

Tracking Anti-Corruption Initiatives: Perceptions and Experiences in the Philippines

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Abstract

Tracking anti-corruption initiatives and strategic focus as perceived and experienced by four government agencies in Region XI showed that the government remains to be the main player in combating graft and corruption in the country. Political leadership and political will of leadership play crucial roles in combating corruption. The customs service was identified on top of the highly important institutional reforms and high importance was placed on transparency and a review on pay and incentives. Also high expectations were placed upon civil society participation, including corporate responsibility, community involvement, empirical surveys and scorecard. Tax simplification and fiscal discipline were also deemed highly important, while in terms of financial controls, emphasis were focused on procurement audit and financial reforms, budgetary control and treasury development. In legal reforms, ranked highly important were judicial independence and enforcement of visible grand corruption cases.

Keywords: corruption initiatives, political economy, strategic focus

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Introduction

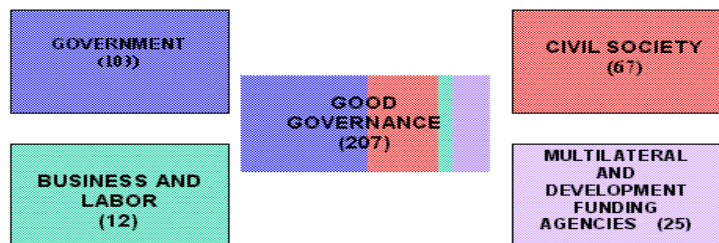
A good number of independent bodies and advocates have undertaken surveys and researches on corruption in the Philippines, with a common aim of promoting good governance, accountability, and help counter corruption. Studies have shown that it is not by twist of fate why most government initiatives are unsatisfactorily or even fail to combat corruption (Larmour & Wolanin, 2001; SWS, 2004). Several factors including the governance environment in which weak institutions and lack of political will facilitate and enable the ‘culture of corruption’ (Varela, 1996). Among the most profound consequences of corruption are: a) social dislocation caused by distorted economic growth, poverty and income inequality, b) shattered political credibility and demoralized bureaucracy, and c) endangered public order and safety (Larmour & Wolanin, 2001).

Given a number of programs and initiatives in improving governance and fighting corruption in the Philippines, government agencies are called upon to do their share in these endeavours. They are expected to respond positively by exerting efforts to curb corruption at the organization and systems level. The effort to undertake a descriptive survey on the perceptions of, and trace the experiences of four government agencies namely; the Department of Agrarian Reform (DAR), Department of Agriculture (DA), Land Transportation Office (LTO) and the Philippine National Police (PNP) is two-pronged. One, it aimed to elicit the degree to which public servants place premium on the key players and institutional reforms to counter corruption. Two, it attempted to document, if any, some bureaucratic engagements intended to bring about abatement of corruption in the public sector. Thirty respondents were randomly sampled from each agency and their responses were measured and analysed using a Likert scale.

Players and Number of Programs in Good Governance

Hills Governance Center noted that Transparency International in 1991 provides a starting point for an inventory of initiatives on good governance and anti-corruption. Accordingly, it identified four key players which includes 1) the government, which refers to the national government agencies, local government units, including public research and academic institutions; 2) civil society organizations which involve private academic and research institutions, non-government organizations, and the media; 3) business and labour which constitute private business, trade unions, cooperatives and business associations; and 4) multilateral and development funding agencies.

