantages of merit and patronage system.” He further stressed that transparency (public information access of political appointees and their status) to all the in exercise of political parties control over the bureaucracy might be another way to depoliticized the civil service. Institutional development in public, private and civil society is also required to depoliticize the public sector.

Experience suggests the need to “make corruption a high risk- low reward activity” (Mangahas, 2009). Therefore, changing the status quo inevitably involves the imperative to transform the mindsets and paradigms that breed corruption, which in our country, dates back to colonial practices of bidding for appointments and rendering public office as investments that need to be recovered. The meager compensation in the bureaucracy has been of no help either. An active and engaged citizenry and a consciousness of participation and vigilance will breed a culture of transparency, accountability, participation and predictability that are imperative to developing a culture resistant to corruption. This is imperative if anti-corruption initiatives are to be sustainable.

Reforming Leadership

In today's world, the topic of leadership is more popular than ever before. One commonality that we find in most of the leadership theories and definition that leadership is an effort of influence and the power to induce compliance (Wren, 1995). It refers the ability of a person to organize and direct human efforts to attain the objectives which is accomplished through instilling a high level of motivation and dedication in all people involved in a task. In short “Leadership is influence, the ability of one person to influence others” (Sanders, 1980, p. 31).

Although, leadership is not emphasized substantially in the public sector (Terry 2003), nevertheless, it is an important issue, both with academics and practitioners (Van Wart 2003). Leadership is essential for all types of organization, but even more important in public administration as the tremendous complexity and diverse issues are continually arising in the public sector. Leadership is a crucial matter in public administration to influence the capacity of governments that accounts the success or failure of the government. As an executive body of the government, PA helps the government to formulate and implement the policies, plan and programs. Effective leadership is the central to effective and sustainable implementation. Thus, it plays a vital role in the success or failure of the government.

Box 2. CSC initiatives

A program that is currently being pursued by the Civil Service Commission is the promotion of ethics and accountability in the public sector. One component is the conduct of the Public Service Ethics and Accountability (PSEA) [workshop](#) for officials and employees in government. Major departments and offices like the DBM, the Department of Interior and Local Government (DILG), the Armed Forces of the Philippines (AFP), the Technical Education and Skills Development Authority (TESDA), the Philippine Children's Medical Center (PCMC), among other agencies, have participated in the training program. An important component of this training program is the development of an ethics promotion or corruption prevention plan by the participants. Discussion and workshops are substantial on the issues of causes, patterns, and consequences of corruption and the best anti-corruption practices. Another component is the conduct of Values Development trainings nationwide. The core activity is a review of the fundamental values in the Filipino culture to align them with public service values. In 2002, a total of 14,583 government employees participated in the program. Considering the number of government workforce, these training programs are not enough to create a significant "movement" of reformers in government. The last component is the Presidential Honor Awards Program that recognizes the exemplary performance and contribution of the employees in the civil service. Every year, several officials and employees are recognized for very specific achievements. The idea is to foster positive morale within the bureaucracy and improve the image of public service so as to influence the tide of public opinion. However, no study has been made to determine the extent of effectiveness of the honor awards program.

The CSC also strengthens merit principle through the improvement of various personnel mechanisms in the civil service, specifically the Performance Evaluation System and the Incentives and Awards System. These mechanisms put more premiums on performance or merit rather than political patronage.

Source: Fernandez (n.d) "Managing the Fight against Corruption through Partnerships among Government Agencies and with Civil Society: The Philippine Experience"

Another reason that leadership is important in public administration is that there is such a focus on performance. The public organization is continually under scrutiny, again from within and without, as to how it is performing its functions and how well it is making use of its funding. Leadership is the key to performance and to ensuring that the organization operates at its maximum effectiveness. Effective leaders are able to mobilize collaborative forces of the public and private; national and local to distribute the public goods and services to the people very well. The features needed for the well performing public administration that includes efficiency, effectiveness, accountability, and transparency are translated in reality only by the effective leadership. The key to successful organization is "leadership, leadership, and still more leadership" (Kotter, 1996, p. 31).

Apparently, leadership in public administration is crux. It is most essential than other features in public administration because of its dynamic collaborative leading capability to others. To achieve the success in reforming public administration, the dynamism of leadership has to be transmitted to the reform process. Ahmad firmly says, "Given the opportunity and the right political support, the public sector can accept the challenges of change and reform (Ahmad 1997: 68 as cited in ADB 2007)." Many times, political will refers to the right political support.

Corruption affects the country at all levels, from national to local government. Leadership is of such critical importance. According to Bhargava (n.d.)

Because leadership is of such critical importance in the anticorruption struggle, a talented manager should be appointed. This manager must have impeccable and widely recognized integrity, a track record of sticking to a job and showing results, and the ability to communicate well with a wide public audience. To drive forward the anticorruption strategy and agenda, the manager should be given the support of a strong organization and adequate resources. The manager's mandate would involve spearheading the anti-corruption efforts and coordinating a variety of agencies and groups involved in the effort.

But a public official or a political leader should not be merely managers. The leadership (political will) with innovation and creativity is crucial in reforming public administration and tackling corruption. The leadership by example is a superb leadership example for leading towards change of mindsets and behaviors and citizens engagement. A leader by example is a leader who does as he speaks. He seeks to lead his people with their full potentialities. He helps them to realize their potentialities in the democratic process.

In view of this, the leadership of Singapore, Malaysia, Thailand, and Indonesia may be evaluated in terms of their effectiveness in as law enforcers, sustainable development administrators and poverty exterminators. As we see the history of present developed countries, we see the role of effective leaders to bring their country in present state. One instance can be the country Malaysia. Mahathir Mohamad, the Malaysian prime

minister (1981-2003) who contributed enormously to bring Malaysia in present state "believes firmly in leadership by example which became the slogan of his administration" (Ibid.). Another example would be Lee Kuan Yew of Singapore. Lee Kuan Yew was the first and longest serving Prime Minister of Singapore; and it was his leadership that brought Third World Singapore into a thriving metropolitan city in a stunning three decades. ¹ He elevated the nation from the Third World to the First World league. Indeed, Singapore is one of the most successful former colonies. Lee is a symbol of Singapore's success. When he stepped down in 1990, he left "gold standards", a clean and efficient government, world-class infrastructure and a business-friendly economy (Oel, 2005). In Korea, there is Major General Park Chung-hee (1917-79) carried out a military coup d'état followed by an anti-corruption campaign that was welcome by the general public (Asia Times, 2006). To its credit, the Park regime brought about considerable changes in Korean society, including rapid economic advancement. The Saemaul ("New Village") program was instituted in 1971 as a self-help program for farmers. Although seen by some as a tool for government indoctrination, it did bring many benefits to the rural poor. The program later spread to fishing communities and then to urban areas. Due to various reforms, Korea became virtually self-sufficient in food production by the mid-'70s. Throughout the '60s and '70s, a reawakening of cultural activities was helped along by broadening mass communication and education.²

In essence, reforming leadership which is many times marked by the political will is indispensable for the reforming public administration. Therefore, the effective leadership who lead by example is crucial not only for the PA reforming process but also for high standard function of public administration and nation too. Beyond the problem of morality is one of leadership by example. The weak state apparatus which prevents our country from providing an enabling environment to improve living conditions for common Filipinos renders our poverty-stricken public vulnerable to corruption and abusive leadership. Leadership indeed matters.

Effective leaders are able to mobilize collaboration between the national and local public sector, the private sector and civil society to deliver goods and services to the public. Accountability, transparency, participation and predictability through rule of law are translated into experience as processes, tools and instruments. Experience becomes scorecards and benchmarks for political, social, administrative, economic and cultural dimensions of governance. The outcome of effective leadership is decreased incidence of corruption, better service delivery, economic growth and development, and improved living conditions. At the end of the day, implementation of anti-corruption initiatives is the key to stopping corruption and central to effective and sustainable implementation is leadership, and many times marked by political will.

What Kind Of Leadership May Minimize if not to Stop Corruption?

There is an abundance of literature on leadership. However, the purpose of studying corruption, it may work best to make use of a framework based on the assessment approach of the National Integrity System by Transparency International.

Tackling Corruption through Transformational Leadership

We emphasize the role of the transformational leader in tackling corruption. A transformational leader is very high in his or her ethical virtues. They lead the people by example. He values accountability, transparency, and integrity. He is very much serious in his work ethics. He is responsive and clear in his purpose resulting people into trust and confidence from the people. The transformational leader believes in transparency and keeps the records very well. This transparent character earns him credibility and integrity. Man can deceive people around him but he never deceives his own heart. An honest heart never lies, steals, cheats and manipulates. An honest man thinks positively, work diligently with faith in future and pace up gladly. In such environment, there will be no sting of corruption. He cannot be lured with the temptations of corruption.

Promoting Accountability and Transparency

Accountability and transparency are the key governing imperatives of public administration and good governance. The leader takes the lead role in promoting accountability and transparency in his organization and in the institution as a whole. A transformational leader is transparent and he is responsible and answerable to the public. The purpose, vision, individual and organizational roles are clearly penned with the detail structure, process and procedures. A transformational leader leads the people by example aligning actions with shared values. He models what he expects people to do by clarifying his personal values and the public values. If people see the consistency in his personal life and his public life, then most likely he earns the loyalty and trust of his people.

A transformational leader celebrates the values and victories even small ones, and tends to tackle the problems through recognizing other's contributions by creating a spirit of community. A transformational leader knows how to motivate his people and mobilize groups for the betterment of the country as a whole. He also believes in shared vision and values. He decentralizes power and gives opportunity to others. He articulates

vision and cast it in such a persuasive and powerful way that people intrinsically sense it and does accordingly. Sometimes, he thinks outside the box; he knows how to show a clear big picture of his vision where the role and relationship are clearly mentioned that makes people work efficiently and effectively. There will be clear cut rules and regulations that foster smooth work under such leadership.

Next Steps towards Defining / Describing the Kind of Leadership We Filipinos Need For Effective Governance

The many laws in the Philippines illustrate that the enactment of laws is not the answer, given that, as previously shown in Annex 2, we have many laws anti corruption laws. More importantly, these laws need to be implemented.

Implementation will have to be championed by an effective leader. The key role of leadership and political will in implementing anti-corruption policies and laws are central in the fight against corruption. Leadership therefore is key to minimizing corruption. To determine what kinds of leadership have succeeded in a similar context, it will be worthwhile to study what qualities exist among the leadership styles of Singapore, Malaysia, Thailand, Vietnam and Indonesia Government Executives that we might be able to adapt in building our own leadership capacity evaluation standards.

Although Singapore has always been way ahead of the ASEAN in integrity rating, we scored similarly with Thailand, Vietnam and Indonesia at some point in the past 13 years of the implementation of the CPI evaluation (as shown in Annex 3). However, these ASEAN neighbors have managed to improve their performance beyond ours. On the other hand, it may be of value to likewise study what we may have in common with Laos, Cambodia and Myanmar. These are ASEAN neighbors whose integrity rating has similarly deteriorated. (See Annex 5) On a more proactive note, we might consider focusing on trying to understand the kind of leadership that enables Singapore to consistently surpass our ASEAN community.

Box 3.1 BOC under Parayno's administration

Under Parayno's leadership Customs Modernization in the Philippines has taken off. The period of 1992-1998 was one of the golden opportunities for reform and modernization in the custom service. In the BOC, the Public Ethics and Accountability Program was established to increase the risks and reduce the rewards in engaging in corrupt practices. Attempts to exempt certain key customs positions from the civil service law that regulated those positions failed.

BOC managers risk being overwhelmed by day-to-day emergencies and policy issues and often do not have the time to plan for the future, the BOC Commissioner took it upon himself to manage the reform and provide guidance on the directions to be taken. The reform used a strong top-down approach, with relatively few consultations with stakeholders or BOC management. To free himself of such routine matters as dealing with personnel promotions and mobility, the commissioner rationalized procedures so that they would require less direct input from him. He also instituted a clear delegation of authority to his deputy-commissioners in relation to personnel and procurement matters. The commissioner tracked the progress of the reform in detail and personally intervened to address problems as necessary.

Source: Case Study 1. Parayno, Guillermo (2007) "Customs Modernization in the Philippines", Workshop on Strategic Management of Anti-Corruption Program, UP-NCPAG, July 9-13.

Box 3.2 Bayani's Leadership in Marikina

The leadership of former mayor Bayani Fernando and his wife, Marides Fernando has transformed Marikina City from a sleepy and lackluster town (always in the shadow of its bigger sister city Quezon City) into one of the most progressive and shining city in the Philippines. With the Mayor's creative leadership by example, Marikina is branded as the most peaceful, most orderly, cleanest, greenest, corrupt-free new city in the country. The mayor has established a high level of professionalism and effectiveness in the discharge of services of the Marikina City Hall even to the basic and routine ones such as access to health and maintenance services, and proper garbage disposal. He also succeeded in promoting the City of Marikina into a "little Singapore" in terms of its cleanliness and orderliness of infrastructure such as roads and flood control projects, and of the general discipline of its citizenry. (Source: www.worldmayor.com)

Engaging citizens

Engaging citizens is a new paradigm in reforming public administration. However, engaging citizens is an unpredictable process. It does not happen systematically nor guided by rational choices and decisions, but it is more governed by unconscious factors. The family can play a significant role in transmitting the values and attitudes that fosters to be engaged citizens. Educational intervention (both formal and informal), media and publications, and external civil organizations also play a vital role in the development of citizens' engagement (New Perspectives for Learning, 2004).

In different time, citizens are engaged in government in different ways. People in old time (before invention of online system i.e. internet), they engaged in government by active participation for direction and decision making. Governments were responsive to the needs of their citizens' inputs in the government. According to Meskell, "They (government) knew that, for democracy to flourish, citizens must take an active part in public life, sharing their ideas and opening their minds to the opinions of others, and taking ownership in the well-being of the country" (Meskell 2009: 1).

At present days, online system is replacing the old physically participation system (in developed countries), and nowadays, citizens are engaging through online such as "online town meetings, social media, chat rooms, bulletin boards, deliberative processes for e-rulemaking, and feedback mechanisms" which has cut off the expensive mechanisms for soliciting citizen inputs. Online communication has become most easier and economy useful tool for formulating and developing the public policy in developing countries (ibid.). Furthermore, online citizens' engagement gives more opportunity to understand governmental policies and processes so does the government understands of the "diverse public views and knowledge about complex problems". Online engagement also offers interaction between the members and put group voice for mutual benefits without having headache of heap expenses and long distance travelling.

The full extent of engaging citizens in government can fulfill the notion of a famous slogan – "by the people for the people." New public management has considered the people as customer or client so they have their personal "stake" in the government. Therefore, meeting the needs of customers (citizens) should give high priority than giving the attention to the bureaucracy.

The United Kingdom (UK) has made strides in engaging citizens in their government. They turned government communication to citizens with the collaboration of internet service. According to Andrew Stott, director of Digital Government, "They use the internet to give citizens a voice." They already saw the massive impact of using internet for public engagement on the democratic process. Similarly, P.K. Agarwal, California Chief Technology Officer, envisions the improved civic engagement through the mobile appliances and wireless technology in "Reinventing "We the People" program. Technology is being an essential to participatory government, but "data is not democracy," Carolyn Lukensmeyer says, "Civic participation still calls for in-person interpersonal engagement"

(Meskell 2009: 2).

In the context of corruption efforts, reforming and engaging citizens is an equally important reform imperative. The fight against corruption is not the sole concern of the government. The “governance” concept encourages the participation of citizens in the governance process. The fourth framework is a demand side approach aimed at promoting citizens’ engagement in the governance processes and in curbing corruption. According to Chene (2008), strengthening demand for good governance and anti-corruption is logical policy arena. She adds that:

In many developing countries, the public sector is perceived as distant, corrupt and unaccountable, leading to a widespread crisis of legitimacy between citizens and the institutions that represent them. The link between citizen voice, transparency and accountability has been recognized in this context as the core of good governance and improved public sector performance. There is a growing consensus that working on the demand-side of curbing corruption is a critical dimension of governance reform. This recognition has opened new opportunities for citizen involvement in recent years, with the proliferation of a wide range of accountability mechanisms aimed at increasing citizen voice and influence over public policies and the use of public resources. Such interventions share the common goal of empowering citizens to play a more active role in decisions that affect them, with the view to reducing the accountability gap between citizens and policy makers and improving the provision of public services. (Chene,2008: 1)

Due to socio-economic, political, and cultural changes which brought the transitions in democracy, engaging citizens in the reform process is very powerful. People’s participation is now becoming an intrinsic part of the governance process. There are mechanisms to engage the citizens. There is a wide range of channels can be envisaged to support closer citizens participation including the media, political parties, citizen’s watchdogs among others. Chene offers the following to illustrate the interventions that could build citizen’s demand for curbing corruption. These are:

(1) Free Press

Building the capacity of media to investigate and expose corruption cases can contribute to galvanize public opinion and action against corruption. An example would be the Philippine Center for Investigative Journalism (PCIJ). In 2000, they packaged investigative reports in a book entitled *Betrayals of the Public Trust. Investigative Reports on Corruption*, where they exposed corruption which has spawned during the administration of three elected presidents of the country: (1) Corazon Aquino, (2) Fidel V. Ramos, and (3) Joseph Estrada, which were challenged by charges of corruption and malfeasance. The reports exposed corruption cases involved in the Presidency and the Congress, the courts, the environment, local governments and corruption in service delivery. Consequences of corruption in service delivery would be potholed streets, inadequate textbooks and broken chairs in public schools, expired medicines (PCIJ, 2000)

(2) Transparency of government processes and public access to official information.

RA 6713 requires government employees to submit their Statement of Assets and Liabilities (SALN) and the Citizen's Charter as required by RA 9485 or the Anti-Red Tape Act is one way to promote transparency in government processes.

(3) Decentralization/devolution of public services.

This would encourage more participation from the local people. The Local Government Code of 1991 emphasizes the importance of NGOs in local governance.

(4) Participatory planning and budgeting.

Box 4. Workers Party of Porto Alegre

The experience of participatory budgeting introduced by the Workers Party (PT) in the Brazilian city of Porto Alegre has been well documented. Although there have been some concerns over the balance between participation and the quality of representation, the city has experienced impressive results in terms of increased participation, more pro-poor expenditures, greater access to public services and local government accountability. Between 1989 and 1996, the number of households with access to water services rose from 80 to 98 %; the percentage of the population served by municipal sewerage rose from 46 to 85%; and the number of children enrolled in public schools doubled. This experience presents a strong example of democratic accountability through civic participation ensuring greater legitimacy and fairness of allocation processes. (Please see: www.wri.org/wbdo/oct-nov02/SouzaHabitat.doc).

(1) Community participation in service delivery

Increasing NGO involvement in the delivery of basic services is certainly one mode by which problems of society are collectively solved. (Brillantes, 2003). As cited in Brillantes (2003) Cernea (1998) identifies the strengths of NGOs as follows:

- (5.1) capacity to reach rural poor and outreach to the rural areas
- (5.2) capacity to promote local participation
- (5.3) capacity to operate at a low costs
- (5.4) capacity to innovate and adapt

(2) Citizens' feedback and monitoring of public services

Mechanism would include the Citizen's Report Card as in the case of the Bangalore's Citizen's Report Card and public service audits. The PASADA which was initiated by the Civil Service Commission in collaboration with other stakeholders like the academe is a good mechanism for citizen's feedback and monitoring. Finally, it might be noted that the NCPAG recently entered into a partnership with the Ombudsman and Griffith University to establish the Center for Asian Integrity. Indeed since the seventies, NCPAG has done pioneering work in the study of corruption. It is within this context that we have been asked to be a key player in the CAI. The above framework are identifying areas of intervention to address the problem of corruption could serve as take off points for the work of the CAI and NCPAG.

- Prevention and public education can only be effective with strong enforcement backup
- Needs partnership, in particular the Media

Reform Initiatives of Citizens

mechanisms strengthening the demand for anti-corruption measures are meant to transform individuals - especially those from social groups that are traditionally excluded from government decision making processes - into engaged and organized citizens that have the knowledge and power to express demands and influence decisions that directly affect them through increased participation in governance processes.

Box 4.1. Public Service Accountability Monitor (PSAM) of South Africa

In South Africa, the above mentioned PSAM shifted its focus over time to the structural context of weak financial management generating corruption risks. It thus contributed to the improvement of financial reporting standards in provincial reporting agencies, which in turn resulted in a dramatic decrease of audit disclaimers⁷ issued by the AG since 1996. These disclaimers were issued in 10 of the 13 major public agencies between 1996 and 2000, meaning that the government could not account for more than 90% of its total budget over a period of several years. As a result of PSAM intervention, audit disclaimers issued by the AG comprised only 41% of the total provincial budget, a reduction of more than half. (Please see: <http://www.internationalbudget.org/SAls.pdf>).

Box 4.2 Transparency and Accountability Network (TAN)

TAN is a civil society coalition formed primarily for the purpose of exchanging information on developments and initiatives in transparency and accountability. It has a membership base of 21 organizations composed of academe, private sector, and civil society groups with strong interest in anti-corruption and good governance. The coalition envisions the country with transparent, accountable, and efficient public institutions and an empowered citizenry intolerant of corruption.

TAN's anti-corruption initiatives fall under the four (4) major categories: administrative measures, legislative bills, NGO participation as reform partner, and electronic initiatives. Among these is the adoption of reforms in the government procurement process through the Electronic Procurement System (EPS), the enactment of the Procurement Reform Law, the streamlining the pre-qualification process, and the strengthening of the post-qualification process. TAN has also led to its participation in the lifestyle check system. (Fernandez, n.d.)

Box 4.3. Concerned Citizens of Abra for Good Governance (CCAGG)

the Concerned Citizens of Abra for Good Governance (CCAGG)'s monitoring of public works projects in the Abra Province resulted in the conviction of public officials on charges of corruption. CCAGG's investigations monitor a variety of practices in government projects - especially road construction projects, including the use of sub standard materials, poor construction techniques and fraud in contracting procedures. In recognition of the role played by the CCAGG, the Philippines Supreme Audit Institution entered into a partnership to conduct participatory audits exercises in the Abra region. (Please see

<http://www.internationalbudget.org/SAls.pdf>).

Conclusions

We have discussed the four broad reform types: reforming institutions, processes, procedures; reforming mindsets and behavior; reforming leadership and political will; and engaging citizens. The reform of public administration in these four categories makes the governance more efficient, accountable, effective and transparent. It elevates significantly the standard of public service. Public service in any country is the backbone of its government; and plays a crucial role and must be both efficient and effective too.

Good institutions, processes and procedures are essential for the effective functions of public administration. In absence of good institutions, there are high possibilities of graft and corruption, inefficiency, incompetency, and redundancy in public administration. Hence, the institutions, process and procedures are reformed for the standard of performance by eliminating the evil things in the public administration.

People think how they see and understand the things. In other words, their mindsets and behaviors are the equally important factor in either contributing or hindering corruption.

Leadership is central to effective and sustainable implementation of anti-corruption initiatives and many times fighting corruption requires strong political will. Therefore, the effective leadership who lead by example is crucial not only for the PA reforming process; but also for high standard functions of public administration and nation too. The transformational leader's characters such as confidence, empowerment, vision span; and good behavior – modest life, shared vision, and being a change agent, make him fit in addressing the issues and concerns corruption. People trust in this kind of leadership as they could see in him the elements of good governance such as accountability, predictability, transparency, rule of law and participation. They play a vital role in reforming public administration whether it is in institutions, mindsets, leadership, or engaging the citizens. Reengineering triggers changes of many kinds of the job designs, organizational structures, and management systems – anything associated with process must be refashioned to fit with these erratic changes. The success of reengineering hinges on transformational leadership. Only if top-level managers back the effort and outlast the organizational cynics can reengineering succeed. Lastly, the implementation of reengineering is extremely strenuous that needs fast radical change which accelerates the dramatic improvements. And this lies in information technology as maximized in a reengineering effort under the guidance of transformational management that has vision. In above all, the role of transformational leadership in reforming public administration is very vital and indispensable too.

Lastly, engaging citizens is significantly important to make public administration compatible in the changing context. The world is becoming global village with the contribution of highly sophisticated technologies particularly in communication and information system. We can tap the Information and Communications Technology (ICT) in promoting anti-corruption initiatives or even in exposing corrupt practices in all levels.

Endnotes

¹ Corruption Perception Index measured by Transparency International yearly since 1995, globally considered to be a reliable indicator of a country's integrity

² Brillantes, UP Diliman Forum, May-June 2009, page 6

³ Cariño and De Guzman recommended the following initiatives to guard against Individual Negative Bureaucratic Behavior: Procedural changes to plug anti-corruption loopholes; Reducing personnel's areas of discretion; Improving technical expertise, standardization and clarification of decision rules; Increasing visibility by making rules and procedures clear; Management audits as a "proactive" or preventive step; Ethics seminars to address moral lapses; Institution of rewards; and Purges and variants. Recommendations to Control Systemic Corruption were as follows: Attacking the agency's administrative culture with a multi-pronged and concerted approach against graft and corruption; Attacking the political and administrative system by providing honest and effective leadership; Attacking the ethico-cultural system by harnessing cultural agents of church, mass media, bureaucracy; Attacking the economic system by strengthening the government's bargaining hand against the private sector in Ledevina V. Cariño and Raul P. de Guzman, *Negative Bureaucratic Behaviour in the Philippines: The Final Report of the IDRC Philippine Team*, PJPA, July-October 1979, pages 377-385.

⁴ Cariño and De Guzman looked into the congruence of the legal-definition of corruption with the norms of (1) the ethico cultural system (Filipino conceptions of obligation and responsibility), (2) the political system (general attitudes towards authority and sense of political efficiency), (3) the economic system in Ledevina V. Cariño and Raul P. de Guzman, *Negative Bureaucratic Behaviour in the Philippines: The Final Report of the IDRC Philippine Team*, PJPA, July-October 1979, pages 360-370.

⁵ Cariño comprehensively discusses the reasons for graft and corruption in Ledevina V. Cariño, "Bureaucratic Norms, Corruption and Development," PJPA, October 1975, pages 282-288

⁶ http://www.transparency.org/policy_research/nis. This assessment looks into Rule of Law, Sustainable Development and Quality of Life, shown below as Figure 2.

