

Chapter II

Political Culture of Corruption in Government

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1. Introduction

What drives corruption in government? People are familiar with stories of anomalous transactions, irregularities, payola, payoffs and rigged bidding for government infrastructure projects. And then, of things that really rankle, much has been heard about government officials and employees involved in activities that go against their own duties and functions. To cite some cases:

- Policemen, whose duty is to combat crime, are themselves involved in criminal acts
- DECS officials, among whose primary functions is to impart basic values upon the youth, are mired in controversies that cast doubt on their integrity
- That some DENR officials have contributed to the denudation of our forests is hardly news, but how many people know that some DENR people have helped the cause of armed rebels?

Looking at all sectors of society, it would seem that corruption has been so much a part of our everyday life. We have a public sector that reeks with its stench. In addition, we have a private sector that, if not patronizing it, is at least tolerating it. According to a Social Weather Stations survey in October 2000, 85 percent of Filipinos believe corruption is rampant in the government. Therefore, the question, again, is: Why is corruption so alive in our midst?

Some say it is because of too much politics. The wheeling and dealing of partisan politics give rise to accommodation, debt, patronage and everything else that often find expression in corruption.

Others say it is culture. Corruption has been so ingrained in the sociopolitical traditions of Philippine society that going against it is to become a *contrabida* (against the hero). It has become so systemic that rationalizing it is fashionable. So why not be part of it all and join the fun?

This essay looks at the political and cultural dimensions of corruption in government. It focuses on Philippine political culture and on corrupted transactions in government.

2. RESEARCH QUESTIONS AND METHOD

This essay covers the following questions: Which offices are involved in money-related transactions? What are the practices of different parties involved in money-related transactions? What are the beliefs, expectations of different parties involved in money-related transactions? I addressed these questions by presenting cases. In doing so, I make use of both primary and secondary data. For the first, interviews with key informants are the basic sources of data. For the second, I used documented reports, news and magazine clippings, and other related literature.

3. THE SUBTLE FLOW OF CORRUPTED MONEY IN GOVERNMENT: POLITICAL APPOINTMENTS

Money-related transactions include those that, on the surface, may not involve money, but result in the transfer of government funds to private individuals or entities. An example is hiring people who, aside from the fact that the appointee eventually will have to draw one's salary from the government, might use his or her position for private gain.

A case in point is that of the advisers appointed by former President Joseph Ejercito Estrada. Although some of those advisers reportedly received just a token one-peso per year salary, "they have a certain cachet, especially in the business community, where the perception of closeness to Malacañang is an invaluable asset as it opens doors to contracts, licenses, tax cuts and other forms of preferential treatment from government entities. As every businessman knows, a reputation for being *malakas* (influential) or *malapit sa poder* (close to the powerful) makes many things possible in a country where politics and business are so intimately intertwined." (Coronel, 2000)

Down the line, the exercise of executive power to appoint can also be revealing. For instance, one finds a maze where the process starts by recommending one to a position of influence, from which point both the recommendee and the prospective appointee connive for their material gain.

To illustrate, a Congressperson recommends somebody as District Engineer of the Department of Public Works and Highways (DPWH). It happens that the Congressperson did everything he could to help the incumbent Speaker of the House of Representatives get his position. In a way, therefore, the Speaker owes his position of power to the Congressperson. The Congressperson can then ask favors from the Speaker and for which the latter would only be too glad (an opportunity for him/her to show his gratitude) to accommodate. The Speaker, who normally has access not only to the Secretary of the DPWH (the Secretary needs the Speaker for the annual budget of his department) but also to the President of the Republic, can be counted on for such a seemingly inconsequential hiring decision.

In a few weeks, the provincial office of the DPWH has a new head, and one who has a common agenda with the Congressperson. Later, as the Congressperson disburses his or her countrywide development fund — more known as "pork barrel" — for infrastructure projects in his district, the DPWH screens contractors of the Congressperson's liking. The set-up opens many windows of opportunity for material gain. They can gain cuts from purchase of materials, labor and from the contract itself.

4. OFFICES INVOLVED IN MONEY-RELATED TRANSACTIONS

National Government

A review of documented information shows which offices are perceived to be corrupt. Records of the Ombudsman, for example, show that, based on the number of complaints/cases filed, the following national government agencies are the most corrupt (not necessarily in this order): Department of Public Works and Highways (DPWH); Department of Environment and Natural Resources (DENR); Department of Education, Culture and Sports (DECS); Bureau of Customs; National Irrigation Administration (NIA); Bureau of Internal Revenue (BIR); Department of Health (DOH); Department of the Interior and Local Government (DILG); National Power Corporation (NPC); and Bureau of Immigration (BI). For purposes of this study, however, I limit my cases to two agencies, namely: the

DPWH and DENR. Table 1 presents a bird's eye view of corrupt practices in the DPWH and DENR.