Figure 1. Players and number of programs in good governance



Figures show number of anti-corruption programs

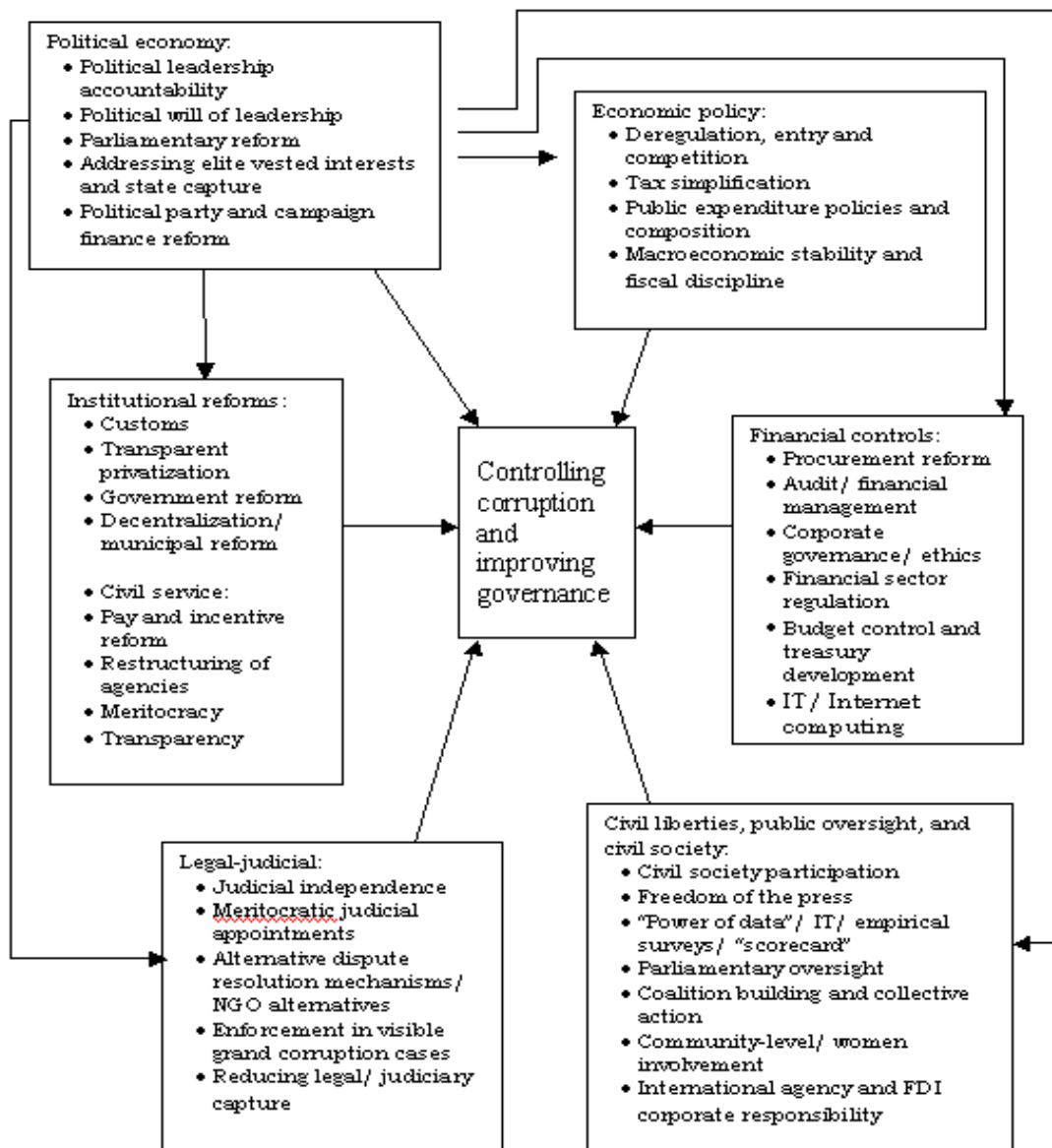
Source: Hills Governance Center. *TI-Philippines (2001), Directory of Institutions, Organizations & Agencies Involved in Combating Corruption in the Philippines.*

It can be seen in Figure 1 that programs and initiatives on good governance totalled to 207 with the government sharing 103 anti-corruption initiatives, followed by civil society organizations with 67 programs and initiatives. Multilateral and development funding agencies share 25 programs and initiatives, while business and labour have 12 anti-corruption programs (Transparency International, Philippines 2001)..