⁷ <http://www.leadership-with-you.com/lee-kuan-yew-leadership.html>

⁸ <http://koreanhistory.info/park.htm>

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The Long and Winding Road to Infrastructure Development and Reform

EDNA E. A. Co*

Good infrastructure is key to economic growth and development. Countries that have shown progress prove that good infrastructure is crucial to move people, goods, and services which enhance economic activities.

One of the main obstacles to a more rapid economic growth in the Philippines is its poor infrastructure. There are a number of possible reasons for the poor state of infrastructure in the Philippines, but one of these is certainly the low level of investment in infrastructure compared to other countries. Whereas the developed countries and the rapidly-growing Asian countries spend around 5 percent of their Gross Domestic Product (GDP) on infrastructure, the Philippines spends only around 2.5 percent. (World Bank Manila. 2004: 1). In particular, road expenditure as percent of GDP in the Philippines is only 0.7, which is below that of Indonesia (1.7 percent) and Thailand (1.1 percent) and only equal that of Bangladesh; of the selected Asian countries studied, only Pakistan, with 0.4 percent, had lower spending on roads than the Philippines (World Bank Manila. 2004:1). In a ranking of eight Asian countries using 5 infrastructure indicators, the Philippines came out the lowest in overall ranking, lower than Vietnam and India (World Bank Manila 2004: 2); in terms of the ratio of paved roads to total roads, in particular, the Philippines had the lowest ratio (21%) among ASEAN countries (exclusive of Burma, Laos and Myanmar) in 2001 (Department of Public Works and Highways. 2003).

Not only is total spending on road infrastructure in the Philippines low, it is also eroded by "leakages" due to corruption and similar practices. It has been estimated that around 40 percent of the total amount for infrastructure is lost from corruption. Regional directors reportedly get a 10% commission and the DBM 15% (DPWH, 2006). Add to these the percentages that allegedly go to politicians and other high government officials or the latter's relatives and you have, on one hand, a bloated budget for infrastructure and, on the other hand, poor quality infrastructure, which is the worst of all possible worlds (Co et al, unpublished report submitted to "Bantay Lansangan" 2008). The percentages probably vary depending on whether the road is national or local, with more going to local politicians and local executives in the case of locally-funded infrastructure projects and more going to national officials, their relatives and friends for foreign-funded ones.

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Infrastructures are among the principal investments of public funds including foreign loans. Specifically, road works which consist of fresh investments, construction, operation, maintenance, and rehabilitation are segmented and involve many entry points. This means that besides the Department of Public Works and Highways (DPWH), the agency centrally involved in infrastructure development, there are many other agencies that dip their hands in road works. DPWH is tasked to develop technology to ensure the safety of all infrastructure facilities and to secure for all public works and highways the highest efficiency and quality in construction as well as maintenance (Co et al., unpublished report submitted to "Bantay Lansangan", 2008). Provision of infrastructure is considered to be one of the three minimum tasks of government, the two others being defense and foreign relations; not surprisingly, the DPWH is one of the oldest departments of the Philippine government.

Many Players in the Field

The DPWH is just one of many government institutions providing infrastructure, either directly by being involved in their planning, construction and maintenance or as a support to their primary function(s). Other government agencies involved in providing infrastructure, are the following: the Department of Education, for school buildings and facilities; the Department of Agriculture and the Department of Agrarian Reform and their attached agencies, for irrigation facilities, common-service facilities (e.g., palay driers), and farm-to-market roads; the Department of Transportation and Communication, for ports and airports; the Department of Tourism, for tourist infrastructure such as hotels and roads to tourist sites; the Department of Environment and Natural Resources, also for farm-to-market roads and infrastructure in reforestation sites; the local government units (LGUs) for local roads, the Metropolitan Manila Development Authority (MMDA) for MetroManila roads and facilities; the Manila Waterworks and Sewerage System (MWSS) for water distribution and sanitation systems; and the Road Board in so far as funding for road maintenance is concerned (Co et al. unpublished report submitted to "Bantay Lansangan" 2008).

Government-owned and controlled corporations like the Bases Conversion Development Authority (BCDA) and the National Development Company (NDC) have also ventured into road construction, operation, management, and maintenance. The Philippine Ports Authority (PPA), which at various times has been attached to the Department of Transportation and Communications (DOTC) and the DPWH (or their predecessor, the Department of Public Works, Transportation and Communications) is also involved in the construction, operation and maintenance of port facilities, even as it increasingly bids out these projects and activities to the private sector. The Philippine National Construction Company (PNCC), originally under the name of Construction Development Corporation of the Philippines with the primary purpose

of general contracting, is responsible for the construction of toll way network in Luzon such as the North Luzon Expressway and the South Luzon Expressway.

Aside from the abovementioned agencies under the Executive Branch, the Legislature is also heavily involved in identifying and financing local infrastructure projects through the legislators' Countrywide Development Fund (CDF), more popularly known as the "pork barrel", that each Senator or Congressman regularly gets. Some of the recent controversies regarding the provision of local roads have to do with the use (or misuse) of Congressional "pork".

And while the many players in the road works make a complex system, coordination is weak and practically nil. Nevertheless, such "chaos" seems deliberate as everyone seems happy to have a 'share in the pie'. This arrangement causes demoralization among personnel of DPWH and this further means that not all vulnerabilities in the road works are monopolized by the agency.

The constellation of players adds to the labyrinth of vulnerabilities in the road works system. In this paper, vulnerabilities refers to the points, functions, or processes within or without the road works system that result in some organizational dysfunctions such as cost overruns, project delays, over or under-design of road works, poor quality, and what is generally called corruption. All such dysfunctions may be manifestations of corruption at varying degrees and levels. The overall outcome of such vulnerabilities are weaknesses in providing infrastructure services which either hinder, prevent, or reduce the efficient, effective, and economical provision of services.

The vulnerabilities in the road works are observable in various phases of the road system.

1. Vulnerabilities in the pre-implementation phase

Bid rigging is one of the most prevalent practices in the infrastructure development process. Although signs of collusion are not too difficult to detect, proving that it exists is extremely difficult. The same group of bidders turns up in project after project; the same winners or losers emerge; and supposedly independent bids are suspiciously close to one another, suggesting collusion or some tacit understanding among the bidders. Also, in certain instances, there are very few actual submissions of bids despite the presence of many interested bidders; the fact that there are very few actual bids raises questions as to whether there is genuine competitive bidding.

There are measures to make the process of bidding and procurement transparent. One such measure is electronic bidding where bidders submit their respective bids online. Under this system, the identities of bidders are not known to each other or bidders are not given the opportunity for face to face contact (as

in pre-bid conferences), thus reducing the chances of collusion. Two variations of this system have been tried. One is where bidders submit their bids only once, and whoever submits the lowest bid or one that most closely meets the specifications, is chosen. The other approach is where bidding goes through successive rounds, in an effort to come up with the lowest bid. Here the exact amount of the bids and the identity of the bidders are not known, only one's rank (i.e., 2nd, 3rd, etc.)

A slightly different but still related issue is the stringent prequalification procedure in which every bidder is required to submit a detailed project proposal that then goes through technical evaluation. On the average, it takes nine (9) months to complete the process, although in the end, the decision is still subjective and lacking in transparency. It also takes an average of 15 months for DPWH to engage the work of project consultants (JBIC 2000 in Manasan and Mercado. 2001: 43). The JBIC has also noted a number of related questions, such as: 1) are there sufficient contractors who participate in the road maintenance contracting? 2) is the processing of contracts and the awarding of payments prompt enough? 3) what is the quality of performance and the performance review on specialized and small contracts such as road signage, road marking, vegetation control, drainage clearance, etc.?

The bidding itself may not serve as a problem; however there are narratives and anecdotal evidences that indicate how collusion and agreements among bidders do take place prior to the bidding. According to one resource person from the DPWH, one problem is the agreement among bidders where each bidder takes turn to "win" and the rest take a share each time the bidding occurs and is sealed. Whoever "wins" the bid, everybody takes a share in the pie so to speak.

There is a tendency to build roads of poor quality, on the one hand, and there is on the other hand a tendency in fact a more frequent one, to build especially in foreign-funded roads, over-designed roads or those that bear no immediate relations to the immediate needs of the community. Scarce resources could be better spent elsewhere. The explanation to the latter tendency is the incentive system among stakeholders including foreign funders, foreign contractors and consultants, design engineers, foreign suppliers, even Philippine officials and bureaucrats – who all have a tendency to overbuild, in which case the size of their fees, profits or commissions is directly proportional to the size of the projects and the costs of (foreign-funded) projects.

As one can see from the above tales on bidding and the pre-implementation phase of the road projects, that there are insinuations of informal negotiations, over-design (and therefore over costing) of projects, and delay in the process – all of which have to do with the incentive system that is beneficial to the consultants and contractors (whether foreign or local), suppliers, engineers, or local bureaucrats. However, it is indeed difficult to pin down the exact amount involved in corruption. The problem lies in the system by which pre-implementation process and

procedures contribute to wastage, delay, and unreasonable use of scarce resources, oftentimes borrowed ones.

2. Vulnerabilities during the implementation phase

An apparent vulnerability during the project implementation phase is the weak prioritization and programming of allotment releases due to various factors. Other points of vulnerability are the inability of the agency to facilitate right of way acquisition (ROWA), the apparent collusion among contractors during the bidding and contracting stages, the poor monitoring of the performance of contractors during road construction and maintenance, and project delays and cost overruns.

Project implementation is faced with many other vulnerabilities, among these are the lack of financial capacity for counterpart funding, causing delays in the release of counterpart funds, the lack of administrative capacity and technical support on the part of the local government units (LGUs), and limited bids and contracting. When counterpart funds are not readily available, the implementation delay often results in rise in project costs thereby forcing the project either to cut down on the size and length of the road service or to even further delay. Elections can also disrupt the project execution specifically when campaigning and campaign period limits the signing of a Memorandum of Agreement. Under Philippine election laws, there is a ban on any agreement that would fund infrastructure projects around the campaign period. All construction activities cease when campaign period sets in. The Commission on Audit also noted the occurrence of contractors being paid several times for the same project (Interview with DPWH officials. July 28, 2008).

Although there is Republic Act 8974, a law enacted by congress in 2000 that allows government to acquire the right of way, the Department of Public Works and Highways should acquire the right of way before construction, and preferably even before bidding. However, the agency is usually bereft of funds to compensate those who would be affected by the expropriation and results to delay in the project implementation or reduction in the scope of some projects or both. The DPWH has to deal with a number of agencies such as the local government unit where the property is located, or the Metro Manila Development Authority in the case where location is in Metro Manila, the National Housing Authority for possible relocation of households occupying the site to be expropriated, or the Housing and Urban Development Council. The law requires identification by the court of the beneficiaries and the cost valuation. All proceedings in most cases take a long time and their conclusion renders even more difficulty when due to delay, implementation faces the risk of general rise in project costs. Due to long court proceedings on ROWA, property values have also gone up by the time a project is ready for implementation. Further delays arise when conflicts on property valuation are raised to the judiciary, especially in view of the slow pace of resolution of expropriation cases. It is clear that DPWH does not have full control over negotiations on compensation and other

legal procedures necessary to perfect the property transfer. The courts, including the Supreme Court, also have important roles in the resolution of ROWA conflicts and other concerns. Because the judicial route to ROWA is fraught with problems, the DPWH prefers to go the way of negotiation, which of course also takes a long time and eventually results in project costs higher than projected.

Local government units have the primary responsibility for the relocation and resettlement of “informal settlers” or squatters. However, there is a problem of incentive compatibility, as many LGUs are slow in performing this function since squatters represent a big block of the voters that local officials try to court. There is also the so-called “Lina Law” which impedes the timely implementation of infrastructure projects. The Lina Law declares demolition of slum structures as a criminal act, and demolition includes clearing up of structures by agencies for the purpose of infrastructure development unless relocation is provided for. Relocation of slum dwellers usually takes a long time if at all it succeeds, and thus, impedes the timely implementation of infrastructure projects.

On top of all these complex and intertwined vulnerabilities, there are political decisions and interventions that sometimes override economic and technical considerations. DPWH decisions are often influenced by politics and politicians, and this is not hard to understand especially at the local level. The unclear delineation, overlapping and/or duplicative jurisdictions and responsibilities among different agencies involved in providing infrastructure further adds to the problem of a “highly politicized” infrastructure system. Emphasizing the extent of congressmen’s influence in infrastructure development, one agency resource person put the ratio of political to economic-technical considerations at 90:10 – with 90% being determined by “politics” or partisan political considerations (including, as an important component, the private interests of politicians) and only 10% by economic-technical considerations. Assuming that the ratio is somewhat exaggerated for emphasis, it is still a case of the ideal world being turned upside down. An example of these projects is the Subic-Clark Tarlac Expressway (SCTEX) which shows the tendency of foreign funded projects to exceed their initial costs and to spiral out of control for an upward bias of bids, and for projects to be over-designed. There is also the Samar-Leyte and the Daang-hari projects, locally funded through the Countrywide Development Fund or the “pork barrel” from legislators, and which illustrate the pervasive influence of politics and politicians from project identification to completion with political actors managing to do it seemingly within the bounds of law. The Samar-Leyte project illustrates the delay and the cost overruns that afflict many infrastructure projects.

Would these be considered as a form of corruption? Perhaps.

3. Vulnerabilities in monitoring and evaluation

There are several entities that are mandated to monitor infrastructure projects, and this fact may have, in some ways, become a bottleneck or constraint to the implementation of the government's infrastructure program. For one, the sheer number of monitoring units poses problems of coordination between and among the players in the infrastructure sector. As the saying goes, "Too many cooks spoil the broth." Questions such as what report(s) to submit, to whom to submit, and the extent of authority of these entities over the actors in project monitoring and evaluation, all need to be resolved for better coordination. Likewise, the variety of requirements from these monitoring units, when added to those from the oversight agencies and donor institutions, also unduly burdens the DPWH in submitting monitoring reports that are not only complete but also timely and useful. Manasan and Mercado (2001) reported that there are various monitoring report formats that are required to be submitted by the DPWH to agencies such as Department of Budget and Management, the Commission on Audit and to donor institutions.

A strong monitoring system has the potential to reduce delays in project implementation. Such a system may already be present at the national level especially for major infrastructure projects. However, there is practically no monitoring done for locally funded projects especially those that are implemented in the sub-regional areas, i.e., in provinces, municipalities, and cities. Indeed, only a few local government units have established monitoring systems to evaluate progress in the implementation of infrastructure projects (Manasan and Mercado, 2001: 46)

These vulnerabilities are not all externally influenced, meaning, these are constraints that shape the processes and performance of the DPWH. On top of these factors, the DPWH has its own share of problems. The agency has very weak documentation and this results in very little transparency of information to the public. The procedures and processes including the report system of the DPWH are not easy to understand, much less are their reports accessible to citizens, even to the legislature. There are also narratives of collusion between the agency personnel and other actors in various phases earlier described. In the end, the taxpayers and the road users end up as losers in the "vulnerability loop".

4. Special Funds and wide discretion as a formula for corruption

Robert Klitgaard (1998) explains how corruption takes place in high offices where power and its exercise is the locus of corruption. To Klitgaard, corruption is the result of the fatal combination of a monopoly of power, a wide latitude of discretion on the one hand, and the absence of accountability on the other hand, thus putting the equation $C = M + D - A$ where C is corruption, M is monopoly, D is discretion, and A is Accountability. The United Nations Development Programme added Ti (which stands for transparency of information) to the original equation and subsequently, the formula became $C = M + D - A - Ti$. Wide discretion is usually exercised by those who hold high positions.

Time and again, DPWH personnel claim that the department leadership plays a considerable role to bring about changes within the organization and to ring fence the department from various other departments and offices that tend to circumvent rules of efficiency and professionalism around the road work projects. Unfortunately, the leadership more often than not, yields to patronage and collusion with the highest post including an exercise of wide discretion all of which are sure formula to corruption.

In the case of the Road Board which basically uses motor vehicle users' money, greater disclosure on the usage of funds and genuine representation of motorists' groups in the Board are essential to change. Where presently, there is a wide latitude of discretion by the Executive on the use of these special funds, the practice clamors for policies on greater transparency and accountability.

The special funds are collected from motorists paid annually to the Land Transportation Office and deposited to the Bureau of Treasury, and which then are disbursed by the Department of Budget and Management as approved by the Road Board. Unlike other budget items from any agency of government, the special funds are independent of budgetary allocation process and do not pass the scrutiny of congress. They are audited by the Commission on Audit and monitored by the Office of the President.

The Road Board has an enormous annual collection of 7 billion pesos and has become an important office (Center for National Budget Legislation. nd). In the last few years, the Office of the President tapped the special funds for the "super regions and infrastructure building in these regions" as well as other political priorities. In other words, the special funds have become a political kitty. While there is tendency for the funds to be used to hedge political positions, the Road Board lacks effective information, education and campaign that would build transparency into its system and program. Certainly, information about funds usage and decisions that go with fund management are hardly available to various segments of decision and policy makers, and much less so among the public at large, a point well articulated by advocacy and reform quarters that do "road watch".

As one can see, the vulnerabilities to corruption are strong and quite embedded in the system of the road works. If distortion of the processes and procedures, delay in the implementation and timetable, and incentives that benefit the consultants and contractors, engineers, suppliers, including funders and bureaucrats at the expense of the public interests and of the economic and efficiency considerations are acceptable measures of corruption, then one may conclude that indeed there is corruption within the system. However, it is difficult for some individuals to come forward to nail down allegations of corruption as a potential case of violation of sound fiscal administration, mainly for reason that the

suspected corrupt practices are prevalent and quite embedded in the system and multiple actors may be involved in the complex loop. Certainly, this study notes some irregular and unsound practices in the management of resources in the road infrastructure sector.

Could reforms be possible?

Possibilities for Reforms

Changes from within the agency

Change hinges largely on the actor that considers itself as agent of transformation, either internally through bureaucratic decisions and restructuring of practices and habits or through other organizations such as the non-government and the private group stepping up for transformation. Therefore, change stems from a broad energy field of policy reform.

Change in the DPWH itself is not only crucial, but also necessary. However, a change in the DPWH could be done especially if the leader of the agency is himself or herself keen on carrying out some reforms within, and of protecting the agency from external pressures and political interventions of the executive and the legislative branches. The agency leader should ring fence the department from various departments and offices that tend to circumvent the rules of efficiency and professionalism in road projects. The DPWH personnel are technical people and are bureaucrats who are swayed by political interventions especially by those at the top. The agency head and the Chief Executive no less should provide the signal for reform.

Several reform measures are ongoing and have been undertaken to address the vulnerabilities in the system. These reforms include :

- 1) online bidding to reduce collusion;
- 2) the "strike three" rule against bidders suspected to be paid off by the winners in order to deliberately lose;
- 3) the elimination of the prequalification requirement to open up the bidding process to greater competition especially from new players;
- 4) civil works registry including a system of tracking documents;
- 5) various "capacity-building" and integrity development programs as well as the rationalization of the DPWH to streamline the department.

These measures are internal to the organization and have met mixed results. Nevertheless, these attempts at reform should be pursued despite various players' use of many tricks up their sleeves and their efforts to come up with new and innovative ways to circumvent the rules.

Changes from without : the role of civil society

Change could also come from the oversight and regulating groups through monitoring and close scrutiny by civil society groups and through self regulation of the private sector. It is difficult to expect change from an oversight by the congress whose influential and powerful members are usually the very source of political pressures upon the DPWH.

In the case of the Road Board which basically uses motor vehicle users' money, greater disclosure on the usage of funds and genuine representation of motorists' groups in the Board are essential to change. Where presently, there is a wide latitude of discretion by the Executive on the use of these special funds, the practice clamors for policies on greater transparency and accountability.

In theory, private sector representation in the Road Board should come from the stakeholders and should be a result of an independent process among them. After all, the special funds are the road users' tax and road users should play a significant role in the use and disposition of tax monies. In practice however, the choice of private sector such as the transport group representative has been the prerogative of the President. There are suspicions that the motorists' fees are used for purposes other than those for which they are intended.

The role of civil society organizations is paramount. Civil society groups that exact greater transparency and accountability of public funds invested in roads are powerful. On top of their monitoring efforts, most of the advocates from civil society strongly push for the passage of a law on the Right to Information so that the public would have access to public documents. At the forefront of this advocacy for transparency and accountability is the Concerned Citizens of Abra for Good Governance (CCAGG), a member of the network called "Bantay Lansangan" (Road Watch). The Concerned Citizens of Abra for Good Governance whose crack at community-based monitoring of road works pinned down construction workers of the department, did not only exact greater accountability, but also educated the public on the progress and problems of the road projects.

The CCAGG is a non government organization which started as a group of volunteers for the National Movement for Free Elections (Namfrel) in the 1986 snap presidential elections. After the elections, the volunteers committed themselves to monitor infrastructure projects in the province of Abra. The first involvement of the CCAGG was the implementation of the Community Employment and Development Program (CEDP) under the National Economic and Development Authority during the Aquino administration in 1987. The program consisted of small projects such as farm-to-market roads, health centers, school buildings, and spring development that provided employment and augmented the income of people in the community. Non government organizations were tapped to monitor the implementation.

The CCAGG entered into a Memorandum of Agreement with the NEDA and DBM defining the responsibilities of each contracting parties as follows : 1) NEDA will train CCAGG on the mechanics of monitoring and provide it with the list, location, and implementing agencies of all CEDP projects in the province; 2) DBM will provide CCAGG with information on funding and releases of payments for the projects; 3) CCAGG will monitor the implementation and send feedbacks to NEDA and DBM on the monitoring activities. In addition to these accountabilities, CCAGG took upon itself to organize the beneficiaries and transfer to them the technology of monitoring taught by NEDA. It also involved the mass media in disseminating information to the local people about the projects. The people were pleased with their involvement in preventing corruption and ensuring government accountability.

Among the anomalies CCAGG discovered were: a) inferior quality of materials, b) ghost projects or projects without approved plans and specifications, c) projects reported to have been completed even if they had hardly begun or only halfway completed, and d) certificates of project completion submitted to local officials without any supporting documents.

The monitoring has also resulted in the suspension of unscrupulous government officials and the cancellation of project contracts due to substandard features (Interview with CCAGG official, Ms. Pura Sumangil .August 12, 2008). Faulty project designs have also been spotted by the CCAGG, enabling government to save on resources.

CCAGG attributes the success of this monitoring project to the support extended by the Catholic church, the community people, the commitment of the monitoring team, the private citizens who passed on information and documents, and funding partners including the United Nations Development Programme, the Civil Service Commission, and some private donors.

The CCAGG opened what used to be a highly technical and insulated project to the public, challenged authorities on accountability, and gained recognition by no less than the Commission on Audit (COA) as a citizen group to reckon with. Eventually, the COA recognized the community group as a partner in social audit even in future and other infrastructure projects.

The role of the private sector

The other sector that would consider itself as one pushing for reform through self regulation is the Philippine Constructors' Association (PCA), formerly known as Philippine Contractors' Association. The PCA started in 1945, as a group of engineers hoping to participate in the reconstruction of infrastructure devastated by the war. From a small group, the PCA has now a well established network all over the country,

comprising mostly of big and established Filipino contractors. To include anyone involved in the infrastructure from engineer design, to suppliers of materials, to distributors, and other builders of road, the association broadened its composition and changed the contractors" to "constructors".

After taking part in the post war infrastructure development, members of the PCA expanded the association to involve themselves in succeeding huge projects such as the Ambuklao and Binga dams, the South Luzon Expressway, and even in the US military bases and Philippine ports. Some members even ventured in the Middle East.

The PCA served as the voice and guardian of "professional integrity" of the industry, even advocating for the passage of legislation favorable to the industry such as greater uniformity of government specifications and contracts including the recent Procurement Law. The PCA also pushed for greater credit to the industry and in fact, established the "contractors' bank", the Philippine Commercial and Industrial Bank, to cater to the credit needs of the construction industry (Interview with a PCA official, August 20, 2008).

To regulate itself, the PCA adopted a code of ethics which it urged its members to observe, and pushed for the passage of Republic Act 4566 or Contractors Licensing Law which requires the licensing of contractors. In a bid to rid of its membership of "bad eggs", the PCA required a continued membership anchored on criteria such as firm capitalization, experience, and no involvement in irregularities. The implementation of these rules has resulted in either the suspension or dismissal of some members. It upholds the "strike 3" rule in which a contractor who fails to win a project in three consecutive bids is disqualified from participating in bidding in government contracts. The rule is intended to weed out contractors who perennially bid and deliberately lose and are widely believed to be in collusion with and paid by the winning contractors. Some members have also been dismissed for attempting to influence decisions in their favor after they lost in the bidding process.

The PCA tries to upgrade the capacity of members through training on construction management and the improvement of database in the construction industry. It has also pushed for greater transparency in the Road Board. In spite of a gesture toward self-regulation in the industry, some quarters perceive the PCA as behaving like a cartel, limiting membership and monopolizing the lucrative business of construction.

The change for reform in the road sector is intricate due to the complex system of vulnerabilities to corruption. Nevertheless, the possibilities for change are still high, if the vibrancy of civil society groups and of the private sector could continue.

Development agencies and donor organizations should look in the direction of a tri-sectoral approach to reverse the trends on corruptible practices in the road sector.

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Retired officials of the Department of Public Works and Highways and 2 incumbent directors of the DPWH, National Capital Region

Institutionalizing Reforms through the Citizen Report Card: The Case of the Quezon City Building Permit Issuance Service

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In 2007 a survey and a report that presents the results and findings of a Citizen Report Card (CRC) initiative focusing on the issuance of building permits, a service provided by the Office of the Building Official (OBO) of the Quezon City (QC) Government was made. The initiative was carried out by a team from the UP National College of Public Administration and Governance (UP-NCPAG), with guidance and advice from consultants from the Public Affairs Center (PAC) from Bangalore, India. It is part of a wider project implemented by UP-NCPAG to pilot test the implementation of two learning toolkits prepared for the Asian Development Bank (ADB) and the Asian Development Bank Institute (ADBI). Two years from that report, it is an opportune time to examine whether there have been changes in policies governing the issuance of building permits as well as in the behavior of OBO employees. This study aims to determine whether changes have indeed occurred.