Table 1.Examples of Corrupt Practices at the DPWH and DENR

DPWH	DENR
Practices during elections Pork barrel projects Bidding practices	Concessions and smuggling of logs Contracting reforestation and community organizing

Local Governments

Local government officials involved in money-related transactions include the Local Chief Executives (Mayors or Governors), Vice Governors, City and Municipal Vice Mayors, members of Sangguniang Panlalawigan/Panlungsod/Bayan, Treasurers, Accountants, Budget Officers, Planning and Development Coordinators, General Services Officers, and Engineers. Other bodies or committees engaged in money-related transactions in local governments are the Local Health Board, Local Education Board, Local Finance Committee, and the Bids and Awards Committee

5. EXAMPLES OF MONEY-RELATED TRANSACTIONS IN THE NATIONAL GOVERNMENT

Department of Public Works and Highways

I wish to expound on common practices in our political culture that involve money-related transactions at the DPWH. The first one involves the practices of contractors of government infrastructure projects during political exercises like elections. The second is closely related to the first. Taking the case of the Province of Eastern Samar as an example, it discusses alliances among contractors, congresspersons and DPWH officials and then zeroes in on the processes involved in the award of contracts for infrastructure projects.

Contractors during elections. In this section, I relate my own experiences as a candidate for Congressperson representing the lone congressional district of Eastern Samar in the 1998 elections. To set the context, a backgrounder will help. My entry to electoral politics began when I was appointed by the revolutionary government of President Cory Aquino as Officer-in-Charge (OIC) Provincial Vice-Governor in 1986 and, in 1987, as OIC Provincial Governor. I was among those "newly-recruited" local chief executives who had shifted careers from the private sector to the government, to politics in particular. In this regard, I was what some people would call a "non-traditional" politician. I won three (3) subsequent provincial elections, retaining my post as Provincial Governor of Eastern Samar until 1998.

Contractor's percentage offer. As a new OIC Provincial Governor in 1987, I was visited at the official residence one evening by a contractor who was a close relative of the incumbent Congressperson. He had a proposition. I would get 15 percent of the project cost of each infrastructure project contracted out to him ☐ or to his designated contractor ☐ by the provincial government.

In an effort to help me make up my mind, he explained that infrastructure projects that were to be contracted out by the DPWH, particularly those funded by pork barrel funds and other congressional allocations, had been entrusted to him. He said political leaders in the province (such as mayors) could rely on him for campaign funds. Thus, it would be in my interest to associate myself with the source of

funds. For him this was the way for any pragmatic politician to go, saying "Let's make hay while the sun shines." However, I was idealistic and disagreed with him. I told him, among other things, that good governance and effective leadership are higher standards based on which support from mayors could be earned. He left the governor's residence a very surprised, disappointed man.

Nonetheless, this contractor and the Congressperson remained my party mates in the 1988 elections. Our alliance continued up to the 1992 and 1995 elections, although, particularly for the latter, signs of division grew obvious. By this time, any semblance of unity among us had grown quite untenable. Only the persistent mediation of our national leaders kept us together.

Congressional representatives and infrastructure funds. Contractors hold a particular interest in candidates for Congressional representatives. To contractors, money can be laundered under the auspices of a Congressperson. A Congressperson acquires control over substantial funds for infrastructure projects (unlike, for example, those of the Provincial Government of Eastern Samar that, budget-wise, are comparatively inconsequential). In addition, contractors get to snare large-scale infrastructure projects with the cooperation of the Congressperson and some officials of the DPWH.

For years while I was Governor, the big contractors in Eastern Samar and myself kept a respectable distance from each other. It was not good for the longevity of my political career. Yet, if this was bad, something worse was in the offing. The revelation came during the campaign for the 1998 elections.

Money talks. Money talks, and when it does, many listen. When I ran for Congressperson in 1998, I felt that my record could speak well for my candidacy and generate enough resonance over and above the high-pitched chime of gold. I was wrong. After all was said and done, the contractors had placed their bets on my opponents.

The decision by the major contractors to support the candidacy of my opponents had a snowballing effect on the rest of the pack. Smaller-league contractors joined the bandwagon in support of my opponents. While my campaign funds dwindled fast, the already-heavy campaign chests of my opponents grew even bigger.

The contagion created by the herd promptly spread. The number of mayors and other political leaders □ ever keen on the tides and swings of the political configuration □ who were part of my ticket, decreased. The deserters campaigned, some openly, for my opponents. The rest is history. After three successive terms as Governor, I ran for Congressperson in 1998 □ and lost.

Pork Barrel and Congressional Insertions. While I was Governor of Eastern Samar, the issue of pork-barrel funded projects generated controversy not so much because of the view that Congresspersons control pork barrels even if they should be doing legislative rather than executive projects. Much of the fuss, rather, was due to the rankness of corruption for which pork barrel projects are infamous.

For example:

□ In 1994, municipal nurseries were reported to have a total project expense of 100,000 pesos. The cost covered only the structural building, since structures were built on land donated by the beneficiary Local Government Unit as equity. Yet if one closely looks at the structures, which are largely made of coco lumber and nipa sheets, one would find that the nursery could not have cost more than 3,000 pesos.

□ Then there was this training center. An honest-to-goodness appraisal would show that its actual cost could not have gone beyond fifty percent of the reported total project cost.

□ The same thing can be said about multi-purpose halls, concrete pavements and purchase of equipment. Keen observers would therefore note that the more pork barrel projects there are, the bigger the money that goes to corruption.