Theoretical Base

This study is anchored on the multi-pronged strategy developed by Thomas, et al. (2000). The authors underscored political economy, economic policy, institutional reforms, financial controls, legal-judicial reforms and civil liberties, public oversight and civil society as variables in combating corruption and improving governance. This is shown in the conceptual paradigm in Figure 2.

Figure 2. Multi-pronged strategies for combating corruption and improving governance: Recognizing political economy



Source: Thomas et al., 2000. The Quality of Growth. World Bank & Oxford University Press.

Findings

Consistently, the four government agency-respondents in the study identified the government as the most important key player in anti-corruption initiatives. The government, as a regulatory agency is conceived to formulate and implement programs that would curb corrupt practices. Civil society ranked second, followed by multilateral and funding institutions while business and labour ranked last (see Table 1).

Table 1. “How do you rate the degree of importance of the key players in anti-corruption initiatives?”

Key Players	PNP	DAR	LTO	DA
Government	4.62	4.61	4.0	4.11
Civil Society	4.44	4.39	4.0	4.07
Business and Labor	4.30	4.22	4.0	4.06
Multilateral/Funding Institutions	4.22	4.35	4.0	4.07

PNP - PNP; DAR - DAR; DA - Department of Agriculture; and LTO - LTO.

The perception that the reflects the concept that government bears responsibility to legislate, enforce, and adjudicate public laws for the safety, welfare, and public order of everyone within its jurisdiction (Steuart, 1767). The guiding norm, or principle, for such laws is public justice (1767). Government is regarded as a vehicle to galvanize and maintain the long-term well-being of every citizen. Moreover, the government is expected to empower the people they are meant to serve – providing equal opportunities and ensuring social, economic and political inclusion and access to resources (on the condition where the legislatures, electoral processes and legal and judicial systems work properly) (1767).

Table 1 also shows that the respondents placed high expectations on civil society organizations. They perceive that it is essential to develop partnerships between civic groups and the public sector given the nature and scope of the problems the world is facing today. As stressed by Dublin (2001) successful partnerships show the potential to tackle complex problems in the form of creative energy, initiatives and community support. Similarly, Cabunoc (1999) stressed that civil society organizations are vehicles to channel people’s participation in economic and social activities to influence public policies and gain access to public resources. These organizations are expected to provide checks and balances on government power and monitor social abuse. With the recognition that the private or business sector are the primary source of productive employment, the government can foster and sustain state-private partnership in anti-corruption initiatives by enforcing the rule of law and creating a stable macroeconomic environment (1999). Whether corruption has become a culture in government or government can operate without corruption is an issue that all the key players have to contend with.

In the area of political economy, the respondents considered *political leadership and political will of leadership* as crucial in combating corruption (see Table 2).

Table 2. What areas of political economy do you consider crucial in combating corruption?

Areas	PNP	DAR	LTO	DA
Political Leadership	4.30	4.71	4.0	4.80
Political Will of Leadership	4.42	4.53	4.0	4.25
Parliamentary reform	3.68	3.67	3.0	3.21
Addressing Elite Vested Interest	3.70	3.73	3.0	3.51
Political Party and Campaign Reform	3.98	3.73	3.0	3.22

The respondents perceived that the country needs a long-term reformist approach, a reorientation and a shift in mental models towards politics and the political system. They also emphasized the need to revisit the basic education precept of representative government and responsible citizenship. This is reinforced by Steuart (1767) who said that citizens should approach government not as the power that can give them what they want, but as the authority that ought to uphold a just public order. The true function of government is distorted and degraded if they act as mere broker of competing interest groups (Center for Public Justice, 2007). There is a need to revisit the fundamental maxim that every operation of government should be calculated for the good of the people, that in order to make a people happy, they must be governed according to the spirit which prevails among them (Steuart, 1767).