I. Introduction

A. Background

Governance, defined by UNDP, is the exercise of political, economic and administrative authority to manage a country's affairs, embracing all of the methods that societies use to distribute power and manage public resources and power (UNDP 1997).³ The exercise of governance is not limited at the national level. It is exercised most intimately at the local level where the government, which provides various political, economic and social services, has greater interaction with its clients, the local public. In this type of interaction, government does not have sole monopoly in the exercise of governance. At its core, governance is meant to allow all stakeholders to present their views and be heard before the state or its representations are allowed to exercise power on behalf of the people.

The clients of public service have therefore the right to demand that their views be heard particularly with regard to services provided by the government.

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In the classic political science example, elections are the most political or representative way of providing feedback to elected leaders. However, not all public services can truly be given feedback by means of elections since elections can be considered as the ultimate feedback mechanism and they provide either finality to elected leaders or extension to provide better or the same level of services. Other specialized feedback mechanisms can be made to better help in refining policy. One such mechanism is the Citizen Report Card.

In 2007 a survey and a report that presents the results and findings of a Citizen Report Card (CRC) initiative focusing on the issuance of building permits, a service provided by the Office of the Building Official (OBO) of the Quezon City (QC) Government was made. The Citizen Report Card provides feedback and assessment of services from the point of view of the clients or citizens⁴. This CRC was pilot tested by the National College of Public Administration and Governance (NCPAG) using the toolkit provided by the Asian Development Bank (ADB) and the Asian Development Bank Institute (ADBI). It was meant to help local governments improve their public service delivery as well as provide feedback mechanisms for citizens.

The research in this paper is a preliminary attempt by the authors to determine if the CRC as a feedback mechanism has had impact on Quezon City's Office of the Building Official's institutional arrangements and policies.

B. Research Problem

In general, this study aims to answer the question, "Did feedback from the Citizen Report Card Survey of 2007 induce changes in Quezon City's building permit issuance service?"

In particular, this paper seeks to answer the following questions:

- (1) What policy and institutional changes were made by the OBO?
- (2) Were they in accordance with the CRC Report of 2007?
- (3) Are there significant differences between the client-public's perceptions in 2007 and at present?
- (4) Aside from the CRC Report of 2007, are there any other factors that could explain the changes, if any?

C. Research Objectives

The study seeks to determine if the CRC was used by the local government of Quezon City Government to institutionalize policy and institutional reforms in the issuance of building permits. It is important to know whether a feedback mechanism such as the CRC was able to effect some changes in the OBO. The specific objectives of the study are:

1. To determine changes made in the OBO regarding the issuance of building permits in accordance with the recommendations made in the CRC Report of 2007;

January-December

and

2. To determine whether the client public perceived changes in the systems and procedures of the OBO and the behavior of its staff.

D. Importance of the Study

While the CRC findings, which are clearly set in the report and briefly summarized in this paper, are important as feedback to OBO, it is also important to find out if they had impact on the processes and institutions by means of looking into changes made in response to the findings. This paper is an attempt to determine if such changes are made. Thus, its importance lies in its providing feedback on a feedback mechanism. The determination of impact is also significant since it is important to see if the CRC has made significant strides as citizen feedback mechanism.

E. Scope and Limitation

The paper restricts itself to examining policy and institutional changes in the OBO as determined by the findings of the CRC. While a thorough review of such changes would be ideal, limitations on budget, time and other resources prevents such actions to be done. The paper does not attempt to judge whether changes brought forth by the CRC are positive or negative in themselves. Also, the limited sample of respondents in this research certainly adds to this paper's weaknesses and as such it is recommended that a thorough survey should be made by those interested in the findings of this research.

F. Theoretical Framework

This paper will use new institutionalism as a theoretical framework. Institutions are defined as humanly devised constraints that structure political, economic and social interactions (North 1991). These institutions can be formal (constitutions, laws, property rights) or informal (sanctions, taboos, customs, traditions and codes of conduct). As North explains, institutions were made throughout history to create order and reduce uncertainty in exchange.

As applied to this paper, better institutions in the OBO reduce uncertainty in its clients and allow them to trust that office. Good governance is assured because in the exercise of political, economic and social powers by the local government and its client, good institutions are created and reinforced.

G. Methodology

The case study method is used for this research. The study intends to verify if the CRC Report of 2007 was able to affect or change policies in the issuance of building permits. The following steps shall be followed:

1. Interviews with local government officials (i.e., City Administrator, Head of the Office of the Building Official) to determine policy and institutional changes with the use of unstructured questionnaire in Annex A;
2. Purposive survey of ten building permit applicants to validate if changes in institutions did occur using the questionnaire used for the 2007 CRC Report; and
3. Analysis of findings wherein the transcript of the interviews with local government officials and the results of the purposive validation survey will be compared to see if there are correlated answers.

III. Background of the Study: The CRC Report of 2007

A. Findings

The majority of the applicants who applied in person were applying for residential building permits while the majority of those who sent authorized representatives were applying for commercial building permits. The majority of these authorized representatives were either architects, or engineers, or developers. A few were liaison officers and the rest were relatives, friends, or neighbors. Respondents discussed with their authorized representatives the requirements in the application process and problems subsequently encountered.

The OBO was given high ratings in terms of their facilities and amenities used by applicants when they applied for building permits. The inconveniences cited by applicants include the inadequacy of transaction windows and the lack of signage and directions to the office. In terms of information on the application requirements, most of the respondents said that there was sufficient information about the application process and requirements but there was insufficient information about the cost and fees for building permit application. Respondents also easily availed of application forms and most did not have to queue for the forms and most applicants did not have any difficulty understanding and filling up the application form.

The majority of the respondents were knowledgeable about the number and types of technical requirements and those who did not were either informed by the City Hall staff or consulted their architects and engineers and some were aided by fixers. Most commercial building permit applicants took only about two weeks

while most residential building applicants took about a month to prepare all the technical requirements.

Half of the respondents were the registered owners of the land where the projects were situated. Almost all of them submitted the required Transfer Certificate of Title (TCT) of their lands and Current Property Tax Receipt. For those who leased/rented the property, over three-quarters were able to submit a Contract of Lease, Deed of Absolute Sale or Contract of Sale. Almost all the respondents furnished the OBO with clearances from their barangays.

It took 15 minutes or less for three quarters of the respondents to submit their application from the time of arrival at the OBO and these respondents also did not have to queue when submitting their application requirements; the rest had to queue on a first come, first served basis depending on the volume of transactions at the OBO on any given day.

Inspectors from the OBO conducted visits the sites applied for by most of the respondents and it took either less than a week or 1-2 weeks after the submission of requirements for the inspection to be done. However, some inspectors had to be paid to visit the sites as revealed by a third of the respondents with the amount they paid varying from P500 up to P1000 and payments in kind. In contrast, 3 percent of the respondents paid the inspector not to conduct an inspection of their sites. Most respondents were satisfied with the inspection of their sites while those who were not satisfied cited having to pay extra charges and delays in the inspection as reasons for dissatisfaction.

Nearly all of the respondents encountered problems with the completeness and correctness of the technical requirements but less than a third were notified by the OBO. Most knew of their problems about their applications within a week from the date of submission and it took not more than two weeks to submit the corrected requirements. Commercial building permit applicants took longer to submit their corrected requirements compared to that of residential building permit applicants.

In the release of building permits, less than a third of the respondents said that they were informed directly by the staff. The rest either followed up their applications or were not notified at all by the OBO. For those who followed-up their applications, they did so up to 10 times for most and some even had to follow-up more than 10 times. For half of the respondents, it took more than a month to secure their permits while more than a quarter of them took a month and less than a quarter of the respondents took less than a month. About 3 percent of the respondents were able to secure building permits without submitting technical requirements at all.

About 40 percent of the respondents either forgot or declined to reveal the

amount assessed or levied by the OBO on their application; for those with figures, about one-fourth paid more than the assessed amount. Most of those assessed an amount less than P25,000 paid the exact amount while most of those assessed an amount exceeding P25,000 paid more than the assessed amount. The figures for the respondents alone reveal a minimum of P300, 000 losses in City revenues.

Almost all the applicants were issued official receipts. A comparison between actual payments made and the amount reflected in official receipts revealed that 64 percent reflected the same amount.

B. CRC Report Conclusions and Recommendations

The CRC report has the following conclusions as stated:

1. The building permit issuance service of OBO is generally accessible to its clientele but improvements on the layout of the office will facilitate greater access if transaction areas/tables/windows were demarcated for application, processing inquiries, and releasing.

2. The respondents were grateful for the adequate information on the application process as a whole that was provided by the staff upon inquiry or as contained in the checklist that comes with the application forms.

3. Based on the scores given by the clients of OBO on the rated scale, most of them gave it a satisfactory rating. A deeper examination would reveal, however, that they are for the most part only partly satisfied with their application experience. In other words, the OBO performed only tolerably to the point of mediocrity.

4. Only fifteen percent of applicants paying more than the actual assessed amount may not appear alarming but is a figure which could be even bigger if we add the 40% who claim to have forgotten the assessed amount or how much they have paid.

5. The figure for clients encountering problems may not be ignored. For while most of the complaining respondents admit it was their fault for the most part (incorrect/incomplete requirements during submission; failure to get signatures, submission, follow-up during processing), the least that OBO could have done was to: promptly inform them of their deficiencies; make signatories available during office hours; provide reasonable timeframe to reduce frequency of follow-ups.

III. Findings and Analysis: Assessment of the Reforms Instituted at the Department of the Building Official

A. Interview with the Building Official

An interview with the Building Official was made on 26 January 2010, from 9:30 AM to 12:00 PM. The current Building official is Engr. Isagani Versoza Sr. The questions asked were guided by the outline in Annex A of this paper. Engr. Versoza explained that the Building Official was in charge of the evaluation of applications for building and construction permits and final reports such as the annual certificate and highly technical applications in accordance with the National Building Code.

Institutional Reforms

During his term, there were many change made to the Building Official. For one, rather than an Office of the Building Official (OBO), which was part of the Department of Engineering of Quezon City, a Sanggunian Resolution in November 2009 transformed it into the Department of the Building Official (DBO) which makes the Building Official, the same rank as the City Engineer and provides him with security of tenure.

Policy Reforms

Engr. Versoza claimed that he instituted several reforms since his appointment in late 2007 on the orders of City Mayor Feliciano "SB" Belmonte. The researchers organized the following paragraphs using the interview guide annexed to the report.

Accessibility

The Department of the Building Official has moved into its new office in a new building in the City Hall compound. During the interview, the office was already operational despite lacking cubicles and other partitions for the staff. The waiting room for clients is actually the lobby of the floor where the DBO is located. There are also new restrooms for the use of staff and clients. There are also signs on procedures and locations of the concerned office for the public at the lobby of the floor where the DBO is as well as the main building of the city hall according to the Building Official.

Information desks can be found on the lobby of the fourth floor, where the processing desk for electric-related applications is also present. Documents are pre-evaluated for completeness in this area. A checklist of requirements is also given to applicants. Due to the complexity in the computation of fees, there is no sign on the amount to be paid for applications. The forms are also available in the Quezon City Official Website and can be downloaded or photocopied for free.

Service Quality

One of the reforms initiated by the current Building Official is the First-In-First-Out wherein documents filed first will be the first to be evaluated. Documents submitted with an application are bundled together to minimize possible loss of documents. This also makes the tracking of documents easier.

The DBO has also allowed stalls within malls and single detached houses with less than 300 square meters not requiring locational clearances to initiate constructions subject to changes. The DBO also allowed construction upon presentation of request by owners or engineers-in-charge, subject to changes when documents are returned with corrections by DBO. Previously, construction can only start when the DBO returns the documents. This was done to facilitate the early start of construction.

Engr. Versoza also claimed that they are following civil service rules for the time of release of complex documents, which is 30 days. In actuality, he said that the average waiting time for release of evaluated and assessed complex documents in the Building Official is just ten (10) working days. Non-complex documents average five days or less.

According to Engr. Versoza, documents are accepted for submission from eight in to 11 in the morning (8:00 AM- 11:00 AM). Processed documents are released in the afternoon. Simple applications can be processed within two (2) hours. He noted that they receive an average of 60-100 customers everyday.

The DBO staff also has new uniforms where the name and office are sewed on the left chest portion. Engr. Versoza claimed that there are now improvements in terms of staff punctuality as chronic lateness has been reduced. He has also reduced the point of contact between applicants and the staff, as all the documents are not allowed to be submitted separately anymore but in a bundle. Applicants are also not allowed to follow up their papers but are given a schedule for the release.

There are now newly-hired new graduates of engineering courses most of who are licensed. The technical staff was also trained in the University of the Philippines College of Engineering for five days on the National Building Code.

On the issue of the absence of the signing authority/signatory, the Building Official insisted that it does not happen anymore because documents are given to him in batches unlike before. The documents are also easily monitored because of this. He also stated that he cannot delegate anyone else to sign the papers for him as the power to sign is a delegated power under the National Building Code and as such cannot be delegated to another.

On the issue of arbitrary inspection, Engr. Versoza explained that there are several types of inspection. One is the annual inspection. The other is indeed arbitrary inspection. He stated that a particular area of improvement is what he dubbed the "Safe Building Inspection Team" wherein the teams give a surprise inspection for safety of the buildings due to higher risks that can happen to smaller types of building constructions. The annual inspection is a yearly inspection done commonly for complete buildings. He also clarified that the DBO is not only for processing of documents; they also have the duty to inspect.

An innovation from the Building Code is the creation of software from a common Microsoft Office program (Access) for processing of documents. Computers are also interconnected in the DBO.

Engr. Versoza stated that without the support and the political will of Mayor Belmonte, he would not have been able to institute these reforms.

Payment

On the issue of false inspectors, Engr. Versoza acknowledged that it can happen. However, they now have an ID for those conducting official inspections. He claims that the no contact policy between applicants and staff has significantly reduced bribery.

Problem Resolution

Engr. Versoza admitted that there is yet no official way of providing feedback to him for complaints. However, he insisted that he is personally open and will willingly accept calls made to complain about problems with the service or with the staff.

B. Survey

A survey of ten respondents was made in the course of the research. The surveys were conducted in the waiting area of the Department of the Building Official. Half of the respondents did not want to fill up the part of the survey which dealt with their personal information deeming it intrusive.

The major portions of the survey will be discussed in the main paper. Supporting questions in the survey will be discussed into the narrative. The meta-data is available from the researchers for verification.

Table 1. Question: How did you apply for your building permit?

Nine out of ten respondents applied personally for their building permits. Most of the permits were applied for new construction. The rest applied for permits for addition, renovation and repair.

1. Applied in Person	9
2. Authorized representative	1
3. Others	0

Table 2. Is the office of the Building Official conducive for transactions in terms of?

Criteria	Yes	No
Office lay-out	8	2
Office signages	5	5
Number of transaction windows	7	3
Seats for applicants	4	6
Ventilation	10	0
Lighting	10	0
Amenities (CR, pens, coffee, etc)	10	0

The respondents all agreed that the office of the Building Official was easily accessible to them. They also found the Department of the Building Official conducive for transactions in terms of layout, number of transaction windows, ventilation, lighting, rest room and supply of amenities such as coffee, pens and paper. However, the respondents were divided on the issue of office signage as half believed that there were insufficient signages while the other half believed that the signage were sufficient. A majority of the applicants also believed that the number of seats for the clients are clearly insufficient pointing out that they have to seat on the stairs or on the floor or remain standing.

Table 3: Sufficiency of information posted in visible areas of city hall

Signage	Yes	None
Requirements for building permit application	6	4
Application process	6	4
Amount of payment for application	1	9

Majority of the respondents agreed that there was sufficient information posted on visible areas of the city hall on the requirements for building permit application and about the application process. However, nine out of ten of the respondents said that there was no information on the amount of payment for application.

Table 4. Service Quality

Application	Yes	None
Easy Availability of the building permit application form	10	0
Presence of Queues to get application form	4	6
Paid somebody to get application form	0	10
Understandability of forms	10	0

On service quality, all of the respondents affirmed that the building permit application forms were easily available. A majority noted that there were queues to get the application form. All the respondents answered that they did not have to pay for the forms. All of them also answered yes to the question on how understandable the forms are. The respondents also affirmed that they knew the type and number of technical requirements needed to be submitted with the application form. The information for the technical requirements mostly came from the Quezon City Hall staff (DBO), then from professionals (architect, engineer, etc.) and friends and relatives. Two responded that they have worked in OBO before.

Half of the respondents were able to fill up their application forms and technical requirements in one day while the rest stated that it took them sometime between a week and two months to prepare the requirements.

Table 5. Submission of Application form and requirements

Question	Yes	No
Submission of Barangay Clearance	8	2
Registered owner of the lot where the building was constructed, etc.	6	4
Submitted completely filled up form	10	0

Eight of the respondents submitted a barangay clearance for residence verification while two did not. Six of the respondents were owners of the lot where the buildings will be found. The registered owners of the lots all submitted a certified true copy of Transfer of Certificate of Title (TCT). Strangely, one non-owner of the lot submitted a TCT also. The owners of the lots all submitted a Current Property Tax Receipt. All of the respondents submitted completely filled up application forms. Six of the applicants submitted only one (1) set of application forms while the rest submitted seven (7) sets. All of the respondents had their application forms signed and sealed by an Architect or Civil Engineer.

On inspection¹, seven of the respondents answered that there was an inspection while two answered that there was none. The number of inspectors is usually two and three according to the respondents. The customary length of inspection ranges from less than an hour to two hours although two respondents answered that they were inspected for more than three hours. A majority (6) of the respondents were satisfied with the inspections although they were divided on whether they were completely satisfied (3) or partly satisfied (3). Only one respondent answered that he was not satisfied while two did not answer. The reasons for dissatisfaction were the attitude or approach of the DBO staff who seemed arrogant and the fact that the respondent has had to return many times to the DBO. The average time from the submission of the application form to the inspection of the DBO inspectors is a week or less, while one has had to wait for three months before an inspection was made. Seven of the respondents answered that they did not pay the inspectors to recommend the immediate approval of the application while two did not provide answers. Eight respondents answered that they did not pay anyone not to conduct an inspection while one did not provide an answer.

Five of the respondents had problems after submitting their application forms and other requirements while four did not. The respondents who had problems with their applications were notified by the DBO through the staff or through the

application form returned. The notification came between one and seven days. One respondent answered that it took three months before any notice of problems came. The respondents noted that there was someone to explain the process to them and they found him/her knowledgeable about the provisions of the National Building Code. The average of resubmitting the corrected application and technical requirements was one week. The range was between one day, three-four days and seven days. One answered that it depends on the evaluation of the building official.

On the issue of the building permit release, six of the respondents answered yes on the question of whether they were informed when the permits will be released while two said no. Five of those informed of the date when the permits will be released were informed by the staff while one was informed because of his repeated follow-ups. Two of the applicants were informed of the release of their application permits in less than a month's time. Three were informed after more than one month while four were informed after two months. Two of the respondents stated that they were able to get building permits even without submitting complete technical requirements while six said that they were not able to do so. One respondent did not answer. Eight of the respondents were evenly divided on the question of queuing during the release of the permit with four saying there was a queue while the other four said there was none. One respondent did not answer. The respondents who queued said that the system followed was first come first served. Five of the respondents said that they had to follow up the permits for five or less times while the rest responded that they had to follow up more than five times with one stating that he had to follow up for a month on a daily basis.

The assessed fee was dependent on the assessment of the staff of the DBO and the amount ranged from PHP 900 to PHP 25,000. Six of the respondents answered yes to the question on whether they paid the exact fees. However, the amount really paid by some respondents ranged from PHP 14,700 to PHP 40,000. One respondent when probed further said that he paid a preliminary PHP 8000 for taxes but only PHP 2,500 was on the official receipt. In general, the amount on the official receipt only ranged from PHP 900 to PHP 14,700.

On problem incidence, resolution, responsiveness and corruption, eight of the respondents did not have any problems during the submission and processing of application form and other requirements while one had a problem relating to electrical matters. He had already paid a bribe to a city hall staff because it was demanded directly by the said staff. He paid an amount of PHP 22,000

Seven of the respondents did not have problems with the release of the building permits while two answered affirmative. The problem was that the permit was not yet released. The other replied that no one told him when the permit was going to be released. Only one of the two answered whether he lodged a complaint. The complaint was made to the staff in charge of releasing the building permit.

The complaining respondent was given attention by the staff. He said that he was complaining on a daily basis already. The staff was still courteous to him but the problem has not yet been resolved. The respondent was not satisfied with his interaction with the staff. This was the same respondent who said he had a problem with the application and processing. The PHP 22,000 in the previous paragraph was also meant to cover the releasing of the permits.

In terms of over-all satisfaction, seven were satisfied, one was not satisfied and two did not answer. Of the satisfied, a majority (5 respondents) was partly satisfied the reasons for which are: 1) the signatory was not present causing delay and 2) the service was slow. In rating the over-all performance of the DBO from 1 to 10 with 10 being the highest, one respondent gave a rating of (3), two rated the DBO (6), three gave it (7) and three rated the DBO (8).

A. Over-all analysis

Perhaps the biggest institutional change that happened to the Building Official was its transformation from an Office under the City Engineer to its own Department (DBO) which was enacted by the Sangguniang Panglunsod and signed by the City Mayor.

A policy change was that some constructions such as small areas within malls are now allowed to proceed even without permits subject to changes when the evaluation of the forms was returned. A new system was also in place wherein the submission of the application can only be done in the mornings and the release period is the afternoon. The staffs were also given uniforms with name plates for easy identification. The respondents were favorable to these changes as they found the DBO easily accessible and generally satisfactory.

Some of the changes reflected the findings of the CRC 2007 report such as the need for professionalization. There were also changes such as informing the clients if they had problems. The CRC report found out that less than a third were informed if they had problems while the current research found out that clients are now informed almost immediately and that staff seemed knowledgeable about the National Building Code.

The current research was also able to capture some instances of corruption such as the great discrepancy between assessed fees and the amount paid. One client had to pay an additional PHP 22,000 when only PHP 8,000 was assessed. The period of follow-ups seem not have any significant change as the respondents still had to follow-up many times. It seems that even with the CRC report, corruption was still not stamped out and the marginally small survey done in this research was able to capture some instances of it.

It seems that the CRC report of 2007 had no explicit impact on the Office of

the Building Official basing on the interview. However, this seems to be implied in that while the Building Official stated that there was no mention of the CRC report when he was given his marching orders by the Mayor, he noted that Mayor Belmonte was strong in his desire for the Department of the Building Official to implement reforms to ensure better delivery of services. This political will on the part of the Mayor emboldened the Building Official to implement his reforms. The change from a mere office to department-level also meant that the Mayor wanted some changes to happen.

The link to institutional and policy change seems to be the political will of the Local Chief Executive. While this is already conjecture, it would seem that the CRC report of 2007 inspired the Mayor to make some changes. Had the Mayor not been informed it would seem that the prevailing practice would have remained and the professionalization of the DBO could not have happened.

This research has revealed that while a citizen's report card could be effective means for policy and institutional change, it has to be presented to the persons who could make political decisions (i.e. decisions that could affect relationships between the officials and certain constituencies). Political will linked the recommendations of the CRC report and some of the changes in the Department of Building Official.

The sample in this research is very small to provide a broad generalization. It is recommended that an expansion of the feedback survey should be done by other researchers. The questionnaire could also be redesigned not to be intrusive on personal information such as names, addresses and phone numbers as this could be misconstrued as a way of finding out who said negative things. The number of questions could also be lessened as some were repetitive. For the application of the CRC to other services, the current form as it is can be used to gather baseline data. However, feedback survey should be shorter than the one used.

Conclusion

This paper was able to find out some institutional and policy changes in the Building permit process in Quezon City. However, only an implicit link can be made to the CRC Report of 2007. The main factor that initiated such changes is political will of the local chief executive. The CRC report was able to challenge the City Mayor enough to make changes. The authors recommend a more expansive and representative survey to better capture client response to the changes in the DBO.

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Annex A

Interview Questions for Key OBO Officials

What policy and institutional changes were made in the following areas suggested by the Report of the Citizen Report Card in 2007?

1. Accessibility
 - 1.1. Improve office lay-out
 - 1.2. Provide adequate information on the requirements, procedures, and fees
2. Service Quality
 - 2.1. Long queues
 - 2.2. Having to pay for application forms
 - 2.3. Absence of notification system, or late notification on the status of permit applications
 - 2.4. Unprofessional conduct of the staff (i.e., late, not wearing proper office uniform and ID, discourteous, etc.)
 - 2.5. Long waiting time to get building permit

- 2.6. Absent signatory
- 2.7. Arbitrary inspection of building sites

- 3. Payment
 - 3.1. Bribery during inspection
 - 3.2. Bribery during the whole application period

- 4. Problem Resolution
 - 4.1. Absence of complaint unit in the OBO

(Footnotes)

¹

It was during this portion of the survey that one respondent was called into the DBO and did not return to complete the survey.

Transforming Problematic Confluence into A Confluent Solution: A Proposed Integrity Model in the Administration of Labor Justice

HILARIO S. CARAAN*

One of the major public service delivery responsibilities of the government is the efficient administration of justice to its constituents and in most of these, private sector involvement is highly encouraged not only for the purpose of having complementary resources, but also to nurture and further strengthen the relationship between the principal-governed and the agent-government.

Components of the Research Background

Through the 1987 Constitution (Article XIII, section 3), the State has legally instituted concurrent policies promoting industrial peace for the employers, on one hand, and upholding social justice and human rights for the workers, on the other, under the principle of shared responsibility where each sector necessarily benefits from the gains of the other.

However, historically, "continued confusion" remains (Caraan, 2010) in the selection and implementation of appropriate labor law reform strategies in view of the current thrusts of globalization, labor regulatory policies and industrial democracy. Worse, the problem of "continued confusion" is aggravated by empirical findings of various studies (WB, 2008; TI, 2007; Quimson, 2006; ADB, 2007; UNCTAD, 2007; UNDP, 2008) which underscore the pervasive and catalyzing extent and adverse costs of corruption especially in the rule of law and administration of justice.