However, pork barrel funds (roughly 12 million pesos per year for each member of the House of Representatives, as of 1998), appear negligible when compared with the so-called congressional

insertions. The latter fund forms part of an agency's budget, say DPWH, and is intended for implementation of said agency's projects, such as infrastructure projects. Since a Congressperson holds budget-approval power over funds allocation for the DPWH and other national executive offices, s/he holds tremendous influence. As lobbyist for Departmental funds, which could reach up to hundreds of millions of pesos, the Congressperson concerned becomes a prime persuasive-influence in executive-branch funds disposition.

The cast of collaborators. The award of infrastructure projects to predetermined contractors takes various steps and turns, all of which are ostensibly proper, culturally accepted, and meant to be applied within the legal procedures. However, to be able to achieve this objective, there are at least three parties who must agree to a certain set-up. These parties are: first, the Congressperson under whose command funds become available; next, at least a core of DPWH officials, under whose control the processing of contract documents must be processed and approved; and, finally, the contractors, who may have to connive with other contractors in case rigging of public bidding becomes necessary. In some instances, a fourth party is necessary, such as individuals who can manipulate the publication of newspapers.

However, it is also possible that contractors and Congresspersons may not get the right mix of people at the DPWH. "Uncooperative" bureaucrats can get in the way, such as when a DPWH official is indebted to the political rival of the incumbent Congressperson. When this happens, movement of DPWH personnel can be expected.

In addition, I cited early on a case that shows how a Congressperson could use his power to effect some changes of people in a government office like the DPWH. Of course hiring people, especially those for the so-called career positions, is not a totally arbitrary and simple process. The rules on civil service are there to ensure the application of a merit system in the hiring of government officials and employees. They are meant to prevent appointing authorities from hiring people arbitrarily.

The Congressperson and the recommendee must therefore have a well thought-out plan before they can succeed in this venture. First, it is necessary that the recommendee meets the qualification requirements, something that the Congressperson can easily do by shopping around for possible partners. Second, there is need to manage the possible opposition from the rank and file of the DPWH not only from the provincial or regional offices concerned but from other field offices of the DPWH, particularly the more or less proximate ones. For this purpose, it is easier for the Congressperson to pick somebody from among the so-called "next-in-rank" candidates within the organization. His only concern here is to make sure that there is enough trust between the two of them.

The issue of vacancy in a government position, as potentially lucrative as that of DPWH district engineer or regional director, is open to many questions. Aside from the "normal" causes, such as retirement, for the vacancy, a memorandum from higher offices directing a re-organization may lead to the realization of what the Congressperson seeks.

Ways and means. When the Congressperson, DPWH officials, and contractors are of the same mind, many things can happen. It should be noted here that the bigger the amount involved, the more stringent the requirements are supposed to be. An example is the publication of bidding notices in newspapers. The requirement is that such notices must be published in newspapers of nationwide circulation if a project costs at least 15 million pesos or more. On the other hand, publication in newspapers of local circulation would suffice if a project costs less than 15 million pesos.

For the latter type of projects, what the conniving parties do is hoard the copies of the newspapers where the bid notices have been published. This makes it impossible for other contractors to know that an infrastructure project has been advertised for bidding. To carry this out, the conniving DPWH official informs the contractor of the dates when the bid notices would be published.

For projects that cost more than 15 million pesos apiece, going around the stiffer requirements is more complicated. One way is to falsify the bid documents. Because a copy of the newspaper where bid notices were published must be attached to the other documents in support of the award of a contract, the conniving contractor presents a falsified newspaper copy.

Invitation bids are often falsified through "patong" or the superimposing of the DPWH invitation bids on spaces where other government ads appeared or on legal notices.

For example, the 11-17 September 1999 issues of the *Manila Standard* filed at the National Library did not carry the invitation bids for the 20-million-peso Capas-San Clemente Road and the 20-million-peso dredging/desilting of the Rio Chico. In the classified ads sections of the Manila Standard, what were published instead were invitation bids from the Philippine Deposit Insurance Corporation, National Electrification Administration and the Department of Transportation and Communications. The 'patong' scheme also seemed to have been done for the Baliwag Flyover and three Central Luzon projects that supposedly saw print in *Malaya* and the *Philippine Post*.

Sources in the constructions industry said the entire mess begins when a contractor is tipped on the project, usually by a high DPWH official. The contractor, in turn, hires a local reporter or an ad solicitor who usually hangs around the DPWH office to "fix" the work for him, especially in national newspapers, when the project cost is beyond P15 million. The reporter or the ad solicitor secures a negative of the classified ads page from contacts at the printing presses of the newspapers. This negative, in turn, is taken to another printing press. A separate negative of the DPWH invitation bid is printed, the size of which must fit a space where it is supposed to be superimposed. The negative is re-matted to insert the DPWH invitation, then filmed and printed. Sometimes, a loose page is produced. The loose page is inserted into the original issues of the newspaper. The copies are then presented to the contractor who, in turn, furnishes a copy to the Pre-qualification Biddings and Awards Committee (PBAC) secretariat ahead of the scheduled day of the bids' opening. The fixers are so adept that they can produce invitation bids having the same font and format used by the newspapers, sources say.

As these projects unfold, the public is treated to a sight of billboards. Proclaimed on these billboards, aside from the DPWH identification, are the names of politicians under whose efforts the projects came into being. Signs saying "Sorry for the inconvenience, your taxes are working for you," or "Government Project, Do Not Delay" have become trite. Personalized signs are in. Sometimes these billboards contain fancy slogans, the better to endear the proponents to the voting constituents. Examples are "In Accordance with Your Will" (referring to the public) or "From You, For You" and under them are the names of the concerned Congressperson.

Department of Environment and Natural Resources

The following presentation covers various events that happened over a long period of time. The narration begins with brief accounts pertaining to the regulatory function of the Department of Environment and Natural Resources (DENR) □ and indicating how it failed in that function with respect to the protection of forest resources. This was in the 1970s when the DENR was still issuing permits for commercial logging concessions to exploit the country's timber products.

The concluding part narrates instances of how contractors, as in the case of the DPWH, schemed with DENR people to get away with money-related transactions for personal benefit □ and thus, in the same manner, indicating how the agency made an equally futile effort to rehabilitate the denuded forests. The setting brings us to reforestation sites in the late 1980s and early 1990s.

DENR Secretary Angel Alcala's Serious Joke. In the last year before DENR Secretary Alcala was "promoted" or kicked up to become Chairman of the Commission on Higher Education (CHED), he went to Eastern Samar to inaugurate our Coastal Environment Management Program at Guiuan, a town

famous for abundant marine resources. In his speech, he quipped: "Do you know why our forests are getting denuded so fast? It is because we have too many forest rangers!"

Tales of "Acceptable" Corrupt Practices. A licensed forester has an interesting theory. He says the increase in the rate of forest denudation in the country is directly proportional to the increase in the number of forestry graduates. While in college, he said forestry students are bombarded with technologies and all sorts of information regarding ways of conserving and protecting the trees and the forests. However, once s/he steps out of classrooms, the academically trained expert on forestry often becomes a party to the dissipation of forest resources.

The same forester recalls his assignment at the District Forestry Office of Negros Oriental right after graduation in 1975. Being a forestry graduate, his entry position was notches higher than some of those held by veteran staff in the office. Among his subordinates were the Scalers and Tree Markers. These people were the ones normally assigned to inventory residual forests.

The inventory of residual forests used to be a regular activity done by the DENR to monitor compliance by logging concessions with respect to the terms of the concession. One of the terms required that, in the interest of selective logging and sustainable forest management, timber species measuring less than 60 centimeters in diameter must be spared from cutting, and that a minimum number of them must exist relative to the area of the concession (which usually covered hundreds of hectares). The inventory would thus verify if the logging concession satisfied the requirement.

This forester recalled his first substantial official assignment to validate the inventory reports submitted by the Scalers and Tree Markers. At the start, he took note of a report that indicated 288 standing trees that were supposed to have existed in one concession. When he went to the area to validate the information, he found that only 88 residual trees actually remained standing. The rest were either gone or cut. The figure "2" was apparently prefixed to the "88" in a deliberate attempt to hide a violation.

When he confronted the concerned Scaler and Tree Marker, the latter simply dismissed him as "bata ka pa sa trabaho" (new in the job). He was rebuked, and in a manner that reeked with sarcasm, by his "subordinates". When he threatened them with possible sanctions, they replied that he could be going up against the entire establishment. True enough, he would soon realize that veritably everyone at the DENR, from the Scaler to the District Forester to the Provincial and Regional officials, were receiving material incentives from the logging concessions. Therefore, at such an early stage of his government career, this forester found himself gradually losing the idealism he brought with him from the classroom.

He stayed a decade in Negros Oriental as a mid-level DENR official. From that experience, he has more stories to tell. For example, it was also early in his career when a new provincial head of the department was assigned from Mindanao to Negros Oriental. In three months' time, the provincial DENR officer was able to put up an apartment. While the officer claims that he was able to generate savings from his previous post, this forester also knew that truckloads of wood products were unloaded at the official's construction site during nighttime. These wood products came from lumber traders/smugglers in the area.

Anywhere in the country, the likelihood is high of finding a DENR official's residence to be a cut above the neighborhood. In Tacloban City, for example, one can check the houses of DENR officials and he or she will not find it hard to see the relative wealth of many of their occupants. Among examples: the residence of one Central Environment and Natural Resources Officer (CENRO) stands out in the neighborhood for its size and material. It is a virtual palace by the standards of the vicinity. While the rest of the houses in the neighborhood make do with sub-standard materials, this one is made of concrete on the outside and a gallery of hardwood inside.

In another residential subdivision, the residence of a mid-level official at the regional office of the DENR is another picture of relative affluence. Upon entrance, one cannot help but notice the grandeur: it is

surrounded by a fence made of large-sized iron bars, an elaborate flooring of pure marble, elegantly-designed walls and roofing, among many other things. In whatever way one may try to look at it, he will find that the value of such an investment could never be within the reach of a government functionary, even if he or she happens to be the President of the Republic. Of course, this assumes that his income is derived solely from the regular salary of his government employment.