Despite these discouraging research bases offered by history and empirical studies, the legal environment nevertheless demonstrates continuing quest for solutions to the historically and empirically-founded problems on "continued confusion" and "pervasive and catalyzing corruption" and poses fervent hope to curb corruption in the justice system to make it efficient. Aside from having key legal reforms to improve integrity in the administration of justice, administrative

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law literature (Sibal, 1999; Rodriguez, 1998; de Leon and de Leon, Jr., 1993; Gonzales, 1979) espouses the conferment through legislation of quasi-judicial power to administrative agencies in the executive department like the National Labor Relations Commission (NLRC) to unclog the dockets of the regular courts by creating a specialized administrative agency in labor law occupied by experts in the field, considering the sensitive and peculiar nature of employer-employee relationship.

Corollary to this, continuously evolving theoretical models of reform in Public Administration (Gant, 1979; Nigro and Nigro, 1989; Osbourne and McLaughlin, 2002; Osbourne and Gaebler, 1993; Hammer and Champy, 1993; Agranoff and McGuire, 2003) provide distinct hope in establishing collaborations between public and private sectors and in achieving confluence between them. This is due to the reality that in public service deliveries, government resources need to be augmented and enhanced by private sector organizations in order to complement its pursuit of an "enabling framework" for community empowerment through a network of private sector organizations with tremendous power and resources base (Ostrom, 1989).

Hence, the overarching concern regarding rule of law and administration of justice remains unanswered: Who shall guard the judicial guardians? Is public-private sectors' confluence practically workable even in public service deliveries which are currently, in Public Administration and in Law, recognized as exclusively a public sector domain like administration of justice?

Public administration issues in "administration of labor justice" (which should be properly understood as resolving employer and employee issues in a balanced and objective manner) are equally relevant in the administration of justice in the Philippines not only in the Judiciary, but also in the Executive Department where certain offices are legally conferred with quasi-judicial function of dispensing justice. This is due to the fact that administration of labor justice at the NLRC-NCRAB is a microcosm of the entire Philippine justice system as a major public service delivery responsibility of the government.

As the nation decries the advent of "impunity" (opposite of accountability) in certain situations, hope in the administration of justice still prevails as long as reforms are continuously made to maintain its efficiency.

Research Thrust

Cruz (1987) described an "efficient" administration of justice as one which is "just" (fair and legally correct); "speedy" (fast or swift); and "clean" (objective and free from restraint, corruption, pressures, and publicly credible). Concerns on the first indicator ("just") are correctible on appeal to higher courts, while concerns regarding the second ("speedy") are correctible within the agency concerned as guided by the reglementary periods set forth under the law. Hence, the larger, deeper, and most difficult to address among the three indicators is that of having a

“clean” administration of labor justice. The three indicators of a “clean” administration of justice are: “Impartiality”, “Independence” and “Credibility” (sometimes called as “social legitimacy”).

Impartiality indicator is decision-based, as it is when courts, quasi-judicial (administrative) agencies, judges, and administrative officers “objectively adjudicate legal controversies between litigants and have no personal interest in the outcome of each case”. (Asia Foundation, 2003; Cruz, 1987), while independence is affiliation-based, as it enables judges and administrative officers to make neutral decisions “free from undue interference and free from pressures, restraints, corruption and commitments” (Cruz, 1987) with any individual or entity, “not necessarily totally uninfluenced which may be unrealistic and misleading” (Asia Foundation, 2003).

On the other hand, credibility pertains to the “acceptability of judicial or quasi-judicial decisions not only by the party-litigants, but also by the general public” (Asia Foundation, 2003) for having been impartially and independently promulgated (Cruz, 1987) by the courts, quasi-judicial (administrative) agencies, judges, and administrative officers. Credibility is thus perception-based.

The theoretical framework of this study depicts the four identified research gaps (vertical accountability, horizontal accountability, external accountability and developmental accountability) vis-à-vis their respective relationships with the general research problem.

Figure A shows that insofar as the “first research gap” is concerned, this study utilizes Kolstad, Fritz and O’Neil’s (2008) “grassroots monitoring” (or “citizen oversight”) approach where, by providing information to citizens, they are empowered to address misconduct by public officials, thereby reducing corrupt practices. Through said approach, the responsibility to devise and enforce transparency, accountability, and integrity of public sector actors in public service delivery shall be more attuned to the “principal-agent” theory [“vertical accountability”].

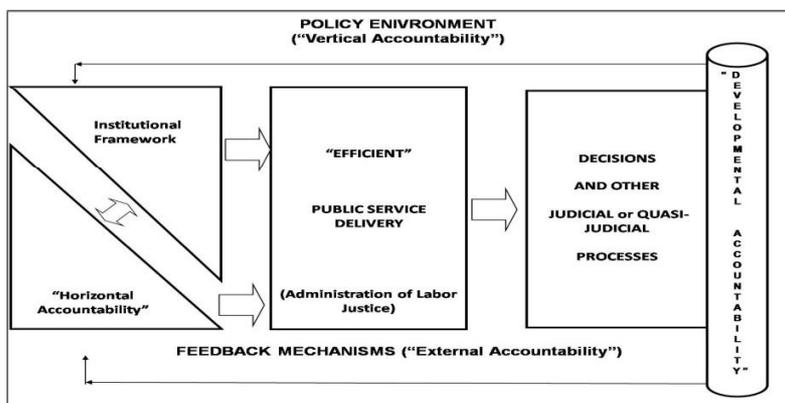


Figure A: THEORETICAL FRAMEWORK DEPICTING RESEARCH GAPS

The “feedback mechanisms” and “policy environment” angles address the “second research gap” identified where the responsibility for having a clean administration of justice is currently tilted primarily in favor of the national government and its legal institutions, but the existing public institutional mechanisms (though unequivocally multifarious) [“horizontal accountability”] for integrity monitoring and protection are weak, fragmented and unsystematic.

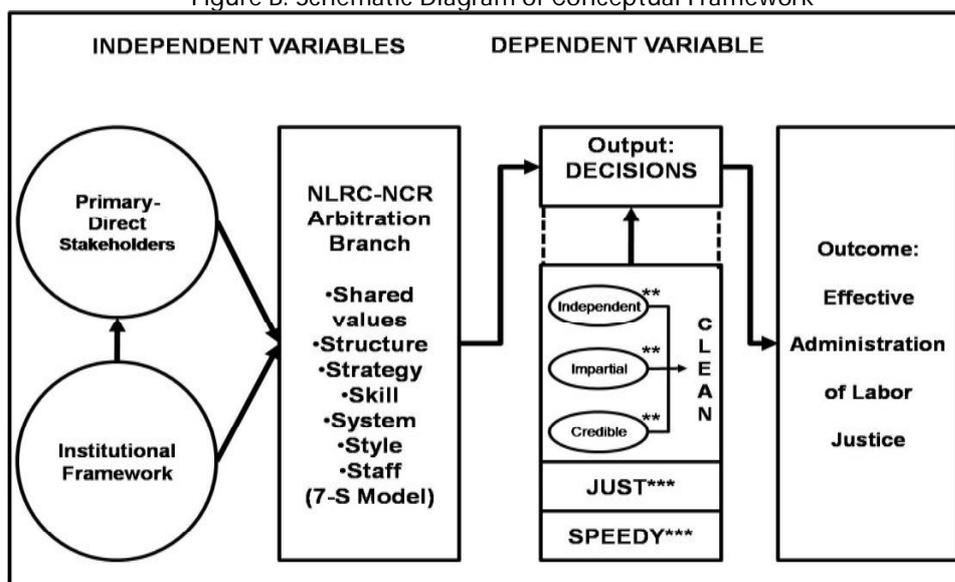
To address the concern that integrity assessments are usually made by outside entities and institutions applying “borrowed” mechanisms, one significant suggestion is to involve “direct and primary” stakeholders who could appropriately assess the public institution where they have stakes, and under the Philippine context (Quimson, 2006; Patalinghug, 2003). Buscaglia’s (2007) framework regarding the significant role of lawyers and litigants (Langseth and Stolpe, 2001; Torres, 2003; Fu, 2003) in creating the context for a “clean administration of justice” is also utilized in this study as it addresses the “third research gap” identified [“external accountability”].

In that manner, good governance can be genuinely achieved by upholding and preserving its “institutional respect dimension” espoused by Sen (2000) which covers respect for individual citizen’s rights and capabilities and enhancement of human freedom [“developmental accountability”] which has been identified as the “fourth research gap”.

This study aims to demonstrate the nature and quality of administration of labor justice at the NLRC-NCRAB through an exhaustive examination of how the external primary/direct stakeholders (who directly and personally experience the kind of public service delivery provided by said institution) influence “decisions” and eventually the administration of labor justice. These primary/direct stakeholders, in the case of NLRC, are the litigants themselves coming from the employer sector and the workers sector as well as their respective lawyers or counsels.

The decisions of the NLRC-NCRAB represent the “output” of the entire justice administration process, and as the dependent variable, they are significantly affected or influenced by the independent variables such as the institutional framework and the external stakeholders.

Figure B: Schematic Diagram of Conceptual Framework



*7S Methodology of DFID-UK (2003) **Asia Foundation (2003); Cruz (1987) ***Cruz(1987)

Figure B shows how the institutional framework (“independent variable”) of the NLRC and the conflicting interests (ranging from personal to financial and from exercise of profession or the future of one’s career to justice delivery) of external direct stakeholders (“independent variable”) who have significant “stake” in NLRC decisions (“dependent variable”) significantly shape or create noteworthy impact or influence on the NLRC’s structure, strategy, skills, system, style, staff and shared values (“7-S”). The “7-S” in between the independent and dependent variables thus serve as intervening variables affecting the “output” (decisions).

Parenthetically, the indicators of efficient decision-making process (“independent”, “impartial” and “credible”) are utilized as bases in analyzing the NLRC-NCRAB’s “clean” administration of justice using DFID-UK’s (2003) “7-S Framework”. As earlier stressed, since issues on being “just” and “speedy” are properly and effectively addressed by the judicial administrators and by the appeal system, the study exclusively focuses on the “clean” attribute. These “vulnerabilities”

in the administration of labor justice serve as the focal points of this research's objectives, questions, and analysis.

In line with the theoretical and conceptual framework of the study, this research seeks:

1. To determine how NLRC-NCRAB's private sector-direct stakeholders' general views, specific acts, attitude toward actually observed acts of impropriety, and nature of participation affect or influence the latter's integrity performance, particularly in terms of impartiality, independence, and credibility;
2. To identify factors that enable and/or hinder its integrity;
3. To apply the findings by developing an integrity assessment model that will enhance and promote integrity performance of the NLRC-NCRAB; and
4. To suggest improvements on strategies, policy directions, and program interventions for the NLRC, as a quasi-judicial body.

The State of NLRC-NCRAB's Justice Administration

Structure and Processes: An attached agency of DOLE "solely for program and policy coordination" purposes (Article 213, Labor Code, PD 442, 1974), the NLRC (E.O. 292, Book III, Title VII, Chapter 6, section 25, 1987) is primarily conferred with quasi-judicial (authority to hear and decide) powers over legal disputes involving employer-employee relations. Having so conferred, the NLRC performs quasi-judicial functions either in the exercise of its original or appellate jurisdiction.

Original jurisdiction to decide legal controversies between employers and workers is exercised by the assigned Labor Arbiter at the Regional Arbitration Branch (RAB) or Special RAB (SRAB) of the NLRC where the Arbiter belongs, and the decision of the latter is deemed as a judgment of the entire RAB or SRAB. Appellate jurisdiction, on the other hand, pertains to the NLRC, as a Commission, which reviews on appeal decisions, orders and other judgments promulgated or issued by any Labor Arbiter at the RAB and SRAB levels. Any judgment on appeal promulgated by any of the NLRC's Divisions is deemed as a judgment of the entire NLRC, as a Commission, which is reviewable on certiorari by the Court of Appeals, and later by the Supreme Court (*St. Martin Funeral Home vs. NLRC*, 295 SCRA 494, 1998).

Perception of Corruption at NLRC: The 2004-2010 Medium Term Philippine Development Plan's (MTPDP) development strategies on anti-corruption and good governance (NEDA, 2004) cite the NLRC as one of the target agencies where

administrative reforms are indispensable, as said agency acquires serious criticisms from both the primary stakeholders it serves: the workers and employers groups.

The Federation of Free Workers (FFW) highly criticizes the NLRC for its turtle-paced, and worsening disposition of labor cases in addition to its perceived failure to uphold dignity and integrity in the administration of labor justice (FFW, 2007), while the Alliance of Progressive Labor (APL) strongly calls for the abolition of the NLRC in order to have a “holistic and comprehensive reform of the industrial and labor dispute resolution system” due to the alleged “inefficiency, biases, bribery, corruption, and unreasonable delays” in the administration of labor justice (APL, 2006). On the other hand, the employer sector also shares the same views as that of the workers sector with respect to the alleged “slow, partial and corrupt” administration of labor justice at the NLRC (Global Pinoy, 2006).

In 2007, President Arroyo dismissed an NLRC Commissioner for corruption after a successful entrapment (PAGC, 2007) and suspended a Labor Arbiter for failure to file the required Statement of Assets, Liabilities and Net Worth (SALN) in 2002 (PIA, 2007). On the same year, the Office of the Ombudsman dismissed an NLRC Cashier for corruption and malversation (Integrity Watch, October-November 2007).

Though these are almost all that everyone hears, the alarming perception of the NLRC prompted the Philippine Senate through Senator Aquilino Pimentel, Jr. to sponsor and pass Senate Resolution No. 231 (2008) “directing the Senate Committee on Labor and Employment and the Senate Committee on the Accountability of Public Officers and Investigations (Senate Blue Ribbon Committee) to conduct an inquiry in aid of legislation into the reported partiality and involvement in corruption of some commissioners of the National Labor Relations Commission (NLRC) and the Labor Arbiters in their resolution of cases before the NLRC” and for Senator Miriam Santiago (Senate Bill 2207, 2008) to propose for the abolition of the NLRC.

NLRC's Initiatives and Continuing Reforms: Efficient administration of labor justice at the NLRC has been a noteworthy and consistent public administration issue for several years. In 2001, then NLRC Chairman Señeres' UNMASK (Ugnayan ng mga Mamamayang Ayaw sa Katiwalian") initiated a drive against graft and corruption within said agency in view of the lingering negative perceptions and comments about the administration of justice thereat. Said drive had the primary objective of “organizing groups from other government offices in order to fight graft and corruption” (DOLE, 2001: 3), but unfortunately, UNMASK perished as Chairman Seneres resigned from office due to political misunderstandings with President Arroyo.

Nevertheless, the NLRC has been consistent in re-aligning its strategic directions and in making organizational innovations in order to continuously enhance and promote its “efficient” administration of labor justice. Seriously

motivated by its legal mandate and operational challenges, the NLRC continuously revises its Rules of Procedure in order to regularly respond to the changing needs of its stakeholder-litigants and to the dynamic challenges encountered in its labor justice administration procedures.

In 1999, the NLRC's Arbitration Branches all over the Philippines decided 29,693 labor cases out of its pending 43,756 cases at a disposition rate of 67.9%, where a total of 40,910 workers were benefited in an estimated total amount of P1,743,800,000.00 (BLES, 2008). At the NLRC-NCRAB, the case disposition rate in 1999 was at 60.7%, covering 13,686 decided cases out of 22,535 pending cases (BLES, 2008). Thus, the pending cases at the end of 1999 at the NLRC's Arbitration Branches were 14,063, while the pending cases at the NLRC-NCRAB were 8,849.

Ten years after, or at the end of 2009, the NLRC's Arbitration Branches all over the Philippines had reduced the number of pending cases to 12,620 at a disposition rate of 56.7% (16,513 decided out of 29,133) benefitting 20,444 workers in the total estimated amount of P2,326,900,000.00 (BLES, 2010). At the NLRC-NCRAB, the case disposition rate after 10 years (as of 2009) was significantly increased to 73.7% covering 32,813 decided cases out of 44,503 pending cases, benefitting 39,227 workers in the total estimated amount of P4,390,200,000.00 (BLES, 2010).

In 2004, the NLRC formulated its Corruption Prevention Reform Program (CPRP) where it identified seven of its processes as vulnerable areas for corruption, and instituting initiatives for corruption prevention and reform by also identifying the status of implementing them, setting forth performance indicators for each, and formulating performance targets. In addition, NLRC adopted PAGC-initiated Integrity Development Action Plan (IDAP) which serves as its roadmap in addressing graft and corruption issues.

Ortiguerra (2010) pointed out that the NLRC has significantly evolved in many ways, among others: first, it has adopted a uniform process flow for its case processing to eliminate the fixers; second, on raffle of cases to Labor Arbiters, Divisions and Commissioners, it has evolved already from the primitive "tissue box" mechanics, to vulnerable "tambolito system", and now to unpredictable "e-raffle system"; third, a database for all NLRC cases had been developed to solve the problem on issuance of false and inaccurate certifications to the public; fourth, establishment of an "over the counter collection facility" in partnership with UCPB to eliminate fixers, check rediscounting by staff, personnel cuts from awards and payments, and malversation of cash bonds and docket fees; fifth, promulgation of Code of Conduct for Commissioners and Labor Arbiters on February 01, 2007; sixth, solving the problem on delay in the disposition of cases in the sense that as of December, 2009, the gestation period for cases at the Arbitration Branch had been reduced from 1.5 years to 9 months, thereby resolving a total of 32,376 cases, all within a 9-month period from the time of referral to Labor Arbiter, and by April 2010,

NLRC is aiming to further reduce it to only 6 months from filing to promulgation of judgment; seventh, NLRC has an affirmance rate of 72.3% of its decisions by the Court of Appeals (CA) and 80% by the Supreme Court (SC) which "statistically is reflective of NLRC's Labor Arbiters and Commissioners' competence in promulgating quality decisions"; and eighth, the discipline records of NLRC's Efficiency and Integrity Board (EIB) have been significantly declining since its creation in 2006 which is statistically "reflective of NLRC personnel's integrity performance".

Direct Stakeholders' Influence on NLRC-NCR
Arbitration Branch's Administration of Justice

Through a 50-item survey questionnaire, the extent of influence of the NLRC-NCRAB's primary-direct stakeholders on the "clean" administration of labor justice, particularly in terms of independence, impartiality and credibility, is determined in four (4) areas, namely:

1. Stakeholders' general view of NLRC-NCRAB's decision-making;
2. Stakeholders' specific views of NLRC-NCRAB's decision-making processes using selected indicators for independence, impartiality and credibility;
3. Stakeholders' responses to actually observed "act/s of impropriety" committed by any Labor Arbiter or any NLRC-NCRAB personnel; and
4. Actual and personal participation of stakeholders in influencing and swaying decisions at NLRC-NCRAB to their favor.

For the first two areas, the bases for each of the respondents' answer were also asked and classified as either based on personal experiences, or on opinion based on information from other people. Other people who may have swayed respondents' opinion may include, among others, fellow litigants/lawyers, NLRC personnel, and the media.

Sample Size and Margin of Error: 333 out of 375 total sample size (or 88.8%) are determined to be valid, and they are distributed as follows: 104 responses (or 31.23%) come from the workers stakeholder group, 113 responses (or 33.93%) from the employers stakeholder group, while the remaining 116 responses (or 34.84%) come from the lawyers stakeholder group. Thus, applying the Lynch Formula (Bautista, 1998; Kumar, 1996), still the margin of error for the study population of 5,963 cases (Ortiguerra, 2010) pending at the NLRC-NCRAB is still at 0.052173 or 0.05.

Higher Reliability Level of Responses Based on Respondents' Years of Dealings with NLRC: The responses enjoy a higher reliability level since 48.95% of the total respondents have been dealing with NLRC and/or any of its Arbitration Branches for 4 years and above and only 6.31% (or 21 respondents) of the total respondents are relatively new in dealing with said public sector organization (less than 1 year bracket). Of those who are relatively new (6.31%), most of them are

coming from the workers group (16 respondents) and none from among the lawyers are relatively new at NLRC.

The Focus Group Discussion participants (FGD, 2010) viewed that the relatively long years of exposure of the survey respondents at the NLRC and its Arbitration Branches (48.95% of them for 4 years and above; and 93.69% of them for at least one year) has the implication that they have more time, and more basis, to express their views, experiences, and perceptions on the NLRC's structure, strategy, shared values, system, skill, style, and staff (DFID-UK, 2003), thereby making the survey results enjoy a higher reliability level.

"Volatile Environment of Administration of Labor Justice Vulnerable to Corruption": The survey results disclose that "justice" (very closely followed by "money") is the workers' and employers' dominant reason in dealing with or seeking NLRC justice, while "career or profession" is that of lawyers. It is significant to note that for all the stakeholder groups, their "reputation or goodwill" comes last among their reasons or motivation. Interestingly, the workers and employers groups have exactly the same ranking of the four-enumerated reasons in resorting to NLRC justice system.

Of the total respondents, "justice" appears to be the most dominant reason, followed by "money" and then by "career/business/employment/profession", while "reputation or goodwill" again appears to be their least concern.

As the FGD participants (2010) ratiocinated: since lawyers' dominant reason in dealing with NLRC Justice is their "career or profession", and that of the workers and employers groups, is to obtain "justice" by finding redress for their grievances as they fight for their "rights" which they respectively (but contrarily) think have been violated by the other, all stakeholder groups necessarily have the "innate desire to win each of their cases". On the part of lawyers, it is by experience, according to FGD participants (2010), that lawyers' clients multiply "by word of mouth" or through "personal referral system" which normally, based on human nature, depends on "case handling performance" which is usually measured in terms of "case results or output", i.e., the success rate of the lawyer's handled cases.

In view thereof, FGD participants (2010) stressed that this scenario "creates a volatile perspective and attitude because a violation of one's right, whether perceived rightly or wrongly, steers the person's sensibilities", thereby building or creating a stigma on one's pride or ego, not to mention the well-recognized opposing interests of workers and employers.

Worse, survey results disclose that "money" comes next to "justice" as the workers and employers groups' dominant reason in resorting to NLRC's administration of justice, and when combined "with other lesser (but still) controlling

reasons or factors, such as “employment” on the part of the workers, “business” on the part of the employers, and “reputation”, for both workers and employers, necessarily would transform “fighting for rights” into a “matter of pride”, and later into a “perverse strong emotional desire to win the case over the other, no matter what it costs.” (FGD, 2010). Needless to state, for all the stakeholder groups, their “reputation or goodwill” comes last among their reasons or motivation.

This scenario thereby convincingly supports what the FGD participants describe as a “volatile environment of administration of justice vulnerable to corruption”. This volatile environment is affirmed by Quimson’s (2006) notion that the causes of corruption are found in the context of culture, political economy, and incentives, or all the three, and by Buscaglia’s (2007) theory that corruption in the judiciary occurs because the court environment nurtures “behavioral patterns for private benefit” proceeding from various and conflicting “political and/or personal motivations”.

Such “volatile environment” is further aggravated by the fact that 63.96% of the total respondents’ dominant nature of engagement of legal services in resorting to NLRC justice is with professional fee, either in cash or in kind, or both, while only 17.72% avail of completely free legal assistance. On the other hand, while 18.32% of the respondents are able to engage free professional services, they are still required to reimburse some or all of the actual litigation expenses. Hence, a huge portion of the total respondents (82.28%) have to spend sums of money, either through professional fees and/or reimbursement of litigation expenses, in order to secure labor justice from NLRC. As confirmed by FGD participants (2010), litigation in the Philippines still remains very costly. Even with the strengthening of the Public Attorney’s Office (PAO) which assists indigents in their cases through Republic Act 9406 (2007), litigation expenses remain to be expensive as there are still other expenses to be incurred aside from attorney’s fees. Moreover, the PAO legal services are not extended to employers and workers with net income of above P14,000.00 per month for Metro Manila (FGD, 2010).

As substantial financial resources are involved, not only on the part of opposing litigant-stakeholder groups (workers and employers), but also for most lawyers who are being paid professional fees, which usually are costly, “a volatile environment of administration of justice becomes vulnerable to corruption” (FGD, 2010).

Stakeholders’ General Views on NLRC-NCRAB vis-à-vis the Indicators: Based on the general view of the 333 total respondents, they “DISAGREE” that NLRC-NCRAB meets the components of “clean” administration of labor justice, to wit:

- On “independence” (1.93 weighted mean on a scale of 4);
- On “impartiality” (2.25 weighted mean on a scale of 4); and
- On “credibility” (2.11 weighted mean on a scale of 4).

Significant to note is that when asked if said general views are based on their "personal experience/s" or on their "opinion gathered from other people's information", respondents interestingly disclosed that their responses were based on "personal experience/s" [on "independence" (68.47%); on "impartiality" (70.57%); and on "credibility" (66.97%)], rather than on mere "opinion".

However, FGD participants (2010) clarified that the NLRC-NCRAB is "generally independent, impartial, and credible" but it becomes restrained, partial and publicly labeled as unreliable and inefficient when "considerations" (their term for "motivation in entering into a transaction or agreement) in decision-making come into play. It is at that point that "deviations from established rules, procedure, jurisprudence, and law happen not only in decision-making, but also in enforcement of decisions" at the NLRC-NCRAB. On the contrary, FGD (2010) estimates that NLRC-NCRAB processes, given its present structure, strategy and system (safety nets) in place, "are and should be 90% clean and efficient and only 10% can be allocated for system, strategy and structure leakages commonly referred to as "corruption" as there are "certainly many 'principled and incorruptible' Labor Arbiters and staff at the NLRC-NCRAB" (FGD, 2010).

Given their long years of dealing with the NLRC-NCRAB, survey respondents probably have had their own negative personal experiences already at the NLRC-NCRAB on what FGD (2010) was referring to "deviations arising from considerations".

Moreover, with the vulnerability of the environment, the 10% allocation for such "leakages" called "corruption" through the entry of "consideration system" (FGD, 2010) increases and expands, and shall continue to be so, across the borders of the NLRC and its primary stakeholders if the same remain unabated.

"Consideration system" at the NLRC-NCRAB: It appears from the FGD (2010) that consideration system has been partly institutionalized within said public sector organization and across its borders involving its primary stakeholders (litigants). But they emphasized that "consideration system is not only practiced by lawyers and employers, for being perceived as having the resources and networks, but also by the working group".