With the provision of shelter comes the support system for a freewheeling lifestyle. Again, the forester we mentioned above recalls the time he was in Negros Oriental. Every time a DENR official traveled to Manila, it was standard practice for lumber traders/smugglers and logging concessionaires to foot the bill for the official's travel expenses. All he had to do was call up the other party by phone, and his plane tickets, plus allowances for hotel in an amount of not less than one thousand pesos per day (in the 1970s), would in no time be delivered to him. The "allowances" include provision for extra expenses. For the male kind, other intended perks would include the "customary" women and wine. Such practices continue to this day, with allowances adjusted according to inflation rates. Of course, aside from privately sourced funds, government regulations allow officials and employees of the government to charge legitimate and official travel expenses and allowances against government funds. Such a patronizing link between the DENR officials and logging interests grants the latter almost unlimited space for their businesses.

Observations show that the DENR and its army of foresters have become party to the country's state of denudation. Dr. Ben Malayang III, Dean of the School of Environment Science and Management of the University of the Philippines in Los Baños, has been quoted as saying that the country had 5.4 million hectares of forest cover, or 21 percent, eight years ago. It went down to 18 percent as graft and corruption through environmental exploitation increased.

Trees in Support of Rebellion. There is another story from Davao. A freelance entrepreneur made millions by crafting ways for North Cotabato lumber products to reach building contractors. What he did was talk with big time contractors, such as subdivision developers, and agree with the latter as to the quantity of lumber products they need. Once this was done, he alerted his contacts in an underground secessionist movement in North Cotabato for the delivery of the ordered lumber products. In succeeding nights, convoys of trailers loaded with semi-processed lumber products rolled from North Cotabato down to Davao. Invariably aboard these trailers were DENR personnel who were armed with documents saying the lumber products came from illegal sources and were being confiscated. Along the way, the deliveries could be stalled by military and police checkpoints. The entrepreneur was ready for that. He had an average budget of 50 thousand pesos for each convoy of deliveries from North Cotabato to Davao.

For efficiency purposes, the delivery was not less than 600,000 board feet. This meant using at least three trailers. Once the goods were delivered, the entrepreneur collected the payments and about which he accordingly informed his underground secessionist contacts. Inside his own house, he and his partners divided their respective shares. From the proceeds, the entrepreneur collected 50 centavos for each board foot of lumber delivered while the secessionist group got the rest. On average, his share per delivery was 250,000 pesos, net. At the peak of their trade in the 1980s, their deliveries reached an average of twice a week.

On some occasions, the house of the entrepreneur was also a place where military and police personnel could sell arms and ammunition to the cash-rich secessionist group. At that time, sources say, an M-16 rifle would sell for 15,000 pesos.

What all this tells us is that the money-related transactions between DENR officials and private interests in the wood products industry contributed to the rapid denudation of the country's forests. It also helped at least one secessionist group to equip themselves with the armory they needed to wage war against the government.

What Stunts the Growth of Trees? If the DENR has been a party to the denudation of the country's

forests, the same office is partly to blame for the slow process of regenerating or rehabilitating the damaged ones. When the Aquino government came to power in 1986, development agencies prepared for a fresh start. Even foreign donor agencies, enthusiastic to support the new government, manifested their willingness to extend financial assistance. Soon the development front found itself awash with cash, and government activities related to environmental rehabilitation was no exception.

The Earth Summit at Rio de Janeiro in 1992, where the Philippines was one of the participating countries, further provided impetus for the government resolve to fund its environmental thrusts. A Debt-for-Nature Swap initiative from multilateral funding agencies allowed debtor nations to write off every amount of their debt corresponding to the amount they put into environmental programs and provided an even greater source of funding.

At no other time was the DENR so active with many programs and projects. Projects included contract reforestation and Community-Based Forest Management Projects (CBFMP). Contract reforestation basically involves private contractors, mostly non-government organizations (NGOs), hired by the DENR to reforest public upland areas. The terms of the contract include the amount involved, which could run up to several millions, as well as compliance with a minimum rate of mortality for the planted trees.

As in other activities that involve large sums of money, the CBFMP had its share of irregularities and even drama. One incident illustrates this. A DENR official, tired of bureaucratic routine and attracted by the rise of non-government organizations in the late 1980s, left the agency to form an NGO with the aim of contracting reforestation projects. His NGO succeeded in winning a 1.6 million-peso contract for the reforestation of 100 hectares of denuded public lands. After having completed the initial phases of project activities, such as clearing and planting of seedlings, he requested for an evaluation of his accomplishments as basis for his first billing with the DENR.

Being a former colleague of the evaluators, he did not shell out cash or grease money for evaluation-related expenses outside of the legitimate ones. At that point, his total expenses (for seedlings, fertilizers, salaries of workers, etc.) for the reforestation activities had reached 250,000 pesos. However, when the evaluation report came out, the payment it recommended as rightfully due his NGO was only 150,000 pesos. He did not know where to get the remaining 100,000 pesos for the salary of his workers. Fuming mad and armed with a pistol, he stormed the DENR office ready to maim and be maimed. However, when he reached the office, he was stalled by the presence of other office callers. Sensing a dire situation, the officer concerned (a "kumpare" of the contractor), did everything to make the other callers stay. He also made diplomatic gestures (such as serving coffee for the contractor) which he had never done before. In short, the aggrieved contractor eventually got appeased and the explosive exasperation he brought with him was diffused.