For the workers, it was disclosed that the "consideration system" with the Labor Arbiter operates with a "certain percentage of whatever amount that would be recovered by the worker from the employer through a favorable decision" as "consideration" (FGD, 2010). In enforcement of favorable decisions against employers, the most effective "consideration" is another "certain percentage of whatever amount that would be recovered by the worker from the employer through the sheriff" (FGD, 2010). In these cases, the workers are being compelled to agree on that "double-bladed consideration system". Otherwise, the favorable decision to the worker cannot be enforced or implemented, ending up in what

FGD participants (2010) call as “paper victory” (i.e., a winning decision which was never implemented). The “second consideration” with the sheriff also includes transportation, representation and food allowances “simply to keep him doing his job properly and promptly” (FGD, 2010). This however is exclusive of the “considerations” that have to be tendered to the staff of the Labor Arbiter (FGD, 2010) who are in charge of the issuance of orders, writs and other quasi-judicial processes.

Thus, “networks” (connections and linkages) of workers should not be downplayed by the employers. Labor unions, union leaders and workers’ lawyers have “networks” of their own within the NLRC.

Stakeholders’ Specific Acts vis-à-vis the Indicator “Independence”: It is significant to note that based on the responses of the 333 respondents, regardless of their stakeholder groupings, they gave “DISAGREE” responses on 10 out of 12 indicators of “INDEPENDENCE”, as follows:

Labor Arbiters and/or other personnel at the NLRC-NCR Arbitration Branch do not generally engage in personal meetings with any party-litigant.

Labor Arbiters and/or other personnel do not generally exchange phone numbers with any litigant

Labor Arbiters and/or other personnel generally reject gifts or any favors, regardless of value, from any litigant

Labor Arbiters and/or other personnel generally do not request gifts or any favors, regardless of value, from any litigant

Labor Arbiters and/or other personnel do not generally attend, join or participate in social, political or religious invitations from any litigant

Labor Arbiters and/or other personnel do not generally engage in personal meetings with any lawyer-litigant

Labor Arbiters cannot generally be influenced or pressured in their decisions by their superiors at the NLRC, DOLE and other government offices

Labor Arbiters cannot generally be influenced or pressured in their decisions by their peers at the NLRC, DOLE and other government offices

Labor Arbiters cannot generally be influenced or pressured in their decisions by politicians

Labor Arbiters generally disclose to parties voluntarily their affiliations, their nature and extent, with any party-litigant or lawyer-litigant to all parties so as to discard any wrong perception

and “AGREE” responses on only 2 out of 12 indicators:

Labor Arbiters generally inhibit themselves voluntarily from handling cases involving persons or entities related to them by consanguinity or affinity (either as parents, children, uncles or aunts, brothers or sisters, or first cousins)

Labor Arbiters generally inhibit themselves voluntarily upon motion of any party for an alleged/perceived bias or pressure

When asked if said "DISAGREE" responses (negative view of NLRC-NCRAB's justice administration in terms of "INDEPENDENCE") are based on their "personal experience/s" or on their "opinion/information from others", the primary stakeholders disclosed that their responses are based on "personal experience/s" at said institution.

Stakeholders' Specific Acts vis-à-vis the Indicator "Impartiality": On "impartiality" as the second component of "clean" administration of labor justice or integrity performance, the 333 respondents, regardless of their stakeholder groupings, gave "STRONGLY DISAGREE" response on the following indicator:

Labor Arbiters are generally punished for their wrong decisions and actions. and "DISAGREE" responses on the following "impartiality" indicators:

NLRC-NCR Arbitration Branch's processes normally follow all the prescribed NLRC Rules of Procedure.

Decision-making at the NLRC-NCR Arbitration Branch is generally known or tagged as blindly favoring the workers.

NLRC-NCR Arbitration Branch's processes, being not bound by technical rules of procedure, make decision-making objective in finding out the truth.

Decisions of Labor Arbiters are generally consistent in terms of appreciation of evidence and/or application of pertinent labor law Supreme Court decisions.

On the other hand, the 333 respondents gave "AGREE" responses on the following "IMPARTIALITY" indicators:

Decisions of Labor Arbiters generally explain clearly and convincingly their bases in accepting as sufficient the evidence of the winning party.

Decisions of Labor Arbiters generally explain clearly and convincingly why the evidence of the losing party was not accepted as sufficient.

Some Labor Arbiters are generally known or tagged as either pro-labor or pro-management in their decisions.

Decision-making at the NLRC-NCR Arbitration Branch is generally known or tagged as susceptible to being influenced by employers.

NLRC-NCR Arbitration Branch's processes, being not bound by technical rules of procedure, make decision-making vulnerable to manipulations in case of pressures, commitments, restraints or corruption.

When asked if said responses are based on their "personal experience/s" or on their "opinion/information from others", the survey discloses that:

(a) as the three stakeholder groups unanimously "STRONGLY DISAGREED" on the indicator: "Labor Arbiters are generally punished for their wrong decisions and actions", the basis for their said response is on "personal experience/s";

(b) as the three stakeholder groups unanimously "DISAGREED" on the indicator: "NLRC-NCRAB's processes normally follow all the prescribed NLRC Rules of Procedure", the basis for their said response is on "personal experience/s"; and

(c) as the three stakeholder groups unanimously "AGREED" on the indicators:

Decisions of Labor Arbiters generally explain clearly and convincingly their bases in accepting as sufficient the evidence of the winning party.

Some Labor Arbiters are generally known or tagged as either pro-labor or pro-management in their decisions.

Decision-making at the NLRC-NCR Arbitration Branch is generally known or tagged as susceptible to being influenced by employers.,

the bases for said unanimous responses are their respective "personal experience/s".

On the basis of the selected indicators, it appears that the primary and direct stakeholders of NLRC-NCRAB negatively view (7 out of 10) its administration of justice in terms of "IMPARTIALITY" and the 7 negative responses are generally based on total respondents' "personal experience/s" at said institution, thereby enjoying greater reliability level.

The three indicators where NLRC-NCRAB's "IMPARTIALITY" is positively assessed are on "clear and convincing explanations of bases why the evidence of the winning party was accepted as sufficient"; on "clear and convincing explanations why the evidence of the losing party was not accepted as sufficient"; and on "decision-making at the NLRC-NCRAB as blindly favoring the workers". Remarkably, all the three positively assessed "impartiality" indicators are based on respondents' "personal experience/s".

Stakeholders' Specific Acts vis-à-vis the Indicator "Credibility": The primary stakeholders-respondents of NLRC-NCRAB negatively view (6 out of 7) its administration of justice in terms of "CREDIBILITY" and out of 6 indicators, 4 received "strong negative" responses specifically on:

Labor Arbiters and/or other personnel are generally punished for graft and corrupt practices.

Present strategies of Office of the Ombudsman at the NLRC-NCR Arbitration Branch to apprehend and punish Labor Arbiters and/or other personnel engaged in corruption are effective.

Labor Arbiters generally follow the prescribed time in making decisions and in acting upon motions.

Labor Arbiters should exercise more restraint, similar to judges of ordinary courts, in dealing or in socializing with anyone as everyone is a potential litigant at his office.

Interestingly, these "negative" responses are based on the total respondents' "personal experience/s" at said institution.

On the other hand, the respondents have a positive outlook (weighted mean of 3.10 on a scale of 4: "AGREE") about utilizing "private sector coalitions" in catching, apprehending and punishing Labor Arbiters and/or other personnel engaged in graft and corruption".

Stakeholders' Attitude Toward Actually Observed "Acts of Impropriety": Of the 333 respondents, 276 respondents (or 82.88%) said that they had actually and personally observed "act/s of impropriety" committed by a Labor Arbiter or any NLRC-NCRAB personnel. Of the respondents, majority of all the workers (78.85%), employers (75.22%) and lawyers (93.97%) have personally observed an act of impropriety.

Of the 82.88% who personally observed commission of "act/s of impropriety", 97.1% (or 268 respondents) merely "ignored the act/s", while only 2.89% (8 respondents) did not ignore the observed act and did something to correct the same by "reminding the concerned about the improper act" (6 respondents or 2.17%) and by "complaining to authorities" (2 respondents or 0.72%). Of the 2 respondents (1 from employers and 1 from lawyers) who complained to authorities, they said "nothing" happened to their complaint: the complaint filed by the employer was "abandoned" by him/her while that of the lawyer was "dismissed for lack of sufficient evidence".

The lone respondent-employer who "abandoned" his/her complaint ranked the reasons (1 being the most important) in the following order: (1) It caused me inconvenience in terms of time, money, and effort; (2) I was afraid of possible physical retaliation; (3) The process and the people who handled my complaint were discouraging; and (4) I was afraid of losing my future NLRC cases.

On the other hand, those "who did not complain" (99.28%) by either having "ignored the act" or "reminded the concerned about the improper act", their reasons (1 being the most important) were: (1) It caused me inconvenience in terms of time, money, and effort; (2) I don't trust the system and process; (3) I was afraid of losing my future cases at NLRC; and (4) I was afraid of possible physical retaliation.

It appears that there are serious concerns, actual or perceived, on the "system and process" of handling complaints against acts of impropriety particularly in their "lack of trust" thereon, though the top concern for not complaining as raised by the respondents is the "inconvenience" in terms of time, money and effort that they will be experiencing as a result.

Stakeholders' Nature of Participation in Corruption: Of the total valid sample of 333, 184 respondents (or 55.26%) said that they had personally participated in an "act of impropriety" in order to influence the Labor Arbiter in his/her decision. Interestingly, there are significantly more employers (76.11% of the total employer-respondents) and lawyers (72.41% of the total lawyer-respondents) who had personally participated in acts of impropriety to sway decisions to their favor compared to the workers (13.46% of the total worker-respondents) stakeholder groups.

When the 55.26% respondents were asked as to whether they were generally successful in their attempt to sway the decision to their favor, 89.67% (or 165 respondents) confirmed that they were "successful". The success rates of lawyers (95.24%) and employers (93.02%) who had personally influenced Labor Arbiters in their decisions are significantly much higher than that of the workers (35.71%) who had likewise done the same "act/s of impropriety".

Of those who said that they "personally participated" (184 or 55.26%) in influencing the Labor Arbiter and in swaying the latter's decisions to their favor (regardless of their success), the "most effective channel" to gain access to the Labor Arbiter and influence him/her in decision-making are (in their order): (1) "Through the NLRC-NCR staff" (50%); (2) "Through a lawyer-practitioner at NLRC" (33.70%); (3) "Directly / Personally to the Labor Arbiter" (9.78%); (4) "Through a non-lawyer friend (outside of NLRC) of the Labor Arbiter" (4.89%); and (5) "Through a superior of the Labor Arbiter" (1.63%).

Moreover, the total respondents (333) consider "money" as the "most

powerful tool" generally used by litigants to affect or influence decision-making at the NLRC-NCRA. It is significant to note that "money" is consistently and unanimously ranked by three stakeholder groups as the "most effective tool" of corruption, followed by "affiliation or pakikisama", then "personal favors (other than money)", followed by "administrative power", and interestingly, "political power" is the "least effective tool".

Triangulation Analysis Using "7-S Framework"

In order to supplement the limitations of a survey method, FGD among selected NLRC-NCRA practitioners/litigants and direct stakeholders is facilitated as well as individual interviews of selected resource persons from various related fields or areas in administration of justice are conducted in order to validate and clarify certain points that could not be extensively raised through a closed-ended survey questionnaire.

Utilizing DFID-UK's (2003) "7-S Framework" in institutional analysis, a triangulation analysis discloses the following findings:

1. On Strategy:

The Preamble of the Code of Conduct for Commissioners and Labor Arbiters (2007) sets forth the vision and goals of the NLRC, as a public sector organization mandated to perform a "specialized" function to exercise quasi-judicial powers:

An honorable, independent, competent, effective and worthy of trust National Labor Relations Commission exists to administer labor justice without fear, favor, bias nor prejudice, to serve the common good and to help maintain industrial peace in the country.

The foregoing citation of NLRC's vision and goals are sufficiently clear to guide not only the capitalists and workers as its stakeholders, but also the officers and employees of said public sector organization. According to Ortiguerra (2010), said vision and goals are shared in unison among NLRC administrators, for which reason they continue to institute corruption prevention reforms within the organization and establish greater and stronger linkages with watchdog government agencies such as the PAGC and the Office of the Ombudsman. She describes that the level of participation within the NLRC in formulating and sharing these vision and goals is not only from top to bottom, but also from bottom and up to the NLRC Chairman who is the head of the agency. Regular consultations with officers and members of NLRC Employees Association (NLCEA), Labor Arbiters, and Commissioners are being made by NLRC administrators on challenges and issues that they meet along the way (Ortiguerra, 2010).

However, Ortiguerra (2010) underscores that through a “letting the sunshine in” approach by first “demystifying the NLRC”, a sense of ownership of the NLRC vision and goals would essentially take place. As she explained: “Our approach is to institute gradual changes without people noticing them (as our) target is to get the trust and support of the personnel (in order to avoid resistance on) changes and reforms”. Suffice it to state, the NLRC Rules of Procedure which had undergone a series of revisions and amendments, and is presently undergoing further reviews by way of consultations with the NLRCEA, Arbiters, Commissioners, academe, IBP and selected resource persons, as well as the NLRC Code of Conduct have been promulgated and implemented without significant oppositions (Ortiguerra, 2010).

A review of the proposed legislations now pending in Congress readily discloses that there are “few” proposals (De Castro, 2010) regarding changes in these vision and goals as well as in the strategies of the NLRC on how to have the same shared among its administrators, personnel and stakeholders. Prominent among which is that sponsored by Rep. Ana Theresia Hontiveros-Baraquel (HB 1718, 2007) which is seeking to abolish the NLRC and to create the National Mediation and Arbitration Board giving emphasis on Alternative Dispute Resolution (ADR) which will address serious concerns against NLRC’s inefficiency, ineffectiveness and corruption. The two other prominent legislative moves emanated from the Senate, as earlier cited, through Senator Santiago (SB 2207, 2008) and from Senator Pimentel Jr. (PSR 231, 2008).

De Castro (2010) shared however that most pending proposed bills in Congress are on how to improve the “slow” disposition of cases at the NLRC, which NLRC claims to have been solved already as Ortiguerra (2010) shared that “8 Regional Arbitration Branches (of the NLRC) have current docket status which means that they have no cases older than 9 months from time of referral to them, unlike before when the gestation period used to be 1 to 1.5 years.” This is bolstered by the afore-cited BLES (2010) report which is solely based on NLRC submitted statistics.

Such claims however would have been credible enough if NLRC statistics are readily made accessible to the public, including the researcher, and no “confidential” classification on case statistics of each Labor Arbiter, Commissioner, Division, and RAB is made.

Worse, during the FGD (2010), it was shared that some unresolved case records at the NLRC have been missing (lost for unknown reasons!) and since they had been pending for almost 10 years, the parties were prompted to verify the status thereof, and it was only then that NLRC personnel learned that the case records had been lost but nobody could explain the circumstances thereof. Thus, through the lawyers, these case records were reconstituted after almost 10 years and later on submitted for decision. (FGD, 2010). It is thus perplexing if these pending cases with lost records had been included in the NLRC’s confidential statistics.

2. On Structure:

The roles and responsibilities within the NLRC, specifically on its thrust to enhance its integrity performance, are clearly defined and distributed through the Integrity Development Action Plan (IDAP) which is NLRC's roadmap in addressing the issue of graft and corruption and the Corruption Prevention Reform Program (CPRP) which is the process review and detailed action plan for the program. Ortiguerra (2010) explains that through their "letting the sunshine in" approach in implementing IDAP and CPRP, mechanisms for participation of key stakeholders of the NLRC are further enhanced, thereby encouraging more support (though at first reluctant, doubting, and frowning upon such efforts) for NLRC integrity objectives, vision and goals.

On the other hand, as the FGD participants (2010) commended the diligent efforts of the NLRC Management in curbing graft and corruption, they remain apprehensive about the fate of said efforts: by NLRC experience, as the NLRC Chairman taking the lead might either be "captured" (just like some previous Chairpersons whom the stakeholders fully know), or be kicked out (like some previous NLRC Chairpersons), by the rotten system of some personnel.

3. On Systems:

Personnel policies at the NLRC are well-defined, carefully institutionalized, and properly disseminated. This is due to the active participation and direct consultation of the NLRCEA. Ortiguerra's (2010) analysis is that a "ramming through" strategy at the NLRC cannot be adopted by them as administrators because based on their statistics, "problems on graft and corruption are very minimal" as less and less people formally complain. She asserts that even the decisions of the Court of Appeals (72.3%) and the Supreme Court (80%) show "high affirmance rates" of NLRC decisions. However, NLRC maintains a confidential stance in giving out specific data on these. Even Ortiguerra (2010) could not personally share her copy without the approval of the Office of the NLRC Chairman.

More importantly, if the "affirmance rates" of 72.3% and 80% for CA and SC, respectively, as claimed by Ortiguerra (2010), are to be based on disposition rate of 73.7% (32,813 out of 44,503) as of end of 2009 (BLES, 2010), the affirmance rate at the Court of Appeals is merely and roughly at 53.28% while at the Supreme Court, it is roughly at 58.96% only. Hence, this negates the claim that NLRC has high affirmance rates at the CA and SC.

Issues on corruption activities at the NLRC are, for Ortiguerra (2010), merely magnified by media. Her argument is that if in media reports, corruption is rampant at NLRC, why do very few people complain? She even asks the following:

"Is there a culture of apathy among our critics and stakeholders?"

"Do they have vested interests too or afraid of many things why they do not come out in the open?"

At this point, the survey results provide ready answers to Ortiguerra's queries: Aside from the discouraging complaint system and processes, inconvenience in terms of time, money and effort that they will be experiencing as a result supports the perceived "culture of apathy". On these, Ortiguerra (2010) supports "empowerment at certain levels" of people who had imbibed this negative culture as the solution to a "culture of apathy". She postulates that by empowering these people, "breaking their code of silence on corruption" shall necessarily ensue.

Therefore, the challenge here relies heavily on the "political will" of the NLRC management. FGD (2010) laments that monitoring, enforcement, and prosecution of violations of personnel policies "appear to be very weak" at the NLRC particularly with respect to their Code of Conduct. This is impliedly admitted by Ortiguerra (2010) as she narrated that when she was chosen to serve and act as the focal person for IDAP projects and programs, she then became the "most unpopular" person at NLRC. That is why, NLRC's present strategy is to reform its personnel "through an actual demonstration of daily good examples".

On incentives system, Ortiguerra (2010) asserts that NLRC is not lacking on it. As a matter of fact, De Castro (2010) relays that in Congress, the very new proposed bill (HB 2496) of Speaker Prospero Nograles to establish the "NLRC Development Fund" which shall inure to the benefit of the NLRC Commissioners Arbiters and staff/ personnel is gaining popular support from fellow congressmen.

4. On Staff:

There is a great challenge on the NLRC administration regarding staff utilization and how effective it is in curbing corruption. Survey results show that the "most effective channel" to influence decision-making at the NLRC-NCRAB is "through the NLRC-NCRAB staff".

As FGD (2010) pointed out, the reason why the prohibitive policy against appearance of non-lawyers in hearings cannot be strictly implemented at the NLRC is because of the fact that many Labor Arbiters do not personally preside over hearings or conferences, but only their Labor Arbitration Associates (LAA) or their stenographer-clerks. This triggers therefore what FGD (2010) calls "a volatile environment vulnerable to corruption" and due to the "familiarity" established as a consequence, they observed that seldom does a staff reject a "gift" from litigants especially if the same is given under the cloak of giving "moderate gifts during special occasions like Christmas, birthdays, and others". It was also observed that while it is true that very seldom "direct" requests for "gifts" (as distinguished from "bribes") come from any NLRC-NCRAB personnel, "indirect" requests or insinuations

for "gifts" through body language, indirect words, and the like, during special occasions are rampant. As FGD participants (2010) narrated, litigants are informed by some staff about birthdays or wedding anniversaries of the Labor Arbiter or any personnel ridiculously being celebrated for more than once a year and during different distant months in a year. The more daring ones are those relaying stories to litigants about their financial difficulties due to death or sickness in the family, education needs of children, employment challenges of some relatives or friends, low salaries and benefits in government, and lack of business opportunities while in government.

On another matter involving staff utilization, Article 213 of the Labor Code (PD 442, 1974), as amended by various Republic Acts, the latest of which and most relevant herein, is Republic Act 9347 (2006), last paragraph, categorically provides that:

No Labor Arbiter shall be assigned to perform the functions of the Commission Attorney nor detailed to the office of any Commissioner.

However, the NLRC Personnel Directory / Plantilla (2009) provides that there are 44 Labor Arbiters assigned as "Reviewers" of appealed cases for various Commissioners for the NLRC-NCR Divisions alone, which was confirmed by Ortiguerra (2010) by saying "Yes there are Labor Arbiters assigned to us (Commissioners), but I cannot tell the number as of now". DOLE Undersecretary for Internal Affairs Pineda (2010) also confirmed this by explaining that: "DOLE is doing that because we have very limited budget for personnel salaries and even for consultants. That is why, DOLE is just borrowing labor experts from the NLRC to be part of our legal team and these are the Labor Arbiters. Even our NLRC Commissioners are provided with review arbiters to help them unclog their dockets."

Thus, there indeed appears a great challenge on the NLRC administration regarding staff utilization and its effectiveness in curbing corruption.

The wrong, illegal and/or unethical utilization of LAAs in presiding over hearings and conferences, and of Labor Arbiters by NLRC Commissioners and DOLE officials; the isolated instance of a staff rejecting a "gift" from litigants; the "indirect" but rampant requests or insinuations for "gifts" by some NLRC personnel through body language, indirect words, and the like; the stories of litigants being informed by some staff about birthdays or wedding anniversaries of Labor Arbiters and other personnel; and the daring stories of some Labor Arbiters and personnel casually and informally telling litigants about their financial difficulties, are reflective of the level of staff motivation and adequacy of staff resources in curbing corruption, on one hand, and their job satisfaction, on the other.

If these challenges on staff resources should continue unabated, FGD participants' (2010) concept of "a volatile environment vulnerable to corruption" at the NLRC shall not only be affirmed, but shall simply remain a "public administration

issue" that merely deserves an academic discussion.

5. On Skills:

Gonzales (1979) explains that the reason for the conferment of "quasi-judicial power" to the NLRC Commissioners and the Labor Arbiters was to unclog the dockets of regular courts (under the Judicial Department) by creating such "specialized administrative agency" (NLRC) in Labor Law occupied by "experts" in the field, considering the sensitive nature of employer-employee relations.

There is no doubt that the Commissioners and Labor Arbiters are "skilled" in law as they are legally required to be lawyers (having mastered law for five years including the bar review year), with at least 15 years (10 years for Labor Arbiters) of practice of law, and with at least 5 years experience or exposure in the field of labor-management relations (Art. 215, Labor Code). There are also many opportunities for training given them at the NLRC (Ortiguerra, 2010) and as lawyers, they are even mandated by the Supreme Court to take 36 units of various areas of law every three year-period under the Mandatory Continuing Legal Education (MCLE).

However, are these adequate for them to qualify as "Labor Law experts" given the rationale (Gonzales, 1979) for the creation of NLRC as a "specialized" agency in Labor Justice? The survey results are quite alarming: The respondents show a "DISAGREE" response on the "IMPARTIALITY" indicator:

Decisions of Labor Arbiters are generally consistent in terms of appreciation of evidence and/or application of pertinent labor law Supreme Court decisions.
which response was based on their "personal experience/s" at the NLRC.

Moreover, the FGD participants (2010) validated this survey result by giving some personal accounts of specific incidents at the NLRC such as, among others:

(a) Two Labor Arbiters issuing different (opposing) judgments in two separate cases they handled which arose from one common employment environment, common respondent, common incidents, and common issues; and

(b) Some Labor Arbiters and Commissioners (who are supposed to be Labor Law experts) deciding and applying labor laws (13th month pay, service incentive pay, termination cases) very wrongly such as awarding 13th month pay to bus drivers and conductors who are earning "pure commission" compensation; awarding service incentive pay to employees already enjoying at least 5 days vacation leave with pay in a year; baseless shifting of the burden of proof to the worker in an illegal dismissal case; assuming jurisdiction over an intra-corporate controversy; modifying a final and executory decision by reducing the judgment award during execution proceedings; and dismissing an appeal served and filed by registered mail for having been filed out of time, by reckoning the actual date of receipt of appeal as the date of filing.

However, on these reports, Ortiguerra (2010) exclaimed that the “high affirmance rates” that NLRC decisions have been getting from the CA (72.3%) and the SC (80%) speak for themselves. She thus points out that stories on Labor Arbiters’ and Commissioners’ “lack of expertise” in Labor Law merely refer to the minimal 27.7% from the Court of Appeals’ perspective and 20% from the Supreme Court perspective.

6. On Style:

While the extent of supportive environment for the staff and the level of communication at the NLRC are commendable, the “secretive nature” of the present NLRC Chairman casts doubts on his leadership efficiency and effective leadership style. The organizational policy of not making NLRC statistics readily accessible to the public and classifying the details thereof as “confidential” is certainly repugnant to the “7-S framework” of institutional analysis (DFID-UK, 2003). The public is constitutionally assured of its “right to information” (section 7, Article III, 1987 Constitution) particularly “on matters of public concern (which include) access to official records, and documents, and papers pertaining to official acts, transactions, or decisions, as well as to government research data used as basis for policy development”.

7. Lastly, on Shared Values:

The “culture of apathy” not only among the stakeholders of NLRC but also among the NLRC officers and personnel as well as NLRC’s “volatile environment vulnerable to corruption” characterize the “nature of overt and covert rules, values, customs and principles that guide organizational behavior” (DFID-UK, 2003).

Strongly reflective of the “shared values” at the NLRC is the continued vacancy for almost a decade of the position of the Resident Ombudsman at the NLRC (Ortiguerra, 2010) as well as the FGD participants’ (2010) observation that usually, the NLRC Chairman taking the lead of the public sector organization is “captured” or “kicked out” by the shared rotten value system.

Transforming Problematic Confluence
Into A Confluent Solution

The significant impact of external environment (through the “primary or direct stakeholders” and as molded by the “institutional framework”) on the NLRC-NCRAB’s “clean” administration of labor justice had been conjointly identified pursuant to this research’s conceptual framework. Through the process, identification of enabling and hindering factors appears to be significant in working toward the attainment of a “clean” administration of labor justice.

1. Enabling Factors

At the NLRC-NCRAB, the following research findings could be significantly considered as “enabling factors” for improving its integrity performance:

a. The overall negative perception arising from personal experiences of primary stakeholders of NLRC-NCRAB’s decision-making processes should be taken as a positive signal for the public administrators concerned to strengthen further (or double their efforts on) their integrity enhancement efforts;

b. The identified vulnerable areas or points in NLRC-NCRAB’s administration of justice could be utilized by the anti-corruption agencies of government in strengthening the effectiveness of their entrapment strategies, investigation mechanisms, complaint processing and prosecution of offenses;

c. Noting the inconveniences experienced by those who complained and the discouraging environment from people and processes, public sector anti-corruption agencies should make these affordable, supportive, proactive and less inconvenient for complainants so as to encourage people to continue trusting the complaint and grievance process for the enhancement and promotion of NLRC-NCRAB’s integrity performance;

d. The recognition of the fact that gargantuan and uncontrolled discretion on the part of the Labor Arbiter and much flexibility given to rules of procedure and evidence could be utilized as starting point to further review and revise the current NLRC Rules of Procedure and revisit some recognized administrative law precepts in order to minimize prerogatives on the part of, and set parameters for the exercise thereof by the Labor Arbiter and Commissioners;

e. The finding of perceived and experienced poor accountability of Labor Arbiters for their wrong decisions and actions could encourage establishment of regular and proactive feedback mechanisms at the NLRC-NCRAB especially from external primary/direct stakeholders for the purpose of developing coalition structures to strengthen highly weakened accountability system in said public sector organization;

f. The experienced pathologic effect of monopoly and unregulated discretion on the part of a single Labor Arbiter at the NLRC-NCRAB, though subject to appeals, could positively signal establishment of “safety structures” within that layer of decision-making through review processes of decisions and resolutions of Labor Arbiters by their peers at the Arbitration Branch (either by the Executive Labor Arbiter or by fellow Arbiters) before promulgation and release of any judgment;

g. The finding of a “culture of apathy” (and sometimes “empathy”) not only among the NLRC personnel, but also among the litigants (primary and direct

stakeholders) at the NLRC-NCRA triggers the need to enhance and strengthen "shared values" among all Labor Arbiters, their staff, their stakeholders, and the watchdog government agencies;

h. The primary and direct stakeholders' positive ("agree") response on having "private sector coalitions" that will assist the existing watchdog agencies of the government paves the way to the recognition of Public Administration theories on "confluence between public and private sectors", not only in supplementing limited financial resources of government, but also, this time, in enhancing, promoting, and ensuring "clean" administration of justice. It is thus time to revisit the legal precept that "in case of judicial abuse of authority, only the public sector domain has the right to rectify".

i. The finding of a "culture of leniency" in monitoring, enforcement and prosecution of violators of legislated Code of Conduct and Ethical Standards for Public Officers (RA 6713) and the Code of Conduct for Commissioners and Labor Arbiters (2007) should encourage the "watchdog" public agencies, including the NLRC Management, to make their institutions work and operate like "true and loyal watchdogs to their legally mandated duties".

j. The primary and direct stakeholders' very positive ("strongly agree") response on "exercising more restraints, similar to judges of ordinary courts, in dealing with anyone as everyone is a potential litigant at his office"; their negative ("disagree") response on Labor Arbiters' "general consistency in terms of appreciation of evidence and/or application of pertinent labor laws and Supreme Court decisions"; and very negative ("strongly disagree") response on "Labor Arbiters being generally punished for their wrong actions and decisions", could be used as bases for studying the possibilities of:

First: Adopting the strict Code of Conduct for Judicial Officers of the Supreme Court for NLRC Arbiters and Commissioners as well as its strict mechanisms and strategies in monitoring, enforcement and punishment of violators;

Second: Improving the present recruitment, nomination and appointment mechanisms and strategies for Labor Arbiters and Commissioners by focusing on "integrity and probity" and "expertise" in the field of Labor Law, or creating a counterpart of the Judicial and Bar Council (JBC) at the Supreme Court for executive appointments, deleting or prohibiting in both cases the time-honored practice of "political referrals" and recommendations in order to pave the way to a "merit-based" selection and appointment (Hermosisima, 2010);

Third: Imitating the strict monitoring and implementation mechanisms being done by the Office of the Court Administrator (OCA) at the Supreme Court of the regular courts (Layusa, 2010), or creating an effective and

efficient counterpart of it in the Executive Branch, or strengthening and expanding the disciplinary authority of the Office of the Bar Confidant (OBC) at the Supreme Court so as not to simply limit its functions to bar admission, record-keeping and referrals of discipline complaints against lawyers (in the executive department having quasi-judicial authority like Labor Arbiters and Commissioners);

2. Hindering Factors

On the other hand, the “hindering factors” toward the enhancement and promotion of a “clean” administration of labor justice at the NLRC-NCRA contribute to the creation of what the FGD participants (2010) refer to as a “volatile environment vulnerable to corruption”. They are as follows:

a. As NLRC-NCRA is engaged in the dispensation of labor justice where one party wins and the other loses, and given that the 3 stakeholders have inherently opposing but very significant “interests” on the output (decision) such as “justice” and “money” for the workers and employers, and “reputation, career and profession” for the lawyers, each stakeholder group necessarily, and expectedly, would exert efforts to win their cases, at whatever cost.

b. The high cost of sustaining litigation at the NLRC-NCRA as borne by the fact that a total of 82.28% (63.96% pays professional fee and 18.32% reimburses actual litigation expenses) of the respondents spend their hard-earned money to get “NLRC Justice” enhances the personal and human desires of each litigant to exert efforts to win their cases, at whatever cost, as litigation expenses are deemed by them as “investments” (FGD, 2010). On the part of the workers, some of them may be compelled to enter into “contingent” arrangements with Labor Arbiters and Sheriffs at the NLRC-NCRA, i.e., when workers are able to collect from employers, that is the time that they have to give their promised “grease money” or “thank you money” (FGD, 2010);

c. The overall negative perception of stakeholders of NLRC-NCRA’s decision-making processes, mostly of them are based on “personal experience/s” and not merely on “opinion gathered from others’ information”, if not properly addressed, could deter many integrity enhancement efforts on the part of the NLRC and its partner public sector organizations such as the Office of the Ombudsman, PAGC, and Department of Justice;

d. The absence or lack of “proactive and serious efforts” on the part of government’s anti-corruption agencies, being external to NLRC-NCRA and not directly engaged in its day-to-day quasi-judicial functions, are, as observed by its primary and direct stakeholders, reflective of a “dysfunctional bureaucracy” with discordant institutional linkages.

e. The presence or existence of "integrity pathologies" (Decker, Sage and Stefanova, n.d.) cited in the enumeration of "enabling" factors shall remain as "hindering" elements in the "clean" administration of justice, if not duly transformed into a decisive and systematic concept of corruption prevention and control" (Rieger, 2005), because according to him, "corruption is a system and corruption has a system" and it can only be combated with another system (Rieger, 2005).

The identification of the foregoing factors in the "clean" administration of justice at the NLRC-NCRA has thus affirmed Gloppen and Rakner (2003), Schedler (1999), and Goetz and Jenkins (2005) who commonly espouse "accountability" mechanisms which revolve around the components of "transparency, answerability and controllability". Even the equational explanation of corruption by Klitgaard (1988):

$$\text{Corruption} = [\text{Monopoly} + \text{Discretion}] - \text{Accountability}$$

is affirmed by the findings of this research which explicitly show the "volatile environment" at the NLRC-NCRA which is "vulnerable to corruption" (FGD, 2010). Hence, from the foregoing equation, the solution to corruption is to delimit monopoly and discretion and enhance and promote accountability.

As Ortiguerra (2010) remarked: "In corruption, it takes two to tango". With that conclusion of Rieger (2005), the appropriate response therefore to the problem of primary/direct stakeholders' participation or influence in creating an inefficient ("unclean") administration of justice at the NLRC-NCRA is to involve them in the solution.

Proposed "A.C.T.I.V.E. Public Service Delivery" Assessment Framework

With the foregoing findings and identification of enabling and hindering factors towards the enhancement of integrity performance of NLRC-NCRA, a modification of the present strategies of the NLRC Management, Office of the Ombudsman, Department of Justice (DOJ), and the Presidential Anti-Graft Commission (PAGC) should be made.

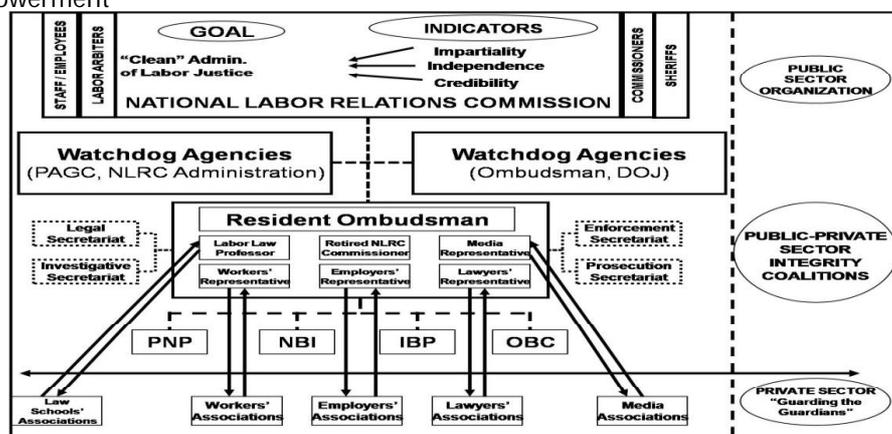
It is suggested that a fundamental shift from a "compartmentalized" anti-corruption strategy and "complaint-driven" integrity performance assessment and investigation to the researcher's conceptualized "A.C.T.I.V.E. Public Service Delivery" where the acronym "A.C.T.I.V.E." stands for:

- A - dministration of Justice through
- C - omplementary
- T - ransparency,

I - initiative,
 V - igation, and
 E - mpowerment.

The framework is figuratively described hereunder:
 A.C.T.I.V.E. PUBLIC SERVICE DELIVERY

Figure C: Schematic Diagram of Proposed A.C.T.I.V.E. Public Service Delivery Administration of Justice thru Complementary Transparency, Initiative, Vigilance & Empowerment



1. Public-Private Sectors Integrity Coalition

Under the proposed “A.C.T.I.V.E. Public Service Delivery” framework, private sector involvement is suggested through the establishment of strong organizations of private sector-primary and direct stakeholders, in conjunction with the watchdog agencies of the government, that will regularly monitor the performance of NLRC-NCRAB on DFID-UK’s (2003) so-called “7-S variables” (Shared values, Structure, Systems, Style, Staff, Skills, and Strategy).

This model or framework shall address the recurring and unresolved concern disclosed through this study of “Who shall guard the guardians?” particularly in the administration of justice.

The "A.C.T.I.V.E. Public Service Delivery" framework shall likewise address in a decisive and systematic manner the problem areas or gaps in the literature reviewed, and referred to as "vulnerabilities" in this study's conceptual framework, particularly on the administration of justice as a public service delivery.

Administration of Justice thru Complementary Transparency, Initiative, Vigilance, and Empowerment, or "A.C.T.I.V.E. Public Service Delivery" necessarily shall have emerging mechanisms to address certain "vulnerabilities", but the minimum structures and mechanisms (Figure C) are as follows:

1. At the top portion of the diagram is a rectangular box representing the NLRC labeled as a public sector organization where the pertinent portion of the conceptual framework of this study on "clean" administration of labor justice is shown;

2. Below the NLRC rectangular box are boxes depicting existing positions, institutions and/or organizations, such as:

a. the ones below the two-edged horizontal arrow (associations of law schools, employers, workers, lawyers and media) are the private sector organizations labeled as such in oval at their right, while

b. the ones above the two-edged horizontal arrow (PNP, NBI, IBP, OBC, watchdog agencies) are the public sector organizations which are the "external members" of (represented by broken lines attached to) the "Public-Private Sectors Integrity Coalition" labeled as such in circle at their right. Moreover,

c. the "external members" of "Public-Private Sectors Integrity Coalition" shall serve and act as "strategic advisers" and "implementing arms" of the coalition;

3. The "two-edged horizontal arrow" represents the delineating line between private and public sector organizations, which arrow may be extended or shortened (adjusted) at any side to show possibilities of government regulation of these private organizations as well as their need to be accredited by the government to enable them to nominate and send their own representative, on a periodic basis, to the "Public-Private Sectors Integrity Coalition";

4. The rectangular box with solid line borders in between these external members represents the proposed "Public-Private Sectors Integrity Coalition" as they are likewise labeled as such in circle at the right side;

5. The "Resident Ombudsman" shall head the "Public-Private Sectors Integrity Coalition" and shall appoint the following six regular members on staggered terms of six years so that there will be continuity in strategic, operational and tactical plans:

a. "Labor Law Professor" singly nominated by Associations of Law Schools;

b. "Retired NLRC Commissioner" singly nominated by the NLRC Commission en banc;

c. "Media Representative" singly nominated by media associations;

d. "Workers Representative" singly nominated by workers' associations;

e. "Employers Representative" singly nominated by employers' associations; and

f. "Lawyers' Representative" singly nominated by lawyers' associations practicing at the NLRC;

6. The "Public-Private Sectors Integrity Coalition" shall have a "General Secretariat" headed by a Chief of Staff reporting directly to the "Resident Ombudsman", and divided into the following groups:

a. "Legal Secretariat" which is in-charge of reviewing decisions and resolutions (especially the reversed ones) of Labor Arbiters and Commissioners to find patterns of inconsistencies, ignorance of the law, illegalities and other irregularities committed with feedback mechanisms to the Executive Labor Arbiter and the NLRC Chairman; in-charge of reviewing outputs of Sheriffs with feedback mechanisms to the Executive Labor Arbiter and the NLRC Chairman; in-charge of legally assisting the public in filing complaints against erring NLRC personnel; and in-charge of providing legal assistance to the other secretariat groups as well as to the coalition;

b. "Investigative Secretariat" which is in-charge of gathering, informally investigating and building-up legitimate cases and evidence against NLRC personnel with coordinating functions with the other secretariat groups;

c. "Enforcement Secretariat" which is in-charge of planning and execution of entrapment proceedings and procuring search and arrest warrants, with coordinating functions with other secretariat groups; and

d. "Prosecution Secretariat" which is in-charge of filing pertinent strong criminal and administrative cases, in coordination with the "Legal, Investigative and Enforcement Secretariats" at the DOJ, regular courts, Office of the Ombudsman, Sandiganbayan, PAGC, IBP, OBC, and NLRC's EIB;

7. The "Public-Private Sectors Integrity Coalition" shall be conferred by law the legal personality to file criminal and administrative cases against erring public officers and employees at the appropriate watchdog agency;

8. All plans, operations and activities of the "Public-Private Sectors Integrity Coalition" shall be strictly confidential in nature, subject to severe criminal and administrative sanctions in case of any violation;

9. The regular and external individual members of the coalition shall be legally prohibited to practice or appear at the NLRC and to have any direct or indirect

interest in any operation or activity of said public sector organization except those relating to his official functions within the coalition;

10. The "Public-Private Sectors Integrity Coalition" shall provide sufficient legal and other protection to its witnesses either through the legislated "Witness Protection Program" of the DOJ, or through the "Whistleblowers Act" which it shall lobby before Congress to be enacted, or through any other means that its partner agencies could provide given their resources.

2. Public Administration Features of the Coalition

The "Public-Private Sectors Integrity Coalition" shall, in the process, develop the indispensable Public Administration features within the NLRC, which features were culled from the identified "gaps" in the "clean" administration of labor justice as a public service delivery. These features include, among others:

First: "Vertical Accountability" (Lawson and Rakner, 2005): Through the proposed "Public-Private Sectors Integrity Coalition", NLRC shall be able to enhance, underscore and balance its stakeholders' stake in its responsibility to devise and enforce transparency, accountability, and integrity in its public service delivery following the principal-agent theory in Public Administration (Klitgaard, 1988; Yadav, 2005; Campos and Pradhan, 2007; WB, 2008; ADB, 2007) and in order to strengthen the check and balance mechanism between NLRC's primary and direct stakeholders and the NLRC (ADB, 2005; Kaufmann, 2006; Gloppen and Rakner, 2003; Schedler, 1999; Goetz and Jenkins, 2005; Kolstad, Fritz and O'Neil, 2008; Olken, 2005);

Second: "Horizontal Accountability" (Lawson and Rakner, 2005; Kaufmann, 2006): Through the proposed "Public-Private Sectors Integrity Coalition", NLRC shall be able to steer existing watchdog agencies to function (and function properly) by strengthening and systematizing their integrity monitoring, assessment and promotion mechanisms (Schultz, 2007; Gloppen and Rakner, 2003; Schedler, 1999; Goetz and Jenkins, 2005; Yadav, 2005; Shah and Schacter, 2004; Doig, Watt and Williams, 2005; Quitangon, 2003; Rieger, 2005; Decker, Sage and Stefanova, n.d.; NEDA, 2004; WB, 2005; ADB, 2005; WB, 2008; Klitgaard, 1988; WB, 2000; Langseth and Stolpe, 2001);

Third: "External Accountability" (Lawson and Rakner, 2005): Through the proposed "Public-Private Sectors Integrity Coalition", NLRC shall be able to redirect its existing "borrowed" mechanisms of integrity assessment under the context of the Philippine culture (Shah and Schacter, 2004; Mungiu-Pippidi, 2006; Quimson, 2006; WB, 2008) by refocusing on its "primary and direct" stakeholders and making them directly involved in its administration of labor justice (UNDP, 2008; Torres, 2003; Fu, 2003; OECD, 1999; Buscaglia, 2007; Tisne and Smilov, 2004; Johnston and Kpundeh, 2004; Rose-Ackerman, 1999; Tsunga and Deya, 2007); and

Fourth: "Developmental Accountability" (Sen, 2000): Through proposed the "Public-Private Sectors Integrity Coalition", NLRC shall be able to empower its "primary and direct" stakeholders, and eventually enhance and promote its "institutional respect dimension" so that good governance could be genuinely achieved (Langseth and Stolpe, 2001; Fischer, 2006; Sachs, 2005; Patalinghug, 2003; Kaufmann, 2006) by instituting "respect" for individual citizen's rights and capabilities over the political and economic dimensions (WB, 2005; Co, et. al., 2007).

Strategic Directions for the NLRC

Through a systematic and decisive transformation of the identified "hindering" factors to "enabling or facilitating" factors, the following are the researcher's proposals for improvement of strategies, policy directions and program interventions for the NLRC, as a public sector organization engaged in the administration of labor justice, as well as its watchdog agencies:

1. Consistently and proactively monitor the implementation of NLRC's 2004 Corruption Prevention Reform Program through the identified performance indicators per process as well as the identified performance targets;

2. Strengthen the effectiveness of watchdog agencies' entrapment strategies, investigation mechanisms, complaint processing and prosecution of offenses through the A.C.T.I.V.E. Public Service Delivery model conceptualized by the researcher;

3. Encourage public sector anti-corruption agencies to make their environment and processes affordable, supportive, proactive and less inconvenient for complainants so as to encourage people to continue trusting their complaint and grievance process for the enhancement and promotion of NLRC-NCRAB's integrity performance;

4. Continue the further review and revision of the current NLRC Rules of Procedure and revisit some recognized administrative law precepts in order to delimit monopoly and discretion and enhance and promote accountability, on the part of, and set parameters for the exercise thereof by, the Labor Arbiter and Commissioners;

5. Establish regular and proactive feedback mechanisms at the NLRC especially from external primary/direct stakeholders for the purpose of developing coalition structures to strengthen highly weakened accountability system in said public sector organization.

6. Establish "safety structures" within the NLRC Arbitration Branches, as an initial layer of decision-making, through review processes of decisions and resolutions of Labor Arbiters by their peers at the Arbitration Branch (either by the

Executive Labor Arbiter or by fellow Arbiters) before promulgation and release of any judgment;

7. Enhance, promote and strengthen "positive shared values" among all Labor Arbiters, Commissioners, their staff, their stakeholders, and the watchdog government agencies;

8. Revisit the legal and public administration precept that "in case of judicial abuse of authority, only the public sector domain has the right to rectify" by recognizing Public Administration theories on "confluence between public and private sectors" (Osborne and McLaughlin, 2002; Osborne and Gaebler, 1993; Hammer and Champy, 1993; Agranoff and McGuire, 2003; and Ostrom, 1989) not only in supplementing limited financial resources of government, but also, this time, in enhancing, promoting, and ensuring "clean" administration of justice;

9. Encourage "watchdog" public agencies, including the NLRC Management, to make their institutions work and operate like "true and loyal watchdogs to their legally mandated duties".

10. Study the possibilities of:

First: Adopting the strict Code of Conduct for Judicial Officers of the Supreme Court for NLRC Arbiters and Commissioners as well as its strict mechanisms and strategies in monitoring, enforcement and punishment of violators;

Second: Improving the present recruitment, nomination and appointment mechanisms and strategies for Labor Arbiters and Commissioners by focusing on "integrity and probity" and "expertise" in the field of Labor Law, or creating a counterpart of the Judicial and Bar Council (JBC) at the Supreme Court for executive appointments, deleting or prohibiting in both cases the time-honored practice of "political referrals" and recommendations in order to pave the way to a "merit-based" selection and appointment (Hermosisima, 2010); and

Lastly: Imitating the strict monitoring and implementation mechanisms being done by the Office of the Court Administrator (OCA) at the Supreme Court of the regular courts (Layusa, 2010), or creating an effective and efficient counterpart of it in the Executive Branch, or strengthening and expanding the disciplinary authority of the Office of the Bar Confidant (OBC) at the Supreme Court so as not to simply limit its functions to bar admission, record-keeping and referrals of discipline complaints against lawyers (in the executive department having quasi-judicial authority like Labor Arbiters and Commissioners).

Conclusion

This research highlights the indispensability of private sector involvement in the administration of labor justice which validates the UNDP (2008) study depicting the extent and limitations of capabilities of civil society organizations as partners against corruption and Asia Foundation's (2003) five broad categories of indicators in assessing the status of administration of justice (particularly with respect to its being "clean"), to wit:

- (1) structure, organization, jurisdiction and procedures of courts;
- (2) judicial selection, appointment and promotion procedures;
- (3) judges' tenure and removal mechanisms;
- (4) judicial remuneration and resources for court administration; and
- (5) public opinion and confidence in the judiciary and its relationship to governance and development.

However, in establishing and maintaining this kind of public-private sectors' confluence, this paper likewise has confirmed the following authors' expressed serious reservations on having "private sector coalitions", namely:

1. Tisne and Smilov's (2004) argument that instead of having broad coalitions, reformers should mobilize only focused advocacy groups;
2. Johnston and Kpundeh's (2004) strong suggestion that selection of coalitions should come from the strong and actual stakeholders who are bound to suffer the immediate and tangible costs of corruption or enjoy the benefits of the absence of it; and
3. Kaufmann's (2006) prescription that a provision on incentives, material or otherwise, on these coalitions for them to stay on and be active during all phases of activities.

Corollary to the foregoing, Tisne and Smilov's (2004) apprehension must incessantly serve as a caveat to everyone: that private sector coalitions might, in the process, mutate into "networks of corruption in which they ultimately become accomplices", or worse, as primary agents of corrupt public officials in the administration of justice.

In order to strengthen the proposed "A.C.T.I.V.E. Public Service Delivery", the researcher agrees with Rose-Ackerman (1999) that the effectiveness of civil society advocacy depends on the active participation of the media as the necessity for a free press cannot be downplayed.

The apprehension of Tsunga and Deya (2007) that the independence of the judiciary and the attitude of the legal profession are inextricably linked with each other is clearly demonstrated from the foregoing responses of the respondents: the behavior of lawyers who act as a “cog in the judicial corruption machine” as either serving as “couriers” by conveying litigants’ offer to judicial officers and the latter’s demands on the former; as “mere observers” who are able to sense corrupt practices, and turning a blind eye on them; and as “desperate empathizers” who want to do something to correct the problem but feel helpless in view of the perceived system of corruption with impunity. The proposed A.C.T.I.V.E. Public Service Delivery aims to address these by placing emphasis on the effective self-regulation that lawyers’ associations may set into place though with a caveat that the act of regulation of the profession and brotherhood within the organization may “tend to clash with each other”.

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Accountability in Aid Management

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This paper will discuss the increasing importance of good governance specifically the presence of accountability among developing countries in managing development aid from official aid agencies. The focus of this paper will be the case of the Republic of the Philippines (RP), which has been struggling to address the issue of corruption not only in aid management but also in the government as a whole. The following discussion aims to analyze the contribution of the accountability systems of a recipient government (RG) to address corruption in aid management and to make aid more effective.

Introduction

This paper will discuss the increasing importance of good governance specifically the presence of accountability among developing countries in managing development aid from official aid agencies. The focus of this paper will be the case of the Republic of the Philippines (RP), which has been struggling to address the issue of corruption not only in aid management but also in the government as a whole. The following discussion aims to analyze the contribution of the accountability systems of a recipient government (RG) to address corruption in aid management and to make aid more effective.

The following research questions will be the focus of this study:

Main Question:

How far do the aid management accountability systems in place have addressed corruption in aid and improved aid effectiveness?

Sub-questions:

1) How far has external accountability contributed in addressing corruption in aid and improving aid effectiveness?

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2) How far has internal accountability contributed in addressing corruption in aid and improving aid effectiveness?

The paper is organized as follows. The next section will present a review of related literature on the contribution of aid in promoting development. It will also tackle how corruption affects aid management and what are the existing accountability mechanisms to ensure aid effectiveness. A framework for the analysis of the accountability in aid management will also be presented in the same section. The third section will then present a case study of the Philippines. It will provide information on the general context of corruption in the Philippines, its effect to the country and the general anti-corruption efforts in place. This will be followed by a discussion of the background of aid management in the Philippines and the issue of corruption in aid while outlining three recent cases of development projects, which have been reported as having corrupt practices. The efforts of the government, the donors and the citizens in promoting accountability in aid management will also be introduced here. The fourth section will then discuss in detail the three main findings, which result from the case study and will present an analysis using the framework outlined in Section 2. Finally, the last section will address the research questions posed for this study leading to the paper's conclusion.