Why did things like this happen? One can look at how the CBFMP was carried out by field workers of the DENR. Once a contractor signed a contract with the DENR, planting of selected tree species began. The contractor billed payments to the DENR after a certain level of progress was accomplished on the site. To verify such accomplishments, the contractor requested appraisal from the DENR whose field offices constituted teams specifically tasked with the evaluation of contract reforestation sites.

For starters, the contractor needed to shell out at least 2,000 pesos for the appraisal team to evaluate the progress at the reforestation site. The appraisal team produced either a positive evaluation report or a negative one. A positive report he could collect from the DENR the contracted amount for the particular implementation phase. A negative report disallowed complete collection or no collection at all. As a standard practice, the contractor knew how to avoid a negative report for his reforestation project. He knew this involved money. The more money he put in it, the better the report would be. The better the report, the larger the amount he could collect from the DENR. Thus, getting an exact billing from the DENR did not depend on proper implementation of the contract, but rather on bribing the evaluators. Over the years, contractors found it more profitable to bribe evaluators than to spend for maintenance

of reforestation projects. The result was that mountains remained uncovered despite the fact that DENR spent millions of its funds for reforestation projects.

The situation was summed up by Governor Pablo Garcia of Cebu when he joked that the DENR had imported its seedlings from India. He meant this figuratively, referring to India, a country that is known for magic. He wanted to make a fuss about the invisible reforestation projects undertaken by the DENR in his province. He said that he had yet to see trees allegedly planted by DENR after years of so-called reforestation of Cebu uplands.

The case of the CBFMP illustrates the same pattern of how DENR officials, in collaboration with their field staff, make grease money as the primary measure by which contractors are rated in the execution of their contracts. The CBFMP, in particular, has other contracted activities aside from reforestation. They include, for instance, community organizing, a task also contracted out to NGOs. By the nature of the task, evaluating the extent to which Community Organizers achieve their targets are even more complicated than contract reforestation. While the latter can be done objectively, such as by counting the number of planted trees that remain standing, the former involves qualitative evaluation. It is on this basic account that bribing field evaluators becomes an easier way for contractors to get maximum billing from the DENR.

Corruption at the Payment Stage. What I have related so far are the money-related transactions that take place largely in the field. One may find out that a lot of action also takes place at the office where payments to contractors are processed. Somewhere in the Visayas, for example, there is a DENR official who personally cashes checks issued to contractors.

His method is simple. He deliberately signs the checks after three in the afternoon and during Fridays or any day when there is going to be no bank transactions the following (at least) two days. This way the probability is high that the payee may not afford to cash the check two days after collection. It happens that the official is a friend of the bank manager. Thus, cashing the check even hours after the bank has officially closed its doors to the public is not a problem for the DENR official. And there, right within sight of the bank manager himself, the DENR official collects the amount of cash which both he and the contractor know are due the former.

In other areas, the practices are just as bland. The DENR issues checks to contractors in halves. One for the contractor, the other for the DENR officials who made the approval process of the pertinent vouchers possible. So, for example, if a contractor has a billing of 550,000 pesos, one check worth say 400,000 pesos will go to the contractor. Another check worth 150,000 pesos, will go to the circle of conniving officials at the DENR, although the payee will still be the contractor. For the give-away check, the contractor simply endorses it and the DENR officials do the rest. As in the previous example, these people do not seem to have a problem with cashing checks at the bank.

Outside of this influential circle, petty bureaucrats join the fray. Grease money is demanded at almost each step of the way where voucher documents pass through for processing. Junior staff members, clerks, messengers, route papers when they receive "tokens of appreciation," which can be in the form of cash or kind. Otherwise, claimants may just find that their papers have hardly moved. As defined earlier, the transacting party resorts to bribery, and "lagay" (speed money), in an effort to grease the creaky bureaucracy.

6. GRAFT AND CORRUPTION IN LOCAL GOVERNMENT UNITS

Local Government Units that Engage in Money-Related Transactions

Before presenting practices of money-related transactions in local government units, I wish to describe briefly the organizational set-up of LGUs. Prior to the implementation of the Local Government Code

(LGC) in 1991, the LGUs basically consisted of the Office of the Local Chief Executive (LCE) or mayor/governor, who exercises control over all other offices of the LGU. These offices include those of the legislative (municipal, city or provincial) council or Sanggunian (Bayan, Panglungsod, or Panlalawigan) and the executive departments such as the Engineering Office, Agriculturist Office, Civil Registrar, Budget, Planning and Development Office, Treasury and Assessor's Office.

The structure becomes bigger as the LGU gets richer (local government units are classified according to the annual revenues they generate, both locally and externally). Thus, a first or second class municipality may have a separate office for tourism, social welfare or environmental protection in addition to the above-mentioned offices or departments. A provincial government also tends to have a bigger structure compared to a municipal government that has a similar income classification. This also applies to cities □ in relation, that is, to municipal governments. The LGC, backed by a fresh infusion of funds from the national government, mandated the creation of additional offices in municipal, city, and provincial governments. The fresh funds is known as the Internal Revenue Allotment, or IRA, which is the share of local government units from the income generated by the national government and is allocated through the national budget.

Thus even the lowest among the income classes of municipal LGUs have created an additional office for the Municipal Accountant, the Municipal Health Officer, and the Municipal Social Welfare and Development Officer. City and provincial LGUs added to their structure the offices of Administrator, Legal Officer, Information Officer, Population Officer, General Services Officer, among others.