Corruption and Accountability Systems in Aid Management

Corruption is one of the main challenges in aid management, which prevents the achievement of the ultimate purpose of development aid, which is to reduce poverty (Transparency International (TI) 2007). RGs and donors alike have adopted various accountability mechanisms in trying to achieve good governance and curb corruption to make aid more effective. The public through the Civil Society Organizations (CSOs) and media have also actively participated in the fight against corruption.

Aid and Development

The Organization for Economic Co-operation and Development-Development Assistance Committee (OECD-DAC) defines Official Development Assistance (ODA) as resources provided by official agencies to developing countries on concessional financing to promote economic development and welfare, which as World Bank (WB) (1998) suggested can contribute in reducing poverty in recipient countries with good policies.

The nature of aid provided to developing countries comes in different modalities. Aid modalities have actually evolved through time to respond to the needs of the recipient countries (see Ohno and Niiya 2004, and Paul 2006 for

further discussion). However, whatever the modality used in delivering the aid, it has one ultimate goal, which is to reduce poverty (Mosley et al 2004; Wenar 2006). Nevertheless, availability of aid alone is inadequate to address the problem of poverty. As Cassen (1994) pointed out, the policies of the RG also affects the level of effectiveness of aid. Burnside and Dollar (2000) supported Cassen's proposition by arguing that aid could contribute to growth in countries with good economic policies, while it can end up being misused in countries with poor economic policies by financing activities without positive contribution to growth. Svensson (1999) also suggested a similar point such that the impact of aid is influenced by the quality of the decisions undertaken by the government. He proposed further that aid would have a more positive impact on growth in democratic countries, which have a check and balance system in place, to monitor the exercise of power of the government and the activities it undertakes. In turn, the promotion of growth in developing countries is then expected to eventually lead to poverty reduction (Rodrik 2000; Collier and Dollar 2002). This has been supported by the study conducted by Dollar and Kraay (2002), and which suggests that policies, which promote a country's growth shall form part of its poverty reduction strategies as growth can contribute in enhancing the condition of the poor.

Corruption and Aid Management

The implementation of good economic policies and of good quality government decisions to promote growth and development is not possible without good governance or "sound development management" (Asian Development Bank (ADB) 1999: 8). One of the main challenges in most countries in promoting good governance is corruption and it hinders the potential contribution of aid to development. TI (2004: 2) defines corruption as "the abuse of entrusted power for private gain," which may occur either at the public or private sector. In addition, Klitgaard (1998) suggested that the formula for corruption is $C=M+D-A$, where corruption (C) is brought by the presence of monopoly (M) plus discretion (D) minus accountability (A). This paper focuses on the corruption in the public sector primarily the executive branch of the government in managing development aid, as it favors few people to the detriment of the rest of the society. Bracking (2007: 240) observed that development projects usually involve huge amount of money with insufficient accountability mechanisms in place, which present an appealing opportunity for corrupt practices.

The poor people suffer most from corruption (Clark 1988, WB 2000). OECD-DAC (2005) asserted that the presence of corruption could actually hinder the achievement of the Millennium Development Goals and any long-term growth. Corruption tends to affect the nature and quality of development projects supported by official aid. Either it diverts resources from its intended use to other projects, which can elicit more bribes and kickbacks, or it lowers the quality of materials used in the construction of public infrastructure to benefit from the excess funds (Mauro

1997; Tanzi and Davoodi 1997, 1998). WB (2008) observed that corruption usually occurs in the procurement stage of a project.

TI (2007) suggested that the incidence of corruption in aid is influenced by three factors. First is the political and governance context of a country, which refers to the institutions in place, and the existing laws and policies in addressing issues of corruption. Second is the level of transparency of the elected officials in making available to the public related information on aid. Lastly, is the ability of the public to track the progress from the allocation to the actual use of the development aid, and the fulfilment of the expected outcome.

As corruption is a serious problem, which prevents developing countries from achieving development, RGs and donor agencies alike have exerted efforts of varying degree to address corruption. However, leaving agreements in paper without implementing actual measures to curb corruption is a futile attempt. In the case of the RGs, it was suggested that political will to address corruption should be present at the highest level of office to ensure the success of any anti-corruption effort (Brinkerhoff 2000; OECD-DAC 2005).

To complement the initiatives of the recipient countries, the aid agencies have also initiated their own efforts, through direct and indirect interventions. Aid agencies have extended help by providing technical or financial assistance in identifying new anti-corruption efforts or expanding existing ones. The Paris Declaration (PD) actually recommends to the donors that aside from increasing the level of aid, aid effectiveness can be enhanced by supporting the current efforts of recipient countries in improving governance and development finance (OECD 2005). However, in the past, donors such as the WB (1998) believe that it is ineffective to provide huge amount of aid to countries with poor policies. As a result, several countries have experienced withdrawal or suspension of aid from the donor agencies following serious incidences of corruption and non-resolution of it (see Chene 2008 and Hyden 2008 for examples). On the other hand, Hermes and Lensink (2001) proposed that countries with poor policies, which lacks the capacity for improvement but has the willingness to implement reforms, should still be supported by aid agencies. TI (2007) also supports that donors shall not abandon countries experiencing serious cases of corruption as they need more help to overcome it. Although in return for donors' support to high-risk countries, conditionalities are imposed to compel RGs to control corruption, or as a current practice, performance in combating corruption is evaluated prior to granting of further aid (Brinkerhoff 2000; Hermes and Lensink 2001; Chene 2008).

Accountability Mechanisms in Aid Management

Transparency and accountability are two of the main factors, which contribute in fighting corruption and promoting good governance (Woods 2000). Its role in aid

management has been recently highlighted in the Accra Agenda for Action (AAA), the result of the Third High Level Forum on Aid Effectiveness, which asserted that transparency and accountability are essential elements to achieve development results (OECD 2008). The focus of this paper is on the accountability aspect of the executive branch to its citizens and to the donor agencies given its importance as highlighted in Klitgaard's (1998) formula, while transparency will be considered as a key factor contributing to achieve accountability. Accountability pertains to the process of checking the people in power to ensure that they exercise their duty well and they do not abuse their authority (De Renzio and Mulley 2006; Steer and Wathne 2009). Schedler (1999) cited that accountability has two dimensions. First is answerability, which reflects the transparency aspect and pertains to the ability of the government to make available relevant information and to justify its decisions, if necessary. Accountability advocates for a bilateral type of relationship such that the "accountable" and the "accounting" parties have both the ability to voice their concerns to make it effective (Schedler 1999: 15). The organization, Managing for Development Resources (MfDR) (2007), added that answerability should also refer to the ability of the accounting parties to use and analyze the information made available. Aside from answerability, it is also necessary to introduce enforceability in the system, which is the capability of the accounting party to impose sanctions or rewards based on the actions of the accountable. The kind of sanctions, which may be enforced vary from simple measures such as exposing ill practices of government officials to more serious ones such as removal from office (Schedler 1999; MfDR 2007). In the case of the donors, the nature of their sanction involves suspending or reducing the aid they provide (Chene 2008).

Accountability of RGs in aid management comes in two levels – external and internal. External accountability refers to the relationship of the government with the donor agencies, which have specific reporting requirements on how the aid they have provided have been utilized (United Nations 1996; Department for International Development (DfID) 2008). Donors are usually in full control of monitoring the use of the development aid with the power to impose corresponding rewards and penalties subject to the performance of the RG (De Renzio 2006; De Renzio and Mulley 2006). On the other hand, internal or domestic accountability pertains to the accountability of the government to the citizens, who are the beneficiaries of the development projects (TI 2007). The main stakeholders involved, which facilitate internal accountability, are the legislative and judicial branches of the government, the media, and the CSOs. The legislative and the judiciary can hold the executive politically and legally accountable through public hearings and investigations (WB n.d.). The media, on the other hand, by exercising investigative journalism can serve as another instrument for actively demanding government accountability (TI 2007). Another entity, which has been actively representing the voice of the public, is the CSOs, which follow closely the decisions and actions of the government in managing aid (Gani 2009). With the collaboration of all the facilitators of internal accountability, the public become more informed and more empowered to serve as

“watchdogs” and to ensure the quality of projects delivered using official aid (Pande 2003: 1132). Sothat (2008) also proposed that the public could serve as independent parties to monitor and hold both the government and the donors accountable of their corresponding duties to promote aid effectiveness. However, one of the challenges involved is the limited knowledge and capabilities of the CSOs, media and the other branches of the government in actually monitoring the performance of the executive branch and the donors (Steer and Wathne 2009).

External and internal accountability are considered as interdependent such that a balance shall be achieved between the two as explained below. Wangwe (2008) and DfID (2008) suggested that RG’s dependence on aid and the persistent accountability demands of donors might lead to RG prioritizing more its accountability to donors over its accountability to the public. However, the fundamental responsibility of the government shall be to the public and not to the donors (DfID 2008). Donors should support activities, which will promote stronger internal accountability and if possible use and build on existing domestic accountability mechanisms (CIDSE 2006). Although it may be noted that systems, which are originally initiated for donor-assisted projects may also have an impact on the local operations of the country (WB 1998). On the other hand, Mfunwa (2006: 8) argued that supporting internal accountability is also beneficial to the donors as it can eventually result to improved sustainability of projects and efficient monitoring. The AAA also believes that to accelerate the progress of aid effectiveness, it is not only the partnership between the donors and the RG, which shall be built and strengthened but the relationship with the private sector and the CSOs as well (OECD 2008). TI (2007) sees the strengthening of internal accountability as the emerging trend in aid accountability.

Framework for Analysis of Accountability in Aid Management

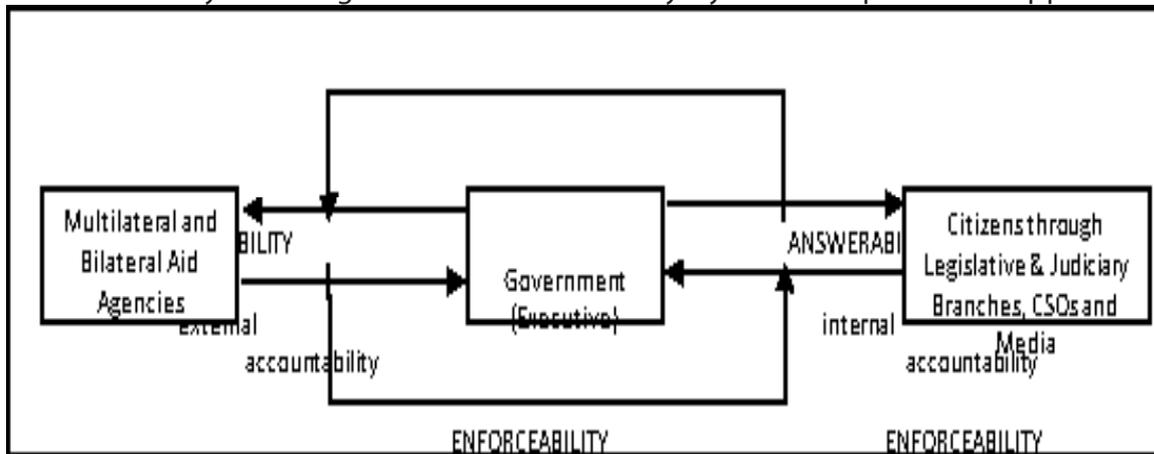
The foregoing discussion on accountability in aid management can be summarized in a framework prepared by the author as presented in Figure 1. This framework will be used to guide the analysis in Section 4 of this paper following the discussion of the main findings. It shows both the internal and external accountability relationships of the RG together with the interdependence of the two types of relationships, while taking into consideration the two components of accountability – the answerability of the executive branch of the government and the power of enforceability of both the donors, and the citizens through the legislative and judiciary branches, the CSOs and the media.

Figure 1: Framework for Analysis of Accountability in Aid Management

Note: The author of this paper has prepared this framework to aid in the analysis of the case study.

Corruption and Accountability Systems in Aid Management in the Philippines

This section will investigate the case of the Philippines by briefly discussing the incidence of corruption at the general level together with the existing anti-corruption measures, the contribution of aid in the country’s development and eventually focusing on the accountability systems in place to support aid



and is also deeply entrenched in its culture. Its roots originated from the time that the Spaniards, the Americans, and the Japanese colonized the country within the period of 1521 to 1945 when corrupt practices proliferated. Another factor, which may have influenced the presence of corruption in the Philippines is its culture. Some of the positive traits of the Filipinos such as being kind and generous, once adopted in the political-administrative system lead to corrupt practices such as gift giving, reciprocity, and clientelism (see Quimson 2006; Co 2007; and Co et al 2007 for further discussion). Aside from that, Varela (2003 in Co et al 2007) also proposed that there is a culture of dualism in the country's administrative system such that there is a double standard used in accountability measures demanded from employees with lower rank on one hand and the higher officials on the other. Lower rank employees are expected to be highly accountable while high-ranking officials do not have clear accountability responsibilities (Co et al 2007). Both the influence of the colonizers and the Filipino culture may help explain the kind of governance structure, which is prone to corruption that the country has adopted for years.

Effects of Corruption

The widespread incidence of corruption in the country has led to negative effects to the country's economic and social development. There have been varying estimates as to the actual economic cost of corruption. However, one of the estimates provided was by the Commission on Audit (COA), which approximated the yearly loss to corruption at PhP2 billion (US\$41.65 million at prevailing exchange rate) (Romero n.d.). Apart from the direct lost attributed to kickbacks and pocketed public resources, corruption also affects the level of investment and employment in the country (WB 2001). Moreover, this is felt by the public as reflected in a survey by Guerrero and Rood (1999 in WB 2000: 7), which reported that more than 96 percent of the public perceives corruption as either "very much retards" or "somewhat retards" development. Socially, corruption may lead to environmental degradation and poorer quality of development projects, which deprives the Filipino people of good quality products and services to aid in improving their condition (WB 2000; Quimson 2006).

Anti-Corruption Efforts

The government has long implemented anti-corruption efforts. In terms of availability of laws and policies, which govern corruption in the country, there have already been existing provisions even before the grand corruption of Marcos was committed. However, with such an enormous extent of corruption, the succeeding administrations have tried to introduce new and stricter laws and policies to prevent and control corruption (see Co 2007 and Co et al 2007: 12-15 for list of laws and policies).

There have also been anti-corruption institutions, which were formed

and maintained through the years. Office of the Ombudsman (OMB) is the key institution responsible for investigating and prosecuting public officials involved in corrupt practices. Previous reports show that there is a low rate of conviction, which occur mostly among the junior officials rather than with the higher officials, who commit greater level of corruption but are powerful and well protected by political connections (WB 2000; Co et al 2007; Philippine Star 2008b). Table 1 shows the budget allocation of OMB and its performance in terms of rate of conviction on cases filed. It can be noted that the organization's budget tripled from 2003 to 2009 and the rate of conviction has improved four times its performance from 2003 to 2007. President Arroyo also created a Presidential Anti-Graft Commission (PAGC) to conduct investigations and hear administrative cases and complaints against Presidential appointees. However, its performance seems to be compromised by the fact that it is dependent on the Office of the President (OP) organizationally and financially (WB 2000; Quimson 2006).

Table 1: OMB's Budget Appropriation and Conviction Rate for Cases Filed

Note: For columns without data, it means that there is no available information from reports gathered

Source: Department of Budget and Management's General Appropriations Act (2003-2009), OMB's Annual Report (2003-2007), MTPDP 2004-2010

The legal and institutional instruments of the government to address corruption have also been complemented by various plans and programs adopted by the government. President Arroyo recognizes graft and corruption as one of the main factors, which contribute to poverty and underdevelopment in the country. To ensure that addressing corruption will be one of the priorities of the government, it was included in the country's Medium-Term Philippine Development Plan (MTPDP), where the government's action plan to fight corruption was outlined (National Economic and Development Authority (NEDA) 2004). Aside from government efforts,

the role of the civil society, the media, and the development partners are also being recognized in curbing corruption.

The civil society in the Philippines has been known for being strong and active. Since the 1970s, these organizations have been consistently involved in anti-corruption campaigns and peaceful protests against corruption. The media is also one of the important instruments in preventing corruption and exposing corrupt practices. With the media in the Philippines considered as free from government censorship, it is expected by the public to serve as a watchdog and report cor-

	2003	2004	2005	2006	2007	2008	2009
Budget Appropriation (PhP)	392,076,000	-	647,539,000	675,011,000	936,394,000	953,627,000	1,325,955,000
Conviction Rate (percentage)	14	24	33	20	55	-	-

investing in people (MICAP n.d.). Donors have also been supporting trainings for members of the CSO to empower them to participate in anti-corruption initiatives (Montinola 2005).

Aid Management in the Philippines

Overview of Official Development Assistance in the Philippines

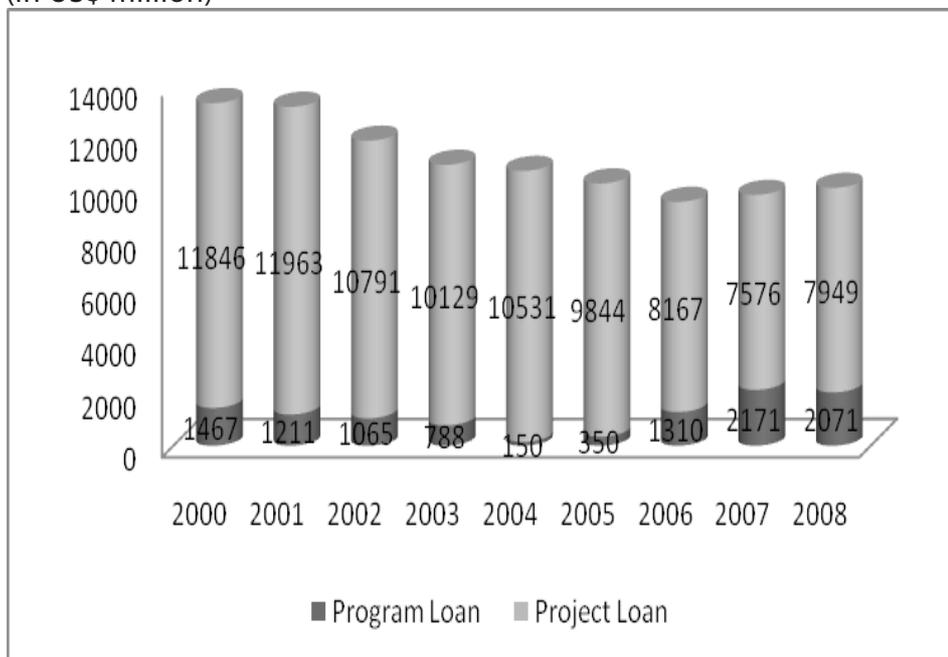
Since 1946, Philippines has already used ODA from international development agencies to help promote development in the country. Following World War II, there has been generous assistance from aid agencies to help the country in its rehabilitation program (Co et al 2007; Tadem 2007). A system for donor coordination has been established as early as 1971, when the WB Consultative Group (CG) was formulated. With the creation of the CG, development assistance to the Philippines increased significantly at that period (Potter 1996). At present, the ODA Act of 1996 governs the provision for the management of ODA in the Philippines.

ODA is used in the country to supplement domestic budget and to finance development projects given its more concessional rates compared to commercial loans (Canlas et al 2008; COA 2008). In 2009, it comprised 2.9 percent of the total

government budget (RP 2009). Although ODA includes both loans and grants, this report will focus on loans, which has the bigger share in the total ODA contribution from donors, compared to grants.

Figure 2 shows the distribution of ongoing ODA loans in the Philippines from 2000 to 2008. The amount of ODA loans has been decreasing since 2000 and slightly increased in 2007 and 2008. NEDA (2007) explained that the constant decrease in Philippine ODA loan from 2000 could be attributed to the government's focus on ensuring better project quality and to achieving greater fiscal discipline by relying as much as possible on domestic resources. It can also be observed that the amount of program loan has started to increase in 2006 but there was a 4.6 percent decrease again in 2008.

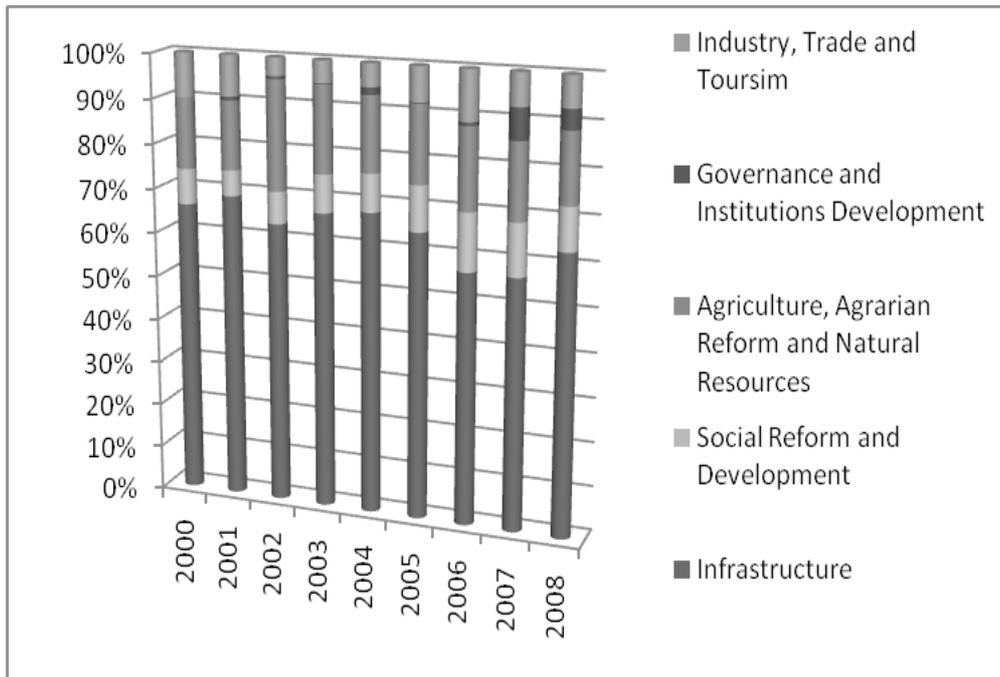
Figure 2: Distribution of Ongoing ODA Loans by Modality, 2000–2008 (in US\$ million)



Source: NEDA (2009)

Figure 3 shows the distribution of the ongoing ODA loans per sector. Since 2000, the infrastructure sector consistently gets the biggest share of the total ODA loan. It can also be noted that in the last two years, the governance and institutions development sector has started to gain a more significant share of the total ODA loan.

Figure 3: Distribution of Ongoing ODA Loans by Sector, 2000–2008



Note: The figures considered here are based on the percentage share of a sector to the total ongoing ODA loan per year.

Source: NEDA – Project Monitoring Staff

Corruption in Aid Management

Corruption in the Philippine government is not only confined to the use of the domestic resources. ODA, being another source of financing, also endures the corrupt practices of representatives of both the public and the private sector as shown in the case studies, which will be discussed below.

When President Marcos was removed from office following a peaceful people power revolution, another controversy surfaced regarding his corrupt practices. It involved bribery and corruption of ODA funds particularly Japanese Yen loan to the Philippines (Yokoyama 1990). The administrations, which succeeded Marcos also had their share of controversies involving corruption in ODA. Many years later, corruption continues to persist and is still considered as one of the main challenges in ODA-funded projects in the Philippines. With the present Arroyo administration, there have been several reported cases of corrupt practices involving development projects funded by ODA loan. One of these is the Subic–Clark Tarlac Expressway Project, which is an infrastructure project funded by the GOJ. In 2008, it was considered to have the biggest cost overrun among ODA-funded projects (Landingin 2008). Aside from this, members of the Concerned Central Luzon Contractors (CCLC) claimed that they have paid between PhP1 million to PhP5 million to an official of the Bases Conversion Development Authority (BCDA), the

project implementing agency, which is supposedly in return for granting of some contracts to do the project. The president of BCDA encouraged the members of CCLC to file a formal complaint to allow an investigation of the alleged corruption, which occurred (Orejas 2006).

Another project, which attracted enormous attention due to claims of corruption, is the National Broadband Network Project, a US\$329 million telecommunication project, which was supposed to be funded by the Government of China. Influential people such as the husband of President Arroyo and the former Commissioner of the Commission on Elections were said to have received bribery and kickbacks for US\$130 million out of the total project cost to help facilitate the approval of the project. This led to the public demand for the President to resign from her post, which did not happen, and President Arroyo just decided to stop the project (IBON Media n.d.; Romero 2008). Legislative inquiries were held regarding the case but no one was punished for the corrupt practice (Diokno 2008). The whistleblower of the case, Rodolfo Lozada Jr. views that such corrupt act was caused by a defective procurement system in the Philippine government (Landingin 2008). In addition, Diokno (2008) pointed out that the main issue in the case is the lack of accountability of government officials and the private individuals, who colluded with them.

Another ODA-funded project, the National Roads Improvement and Management Program 1 (NRIMP 1), also tainted with corruption, was even investigated by one of the donor partners, the WB, which discovered the anomaly. WB's Integrity Vice Presidency (INT), the Bank's arm responsible for investigating allegations of fraud and corruption in its financed activities found that there is a major cartel among the local and international firms, which participated in the bidding process for the project (WB 2009b). In collusion among the contractors, they adopted a "bid rotation" scheme to ensure that every member of the group will have its turn to be a winning contractor (Lazatin 2009). In addition, there have also been reports that some politicians, high government officials and even the husband of the President are involved in the corrupt practices of the cartel (WB-INT n.d.; Landingin 2009). As a result, WB debarred seven firms and one individual for being involved in collusive practices (WB 2009b). On the part of the government, the OMB has recently started its investigation with the help of the National Bureau of Investigation. As expected, the investigation started with the junior officials involved and OMB made clear that the husband of the president will not be included in the process since he is considered as a private individual (Santos 2009).

Accountability Systems in Philippine Aid Management

As Philippines recognizes the importance of addressing corruption to promote development, the government has instituted accountability mechanisms

in managing its development aid together with the participation of the international aid agencies and the general public.

Government Efforts

The Philippine Government has adopted several accountability systems in aid management, which shows its external and internal accountability relationships. As shown in the examples provided earlier, most corrupt practices are committed during the procurement stage of a project. To address this, the government enacted in 2003 the Government Procurements Reform Act (GPRA), which standardizes the procurement process across all national and local government agencies to simplify it, and to address practices that provides opportunities for corruption (Quimson 2006). The government also worked with the major donors such as the WB, ADB, and GOJ to come up with the harmonized procurement system that can also be adopted by the development partners in their operation in the Philippines (Abuyuan 2007; Lightfoot and Diokno 2007). A Procurement Transparency Group (PTG) was also initiated by the Government, which is composed of five oversight government agencies and five CSOs, assigned to monitor the procurement process and ensure transparency in the entire procedure.

Apart from the standardized procurement law, there are also accountability mechanisms in place from the planning, to appraisal, to implementation and until the monitoring and evaluation stage of the development project cycle. In the planning stage, the government outlines its priority areas and planned projects, including those proposed to be funded by ODA, in its planning documents such as the MTPDP and the Medium-Term Public Investment Program. These documents are made available both to the international agencies, which are encouraged to align their priorities with that of the government, and to the public. Based from these planning documents, the President submits an annual budget proposal, which includes ODA-funded projects, to Congress for their review and approval (Philippine Congress 2009).

In terms of facilitating coordination with the aid agencies, the CG, which used to serve as “pledging sessions” for donors to identify their sector of interest in the Philippines, has already evolved to become a Philippine Development Forum (PDF) in 2005, where participation was extended beyond the government and the donor agencies, to include members of the civil society, academe, private sector, and legislative representatives (Illo 2005). To ensure a continuous discussion on thematic areas of the PDF, there are working groups, which were formulated. One of which is a working group on governance and anti-corruption, which shows the priority being attributed by the stakeholders in fighting corruption and promoting good governance (PDF 2008).

To agree on projects, which will be prioritized by the government and the donors on a given year, annual programming meetings are being held with each

donor agency. NEDA, the government agency designated to perform coordination and programming activities for ODA funds leads such meetings in coordination with other government oversight agencies. NEDA also ensures that projects, which will be funded by ODA funds are aligned with the priorities, set by the government (Tungpalan 2003).

Prior to the approval of the proposed development projects, the Investment Coordination Committee (ICC), which is co-chaired by the head of the Department of Finance and NEDA, performs an evaluation of the proposal submitted by implementing agencies. This process is supposed to ensure that proposed projects are technically, financially, economically, and environmentally viable, among others. This same committee is the one, which evaluated the three projects mentioned above and at times have noted some inconsistencies with the proposal. However, as Landingin (2008) cited, projects with strong political backing could somehow find a way to skirt around the ICC process and manage to get an approval in spite of doubtful evaluation results. The result of ICC meetings, being a public document, is available to concerned parties upon request. However, when the controversy for the NBN project arose and a legislative hearing and investigation was on-going, there are some organizations such as the Philippine Center for Investigative Journalism (PCIJ), which complained that their request for relevant information was not granted by NEDA. This is following a memorandum order, which was issued to restrict the release of documents pertaining to the project (Ilagan 2008).

Aside from government review of proposals, there are also appraisal missions being conducted by the donor agencies to evaluate the proposals and decide on the funding, which will be allocated for a project. An endorsement and approval by both the government and the donor agency are necessary to proceed with the implementation of a project (Tungpalan 2003).

In terms of monitoring and review process, there are also various activities undertaken to ensure that implementing agencies (IA) deliver the target outcomes and project funds are utilized efficiently. To hold the IAs accountable, the ODA Act of 1996 provides that all concerned agencies shall submit to NEDA all information and reports necessary to assess the achievement of the target outcome of the development projects. The same Act also appoints NEDA to conduct an annual review of the status of all ODA-funded projects and submit a report to the Congress. Joint Portfolio Reviews of the government and the donor agencies also complement the Annual ODA Review. COA, on the other hand, is tasked to perform an audit of all ongoing and completed ODA-funded projects and also report to Congress the results. The systems discussed above show the efforts of the government to make available to the donors and to its citizens relevant information as part of the answerability aspect in the earlier discussed framework. In addition, NEDA recently started to maintain an on-line Project Proposal Monitoring Database, which provide details and status of the development projects and which is available to the public to promote further the transparency and accountability in aid management.

Donor's Influence

January-December

Most of the government accountability mechanisms in place are done in partnership with the donor agencies. The development partners as provider of funds demand several requirements from the recipient government in terms of accountability processes to ensure that the resources are used effectively and efficiently. The outcome of the reports serves as basis of the donors for future allocation of funds.

Whenever the government gets involved in corrupt practices especially those, which concern ODA-funded projects, the donors would normally issue statements calling the government to address such issues. The PDF also serves as a venue for the members of the donor community to express their concern on the corruption issues in the country. In the 2006 PDF, for example, the donors specifically requested the government to control corruption to allow more funds to be spent on more productive projects rather than to go to the own pockets of corrupt officials (Dumlao 2006). Moreover, in the last PDF in 2008, the donors once again pointed out that eradicating corruption together with political stability is essential to achieve sustainable development (Philippine Star 2008a).

To support the government in its fight against corruption, the donors also render support to several governance related projects. Although, as reflected in the profile of Philippine ODA, the governance and institutions development sector receives the smallest ODA allocation compared to other sectors.

Even if the donors support the anti-corruption efforts of the government, they do not always take things passively. As exemplified in the case of NRIMP 1, WB debarred the companies involved in corrupt practices and even suspended for some time the release of loans for the second phase of the project pending the result of the investigation conducted by INT (ODA Watch 2008). In a statement issued by WB (2009a), it explained that the investigation conducted for NRIMP 1 was intended to ensure that resources provided to recipient governments are utilized for the agreed targets. Although the donors cannot sanction government officials involved in corrupt practices, it is still influential in terms of the decision they will take in the allocation of ODA funds.

Another example, which exhibits the enforceability capacity of the donors over the government in case it fails to comply with its accountability requirements and to address corruption, is the MCA. After the government was granted the US\$21 million for an anti-corruption program, the country had to work on enhancing its performance in several criteria set by the US government to qualify for further assistance. The decision to grant the Philippines with additional resources under the MCA facility is still on hold pending the success of the country to pass the criteria on corruption (Pabico 2008; Romero 2009).

Public's Participation

The third and probably the most important pillar in ensuring accountability in aid management in the Philippines is the general public. Both the government and the donor agencies recognize the value of involving the public, usually represented by CSOs, in activities pertaining to ODA-funded projects. Some meetings or procedures such as the PDF, which started as an exclusive activity of the government and the donors, are now extended for the participation of the CSOs.

With the Philippines having one of the most vibrant CSOs worldwide, there have been numerous initiatives by the CSOs themselves to organize and form coalitions to ensure that both the government and the donors are held accountable for their decisions and actions. Diokno (2008) commented that government officials are more likely to commit corrupt practices if the public does not exercise vigilance. One of the leading groups is the ODA Watch, which advocates for a transparent and accountable aid management. With the growing problem on corruption in the procurement process, a group called Procurement Watch was also formed, which aims to enhance transparency, accountability, and efficiency in public procurement. At times, these CSOs organize forums to advocate for greater participation of the public in monitoring ODA-funded projects, and to voice their intention to be more involved in the entire aid management process to ensure that the people's interest are also heard and accommodated and not only the preference of the donors and the government (Mayuga 2008).

The efforts of the CSOs are also complemented by the contribution of the media such as the PCIJ and the contributors in different print and broadcast media, who continue to expose the corrupt practices in the government and aim to present critical views on the activities of the government and the donor agencies to inform the public.

However, to facilitate the more active participation of the public through the CSOs and the media, access to information is necessary. Although the Philippine Constitution provides for the right of the people to information, the lack of implementing guidelines prevent the public from gaining actual access to the information they require as reflected in the earlier examples cited. The CSOs and the media are now lobbying for the passage of the Philippine Congress of a Freedom of Information Act (FOIA) to promote better access to information. The final decision on the adoption of this Act is still pending (Malaluan 2009). It will serve as an important indication of the sincerity of the government to promote transparency and accountability in public service.

The case of the Philippines presents the following main findings, which will be reviewed in detail in the following section: 1) Existing government accountability systems are not supported by a well-functioning legislative and judiciary system. 2) External accountability system seems to be more established than the internal

accountability system. 3) The public through the CSOs and media has an increasing participation in ensuring government accountability in aid management.

Analysis of the Accountability Systems in Philippine Aid Management

This section will tackle in detail the three main findings outlined in Section 3 in light of the discussion of the case study of the Philippines and the principles on accountability in aid management as presented in Section 2. Following the discussion of the three findings is a further analysis of the case using the framework indicated in Figure 1 to show the relationships of the factors involved in the accountability systems in Philippine aid management.

Accountability Systems and Essential Role Played By Legislative and Judiciary Branches

Philippines has the necessary laws and policies and anti-corruption institutions in place, which as pointed out in Section 2.2 are important factors that influence the level of corruption. Co et al (2007) have actually observed that if the criteria, which will be used to measure the level of corruption in a country, are the number of laws, policies, institutions, and programs adopted, Philippines would have topped the ranking of least corrupt countries. Aside from that, political will at the highest level of office may also be considered as present since President Arroyo herself has been leading some efforts to curb corruption.

However, the first finding suggests that existing accountability systems are not supported by well-functioning legislative and judicial systems, which are expected to implement the laws and policies in place. Philippines being a democratic country is supposed to have an equally powerful executive, legislative and judiciary branches of the government. Nonetheless, based from the discussion in Section 3, it appears that the executive has greater influence than the other two in the case of aid management as it drives the whole process. In the reporting process for example, the Congress is only furnished with the results of the Annual ODA Review and Audit Reports, without being involved in the actual monitoring and evaluation process. Legislative representatives have just also been recently included as members of the PDF and do not have a clearly defined role yet in the other stages of the project cycle as their membership in committees are limited.

In terms of the judiciary, the OP has the power to decide on the budget allocation for each anti-corruption agency. PAGC for instance is even attached to OP as an organization and its budget is directly sourced from the same. This may compromise the quality of decisions undertaken by the judiciary when dealing with corrupt practices involving members of the executive branch especially in the cases

mentioned in Section 3.2.2 where the President's husband is also involved. In terms of resources, it tends to be dispersed in the different anti-corruption agencies being maintained within the country and may limit the resources available to a given institution to conduct a complete and thorough investigation. Having a number of different anti-corruption agencies may also lead to an overlap of responsibilities resulting to non-resolution of cases due to the unclear role and responsibility of each agency.

The dependence of the legislative and the judiciary to the executive in terms of budget, which is key to their operation, and their non-involvement in the entire process of the project cycle prevents them from fulfilling their role effectively. Strong and efficient legislative and judiciary branches are instrumental for stricter implementation of existing laws and policies. The legislative branch may conduct legislative hearings but the ultimate implementation of sanction lies with the judiciary. Alongside the increase in the budget of OMB, its performance as reflected in Table 1 has started to improve recently but still with more room for progress. It has been known for processing cases slowly and for low rate of conviction with only a few if none of those convicted are high-level officials. This condition may discourage would-be whistleblowers to file and pursue cases and just leave corrupt officials unpunished of their illegal acts. Based from the three corrupt projects cited in Section 3.2.2, no conviction has been made yet against the influential people and the junior officials have been the focus of the investigations. There has also been no action taken by the judiciary against the involvement of the husband of the president in corrupt practices as he is considered a private individual. Supposedly, a significant accomplishment of the OMB in terms of convicting high officials is the decision taken by Sandiganbayan against former President Estrada but then President Arroyo pardoned him later on. All these reflect weak measures undertaken by the judiciary in cases of corruption especially those involving influential and wealthy individuals. The laws and policies adopted by the country seem to be left only in papers and are not being implemented well by the authorities, which make corruption a low-risk activity with high reward.

Relationship of External and Internal Accountability

The discussion in Section 3.3.1 of the initiatives of the government for an accountability system on aid management, from planning to monitoring of development projects to combat corruption leads to the second finding that there is a more established coordination between the government and the donors rather than with the citizens. Even though Figure 2 shows that Philippine ODA loan has been decreasing through the years and it only comprise 2.9 percent of total government budget in 2009, it seems that government still gives priority on its relationship with the donors. This may be attributed to the strict requirements demanded by the donors and the strong enforceability capacity they have towards the government as shown in the donors' power to suspend the release of loans, to

debar corrupt companies involved, and to impose conditionalities prior to release of assistance.

However, the priority devoted by the government to external accountability may also contribute to improving and empowering internal accountability. An example of this is the PDF, which was initially an activity between the donors and the government but which was later on opened for participation of CSOs and legislative representatives to also inform them of the planned projects of the government and the resources that will be made available by the donors. The evaluation and monitoring processes being conducted by the ICC, NEDA, and COA also ensures that the development projects funded by ODA meet the minimum requirements to ensure the quality of the projects to be implemented and that allocated funds are utilized accordingly, which benefits both the donors and the public.

In addition, the donors have also continuously supported the government in its fight against corruption by providing additional resources to complement existing anti-corruption programs and initiating new ones, which endeavors to promote good governance in the whole bureaucracy. Figure 3 illustrates that ODA resources for governance and institutions development sector, which include initiatives for fighting corruption, has been slowly increasing from zero percent in 2000 to almost five percent in 2008. This shows that the donors did not abandon the country in spite of serious cases of corruption probably due to the consistent interest shown by the Philippines to also address the long-standing issue of corruption, which as explained in Section 2.2 is the appropriate action to be undertaken by development agencies. Apart from that, as mentioned in Section 3.1.4, the donors have also been directly supporting members of the CSO through trainings to enhance their capacity and to empower them to participate in anti-corruption initiatives.

The foregoing shows that external accountability has been contributing in enhancing internal accountability. However, donors' action is insufficient to build a strong anti-corruption system if it will not be complemented by strict enforcement of anti-corruption laws and policies by the government to also punish public officials involved.

CSOs' and Media's Contribution in Holding the Government Accountable in Aid Management

As mentioned in Section 2.3, two of the important instruments in holding the government accountable in internal accountability systems are the CSOs and the media. Based from the case study, a third finding is that the citizens through the CSOs and media have an increasing and yet still limited participation in ensuring government accountability in aid management. It can be observed that the CSOs have been constantly active in monitoring the decisions and action of the

government in aid management. CSOs in the Philippines have been known for being vibrant and critical of the government, which it proved by actively participating whenever possible in the process of the aid management accountability system. Recently, several groups have also been formed such as the ODA Watch and the Procurement Watch, which specifically intend to ensure that ODA resources are utilized well and ODA funded projects are implemented properly. The PCIJ together with the other members of the media has also been continuously following the activities of the government and reporting to the public any inconsistencies in the process. The combined efforts of the CSOs and the media ensure that the public are well informed of how public funds are being utilized.

The well-coordinated activities of the CSO and the media only show that they have the capacity to use and analyze the information made available to them. Both the government and the donors have also started to recognize the value of engaging the citizens through the CSOs in aid management accountability systems by soliciting their participation in the PDF and the PTG. However, it may be observed that in most of the activities undertaken from the planning stage to the monitoring of development projects, people's involvement has still not been very much visible and negotiations occur only between the government and the donors.

Aside from the limited participation of the CSOs in the entire process, public's access to information is also restricted in spite of the provision of the Philippine Constitution for the right of the people to information. Several government agencies have already used the aid of technology to promote transparency by making available online some reports. A search in relevant government websites revealed that important documents, which were mentioned in the case study, such as the MTPDP, results of the PDF meetings and Annual ODA Review, and audit reports of COA are available for public access including a database maintained by NEDA on development projects. However, as cited in Section 3.3.1, some information especially those pertaining to controversial projects were not made available upon request of interested parties. This case of restricted access to information may lead to a limited knowledge on aid-related information by the public, which may prevent them from effectively holding the government accountable.

In most working democracies, a FOIA is usually present to ascertain the people of their right to access government records and help ensure government's accountability (Morse 2006). In the Philippines, a FOIA has been proposed and is currently under discussion by the legislative branch. The lower house of Congress has already endorsed the said Act, which is now under review of the upper house of Congress (Senate of the Philippines 2009). This indicates that the country is giving priority to public's access to information through an Act, which will complement the existing provisions of the 1987 Philippine Constitution. Its passage by the Philippine Congress and the actual implementation of the law will reveal whether this endeavor will be a success to promote transparency within the government.

Analysis of the Case Study of the Philippines using the Framework on Accountability in Aid Management

The three main findings discussed above contribute to the analysis of the case of the Philippines using the framework introduced in Figure 1. A summary of the performance of the Philippines in the two dimensions of accountability – answerability and enforceability, over the external and internal level of accountability is presented in Table 2.

Table 2: Summary of Performance of Philippines in Accountability in Aid Management

External Accountability

The relationship of the Philippine government with its donor partners may be considered as strong given its long and established experience in aid coordination by holding CG meetings, which eventually evolved into PDFs. This strong relationship also led to a close coordination between the two in managing the development aid provided by the donors. This has been shown in the different activities organized by the government in partnership with the donors from the planning to the monitoring stage of the project cycle. Due to strict reporting requirements demanded by donors on how the development assistance will be and was utilized, there is a high level of transparency from the government's end on processes undertaken to ensure effective aid management. Government oversight agencies also impose reporting requirements to project implementing agencies to ensure accountability in aid utilization. As presented in the case study, donors are furnished a copy of the reports prepared and are invited in relevant meetings and reviews. The information provided by the government is also being used by the donors to conduct their own appraisal and evaluation of the projects supported. The foregoing shows that there is a high level of answerability between the government and the development partners.

It is not only the answerability aspect but the enforceability side as well,

which has a high performance in terms of external accountability. Donors also have a strong influence in the whole aid coordination process. As providers of funds, donors are keen to ensure that the money provided by their own taxpayers or member organizations are put into good use. Donors are particular in practicing good governance within the country, which includes measures to fight corruption. Aid agencies have the capacity to implement sanctions against the government in case of misuse of funds provided. The kind of sanctions they impose range from minor actions such as openly expressing their disappointment on corrupt practices in the country to as major as suspending the release of funds for future projects unless issues will be resolved, or the country will get a passing mark on the criteria on corruption as in the case of MCA. The strong enforceability capacity of the donors may also be the reason why the government continues to maintain a transparent relationship with the aid agencies.

Internal Accountability

In terms of internal accountability, it may be observed that there are attempts by the government to be transparent to the citizens in terms of aid management. Certain information is made available to the public through government websites, which can be easily accessed by any interested party. There have also been efforts to include CSOs, which represent the interest of the public, in selected discussion and committees, which monitors government accountability in aid management. The activities launched by the CSOs in the Philippines reveal how organized their efforts are and the extent of the capacity they have to use the information they gather to ensure government accountability. However, their access to information is limited at times due to non-inclusion in some important discussion and non-existence of a law, which will ensure public's access to relevant information. It may then be said that government's performance in terms of answerability to the public is just of medium level due to weaknesses in some points to ensure full transparency.

The performance in the enforceability aspect of the internal accountability is even inferior. The power and influence of the legislative and judicial branches of the government, which are supposed to hold the executive accountable politically and legally, may be considered as inadequate. As discussed in the first finding, the performance of the two branches of government in investigating and actually implementing punishment to corrupt officials has not been very encouraging. In terms of the CSOs and the media, they do not also have the power to impose directly any sanction to the government in case they discover corrupt activities. The most, which they have actually done, are to organize peaceful protests against corrupt officials, to inform the public of any inconsistencies in aid management, and to continue to advocate among the public to remain vigilant of government actions and decision.

WB (2008) considers it as a paradox that regardless of an active involvement of the CSOs and the media in performing check and balance on the performance of the government, governance indicators such as status of corruption in the country still does not improve. Without an established mechanism to ensure CSOs participation in every stage of the project cycle, and the absence of official provisions, which will allow for the recognition of the public's views and sentiments, their participation will be less productive. In addition, the low enforceability capacity of the public, and even the legislative and the judiciary to protect public's interest in ensuring accountability in aid management may also help explain the said paradox.

Overall, the two levels of accountability are also interdependent in terms of the contribution each has to the other, such as the support rendered by the donors to the government and to the CSOs to empower internal accountability. However, in spite of the high level of enforceability of the donors, this is not sufficient to be able to address corruption in the country. As shown in one of the cases, donors' power to impose sanction such as debarment of companies is limited to private individuals. Public officials involved remain to be unpunished as the legislative and the judiciary have been acting slowly and the rate of conviction is low. The active involvement of

Dimension Level	Answerability	Enforceability
External Accountability	High	High
Internal Accountability	Medium	Low

Figure 1: Accountability in Aid Management

The accountability system for foreign aid, which is a minor source of government's resources, presents greater opportunities in improving the overall governance system of the Philippines. Some indication of a possible multiplier effect can already be seen in the case study presented. One of which is the success of the government in adopting the GPRA following the encouragement of the donors to institutionalize such law to prevent corruption in the procurement process of both foreign and locally funded projects, an activity prone to illegal activities. The decision of the WB to debar companies involved in the collusion has also awakened the government to further investigate those cases and hopefully will bring justice against unlawful acts of public officials. The same case has also raised the awareness of the citizens on the occurrence of such illegal activities in the government, and possibly encouraged them to be more vigilant in the overall operations of the government. These are some examples, which show of a promising opportunity to extend the learning that may be acquired from accountability in aid management to

accountability in the general operations of the Philippine government, which may be further explored in another research study. As earlier mentioned, the country has the right institutions, and laws and policies in place and even the support of the citizens, it is then a challenge for the government to implement the existing laws, empower the institutions and ensure that the citizens are always involved in the process to finally address corruption in the Philippines.

Conclusion

This dissertation has reviewed the role of accountability as a mechanism to address corruption in aid management and to promote aid effectiveness. In Section 2.2, corruption has been defined as the abuse of entrusted power for private gain. This paper has focused on the corrupt practices of the executive branch of the RG, which manages development aid. Corruption is considered as a great challenge in the area of governance and it has a significant impact to the poor people. It affects the entire government process especially in developing countries including its management of development aid. Development aid aims to promote economic development and welfare, and to prevent poverty. Corruption in aid management results to having lesser resources for development and substandard quality of projects due to inappropriate use of development funds. Addressing corruption is then necessary to prevent misuse of funds and to contribute in making aid more effective. This is possible if the RG will exercise accountability in aid management both at the internal and external level and if answerability and enforceability will be promoted.

This paper focused on the case of the Philippines, where in Section 3 it was shown that it is a country with good laws and policies, and necessary institutions in place, but which continues to suffer from corruption in the government as a whole, and also in managing aid in particular. Based from the analysis conducted in Section 4, it illustrates that there are different accountability systems in place both at the external and internal level, for aid management in the country, which altogether contributes in addressing corruption, and improving aid effectiveness by alleviating poverty.

The external accountability, which focuses on the relationship of the government with the donor agencies, has particularly contributed in encouraging the government to develop systems, which will ensure the proper management of development aid. The government also gained additional funds from donors to support existing programs and launch new ones on anti-corruption measures. The external accountability systems on aid management, which have been initiated by the government in partnership with the donors, have accompanied the existing general anti-corruption initiatives to ensure that development funds are utilized properly. The donors have been keen in monitoring the country's performance in promoting good governance and addressing corruption as a condition for the continuous allocation of aid to the country. In ensuring that development aid is used

appropriately, the government does not only satisfy the requirements of the donors but it also ascertains that funds are allocated to development projects, which will contribute in addressing poverty and do not go to the pockets of corrupt officials.

The internal accountability, which is the government's interaction with its citizens, has on the other hand contributed in raising the awareness of the public on the need to be more involved in the accountability process to demand for government's transparency and to monitor government's action and decision. The citizens' involvement in the process also allowed them the opportunity to voice their development priorities, which need to be addressed using the development funds. In this manner, aside from preventing corruption, aid is expected to be used more effectively to address the actual needs of the people. However, it shall be noted that citizens' participation in the accountability processes in the entire development project cycle is still emerging, which leads to limited impact of this level of accountability in addressing corruption and improving aid effectiveness at present.

Overall, this study has shown that promoting accountability contributes in fighting corruption in aid management and in promoting aid effectiveness. Each of the external and internal accountability mechanisms has its contribution to the current status of aid management in the Philippines. At present, there are systems in place, which demand government to exercise accountability in aid management, resulting from the strong advocacy of donors for practice of good governance and from their demands for reporting mechanisms on the utilization of development aid. However, mere existence of these systems is not sufficient to completely address corruption and improve aid effectiveness. It needs to be reinforced by a strong implementation of laws and policies to apprehend corrupt individuals. This is not possible with external accountability alone as the extent of power of the donors is limited to private individuals. Internal accountability, which is currently emerging, is essential to complement external accountability as it has greater power to also punish public officials involved in corrupt practices. After all, individuals who initiate corruption in development projects are likely to be the high officials from the public sector as they collaborate with those from the private sector. As shown in the analysis, strengthening the implementation of existing laws and policies to make corruption as a high risk with low reward activity will help in addressing corruption. Apart from this, programs on reforms of ethics of people in public service may also help, especially that corruption in the Philippines is not only attributed to inefficient implementation of laws but is also deeply rooted in its history and culture.

The accountability systems in place, which is primarily to comply with donors' demands, indicate a good start for the country for a check and balance system to hold the government accountable. However, as mentioned, this has to be complemented by a strong internal accountability system, which presents to be more sustainable. A shift to this trend as demanded by the public may possibly happen soon through the help of the endorsement of the PD and AAA among

donor agencies and RGs, which propose to prioritize government's accountability to its citizens. Donors in the Philippines shall then recognize that in supporting anti-corruption initiatives, the priority should be in intensifying government's accountability to the public and strengthening local accountability mechanisms rather than demand for new reporting procedures for their exclusive use. It will also be in the government's interest to be primarily accountable to the public which it serves, a practice, which should not only be limited to development aid management but to the general operations of the government as well. The public may also serve as independent parties to monitor not only the government but the donors as well, which may contribute in further strengthening the entire Philippine aid management system. Overall, in aid management system, each of the three pillars of accountability has a role to play - a responsible government, cooperative donor agencies and vigilant citizens, which will combat corruption and help the poor especially in this time of economic crisis.

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