The LGC likewise mandated the devolution of several functions performed by the national government. These functions include the provision of health care services, social welfare, agricultural extension services as well as environmental protection and regulation. With devolution came the transfer of personnel and fixed assets from the national government agencies (NGAs) to the LGUs, whose structure had to be adjusted to accommodate the devolved personnel.

Another major change involved the leadership of the Sanggunian. Before the LGC, governors, mayors, and baranggay captains headed the Sanggunian. With the LGC, the Vice Mayor or Vice Governor was promoted to assume the functions of Sanggunian presiding officer. In some LGUs, this set-up resulted in political impasse. My own experience shows that where a Presiding Officer of the Sanggunian enjoys the partisan support of majority of its members, the initiative of a hostile chief executive can be defeated. For example, my political opponents led by the Congressperson foisted their partisan agenda against me through the majority members of the Sangguniang Panlalawigan who were beholden to them. Among other things, the Sangguniang Panlalawigan members perfected the art of shutting down the executive budget every time this passed through legislative deliberation. Their underlying objective was to stop my administration from functioning so that people could see nothing except failure. Conversely, they saw my success as their own failure.

To maintain the support of their underlings in the provincial government, my opponents had to reward them by insuring □ such as providing funds for their campaign □ their success in succeeding elections. This entailed extra sources of income; and in this context, one can probably see how money-related transactions among political leaders □ in my example, the Congressperson □ and DPWH officials fit into the entire scheme of things.

7. FORMS OF GRAFT AND CORRUPTION

As in national government agencies, money-related transactions in LGUs are infected by various forms of graft and corruption. It is possible to cluster two major types of corruption in local government units. For lack of ready terminology, I wish to call these two clusters as "buck power" and, "systemic maze".

Buck Power. Buck power □ I call it smashing through the line □ is open to anyone transacting with the LGU who wishes a relatively fast payback for his or her investment. It can be quite synonymous to what other people call "under-the-table deals." It constitutes several variations of graft and corruption, such as bribery, extortion, fraud, nepotism, graft, "lagay" (speed money), pilferage, theft, embezzlement, falsification of records, kickbacks, influence peddling and campaign contributions (Batalla, 2000).

Another form of corruption that fits the nature of buck power is "areglo" (arrangement), whose purpose is to bail the transacting party out of a predicament, which is usually a violation of a government regulation.

As a general description, buck power takes the nature of what Cariño (1979) defined as individualized corruption. It comprises actions of an individual who strays from a prevailing norm of official public behavior.

Buck power can be found throughout the route where documents for fund releases are processed. This route invariably includes the offices of the Budget Officer, Accountant, Treasurer and/or General Services Officer, and the approving official, who can either be the Mayor/Governor, or Vice Mayor/Vice Governor. Thus a supplier of office equipment, for example, may simply offer gestures of goodwill (which may include "grease" money) to persons involved in the processing of documents to facilitate the release of payment for the purchased equipment. The payoff deal can be done even before the actual purchase of equipment, such as when the prospective supplier is asked by the Treasurer or General Services Officer, to tender a quotation for the latter's canvass.

It must be clear that buck power does not discriminate against anybody. Anyone can "pay" his or her way through it. The orientation of this route, therefore, is more economic than political. The following is an example of a specific case of "buck power."

A few months after the first local elections under the Cory Aquino Administration, the country's newly elected Provincial Governors were summoned by the DILG to the Development Academy of the Philippines (DAP) in Tagaytay City for a five-day seminar. The general agenda was pursuing effective local governance in partnership with the central government in nation-building. In the evening of the getting-to-know-each-other socials, the political neophytes among us gravitated to the more famous and much older politicians. A young Mindanao governor asked a fellow governor from Luzon, whose name was quite a byword in politics, what the latter's secret was in winning elections. Without batting an eyelash, he shocked the more idealistic in us with the following account:

"You may not always want to win an honest election just like you don't always win court cases on the merits. The magic word is logistics or dirty money." How do you raise the magic word? "Simple," he said. "your supporters cum contractors who must be waiting in the wings by now for the investment payback should start transacting good business. They will suggest that government procures, through them, garden tools, farm implements, certified seeds and fertilizers, for distribution to chosen constituents. Or it can be fire extinguishers, medicines, medical/dental supplies, radio communication equipment, computers, the list is endless. Depending on some paper work or documents, and trusted subordinates, ghost deliveries can be made." "There must always be a ROPI (return of political investment) for FR (future reference)." Or words to that effect.

These are the same type of people who help make "areglo" when the local chief executive or his/her political allies get entangled in some predicament, legal or otherwise.

Systemic Maze. The systemic maze approximates what Cariño (1979) defined as systematic corruption or, in the terminology used by Batalla (2000), institutionalized corruption. The systemic maze appears to require political connection before any economic gain can be realized. It goes through the process of contentious planning, budgeting, legislative action, public bidding and, more likely, in the end may still be

subjected to buck power. As in the hesitation of BIR and COMELEC to computerize their operations, the basis of systemic maze is to make government procedures as complicated and cumbersome as possible so that fixers and schemers can have a part in the business of facilitating the transactions of a weary citizenry.

Obviously, more offices have to be involved in this process. And, almost invariably, the participation of these offices enjoys the consent of those who are making decisions. In the context of local government units (LGUs), decision makers mean the elected officials.

For example, in many legislative bodies or "sanggunians" of local government units, the concept of the so-called "pork-barrel" mentality has sunk into the practical political consciousness of the "honorable" members thereof. The sad stories of many a governor or mayor are replete with disappointments over obstructionism and delaying tactics of these "sanggunian" members. In many provinces, cities and municipalities, these local chief executives complain of being held hostage or even blackmailed by local legislators or "sanggunian" members who insist on this or that pet project, usually with political undertones, and accompanied by funding sources or specified appropriations. These "sanggunian" members or legislators know that under the law, no money shall be paid out by the local treasury except in pursuance of an appropriation ordinance, which they alone can enact. They bargain and threaten, and bargain and threaten hard □ even if the LGU concerned would stand still or stop its operations.

Another example is that of regional or even national officials who, in one way or the other, participate in the preparation, review or approval of feasibility studies, which usually have a time frame. By simply delaying, or putting up procedural road blocks in the guise of essential documentary requirements, the process becomes so complicated and cumbersome that "lagay" or "speed money," or "snack funds" gets to be "reasonably" part of the business of facilitative transaction.

8. SUMMARY

This section encapsulates the main elements of Philippine political culture that are embedded in corruption. Table 2 below shows how culturally acceptable practices and beliefs operate in selected bureaucracies to facilitate corrupt transitions.

Table 2. Examples of Corruption-related Beliefs and Practices in Philippine Politics

Parties/Players/Actors Involved in Money-Related Transactions	Political Culture of Money-Related Transactions/Corruption in Government	
	Objective Political Culture	Subjective Political Culture
	<i>Practices</i>	<i>Beliefs/Thoughts/Mental Scripts</i>
A. National Government	Various forms of corruption	
DPWH	Practices during elections Pork barrel projects Bidding practices	Parties agree that support for candidates will facilitate award of contracts DPWH officials agree that falsifying bid documents is rampant nation-wide, therefore participating in it is the norm
DENR	Concessions and smuggling Contracting Reforestation	Logging concessions, dealers, smugglers and reforestation contractors

	and Community Organizing	recognize the need to give material incentives to DENR officials
B. Local Government	Various forms of corruption	Sangguniang members feel beholden to patron

9. CULTURALLY ACCEPTABLE PRACTICES

I have identified culturally acceptable practices related to transactions in both the national and local levels of government. For example:

Department of Public Works and Highways. There is a basket of schemes applied by contractors, Congresspersons, media people and DPWH officials to conceal information on infrastructure projects from the general public. For bid notices of projects published in local newspapers, the conspiring parties hoard newspaper copies to prevent mass circulation of the notices. For bid announcements of larger projects published in national newspapers, the conniving parties print fake copies of the newspapers where the notices were supposed to have come out. The fake copies are then used as supporting documents for the award of contract to the scheming contractor.

Department of Environment and Natural Resources. A culture of patronage and collusion among DENR officials and interested parties from the private sector dominates the DENR bureaucratic territory. Logging interests (concessions, dealers, smugglers, etc.) have pampered DENR officials to the point that the latter grew beholden to the former. As a result, some DENR personnel protect the interests of the loggers more than they protect the interests of the public-at-large. Thus, it did not take long for the forests to disappear. When the time came for the DENR to reforest the bald mountains, the reforestation contractors accorded the DENR officials the same patronizing recognition. Even lower level bureaucrats benefited from contractors by facilitating the approval of the latter's claims with the DENR.

10. SHARED MENTAL SCRIPTS

DPWH. First, the interactions among politicians and contractors especially during election periods have been quite revealing. During election period, the prevailing expectation among these parties is to ensure that those who get elected, such as the Congressperson and governor for their district, share their interests. Once the election is over and the supported candidates come out as winners, all connivers agree that everyone deserves a reward. And the reward comes in the form of proceeds from contracts made through fraudulent processes.

Another aspect of subjective culture, negative emotion toward outgroup members, emerges when the winning candidates and contractors find themselves dealing with the "wrong" people at the DPWH. The power of such negative subjectivity is demonstrated as heads at the DPWH begin to roll.

Despite the skillful manner by which the conniving parties carry out their corrupt practices at the DPWH, it would remain difficult for these practices to go unnoticed if not for many people who deliberately ignore what goes on before their very eyes. The cultural institutionalization of such practices makes it hard for "deviant" characters to introduce reform.

DENR. Over at the DENR, even the lowly Scalers and Tree Markers know that the entire establishment conforms to the unwritten terms of engagement with favored parties in the private sector. Any reformist who breaches the norm may do so at his or her own peril. Many DENR officials and employees receive goodies from those who transact business with the Department. Contractors who plan further business with the bureaucracy cannot afford to deny this extra benefit to the bureaucrats. The shared mental script, obviously, is such that every one remains secure at where s/he is for so long as no one disturbs the system.

Local Governments. At the local government level, the perceived association of political leaders with the political kingpin is a desired state that is shared as a mental script among the former. It is therefore their duty to defeat other political forces that block the kingpin's political agenda.