Political leadership and political will of leadership, or the determination to fight corruption is one of the footholds in stimulating good governance. It is degraded when corruption seeps into the political and governance system. Political corruption involves a) political decision makers, (those who have the power to formulate laws and regulations), b) the misuse of political power for private benefit, c) a violation of existing laws and regulations, and d) two basic forms as corrupt accumulation and extraction (from private sector and national wealth) and corruption of power preservation and expansion (Transparency International, 2004). Larmour and Wolanin (2001) stated that, in Singapore, the success in minimizing the problem of corruption was because its anti-corruption strategy was characterized by a) strong political commitment by Lee Kuan Yew to eliminate corruption both within and outside the public bureaucracy, and b) comprehensive anti-corruption measures, and creation and maintenance of anti-corruption agency with honest and competent personnel to investigate corruption cases and enforce anti-corruption laws.

Table 3 presents the institutional reforms that the respondents perceive as stimulus to combat corruption. Findings revealed that all of the respondents of the four government agencies rated that reforms in the Bureau of Customs must be given high importance and where government has to focus its attention. The Customs Bureau was one of the most corrupt agencies in the Philippine government and it experienced large-scale waves of purging in the 1970s and onwards (Clarete, 2004). Parayno in Larmour and Wolanin (2001) said that the anti-corruption strategies adopted during the 1970s and 1980s to minimize the Philippine Customs Service prove to be ineffective. Parayno further added that many environmental factors predispose the Custom Service to a high incidence of corruption included a) abundance of opportunities, b) irresistible rewards, c) low-risk-endeavours, d) damaged values system and culture, e) weak controls and justice system, f) lack of means and support, and g) insincere and opportunistic media.

Table 3. What institutional reforms should be given impetus in combating corruption?

Areas	PNP	DAR	LTO	DA
Customs	4.24	4.67	4.0	4.30
Transparent Privatization	3.94	3.78	3.0	3.87
Government reform	4.22	4.27	3.0	3.81
Decentralization	3.80	3.53	3.0	3.54
Civil service				
-pay and incentives	4.14	4.53	4.0	4.21
- agency restructuring	4.06	3.69	4.0	3.56
-meritocracy	4.04	3.92	4.0	4.00
-transparency	4.22	4.14	4.0	4.43

To date, the Bureau of Customs (BOC) boasts of having fully computerized its core import processes (Clarete, 2004). It is starting to computerize its export processes, taking advantage of emerging technologies for more efficient and responsive services. Implemented between 1995 and 2000 with World Bank support, the automation program of the Bureau had substantially streamlined customs procedures, reducing the time required to process import cargoes, and improving transparency (2004). Considered by the World Customs Organization as a major force changing the nature and content of customs work worldwide, automation of procedures, particularly of the Bureau's import assessment and cargo clearance system, has provided importers substantial savings in time, finances and costs associated with going through bureaucratic procedures (2004). As a result, the BOC's Automated Customs Operations System has improved the Bureau's productivity and, more importantly, has reduced the expected net benefit of fraud and corruption (2004).

In the area of civil service reforms, the same table shows that the PNP and the DA respondents placed high importance and emphasis on *transparency*. Transparency allows stakeholders to gather information that may be critical to uncovering abuses and defending their interests. The UNDP and Sustainable Human Development (2002) stresses that transparent systems have very clear procedures for public decision-making and open channels of communication between stakeholders and officials, and make a wide range of information access. Transparency prescribes freedom of information and it implies a moral obligation for disclosure of important information useful for fighting graft and corruption.

Table 4 shows that while *civil society participation* was unanimously viewed by the four agency-respondents as highly important in combating corruption in the Philippines, it can be observed that various facets of civil liberty and public oversight were also identified as important elements to fight corruption. These range from *corporate responsibility* as viewed by the DAR employees, to the role of *community and women involvement* as perceived by the PNP. The LTO believes in the *power of data and empirical surveys and scorecard*.

Table 4. What facets of civil liberties, public oversight and civil society do you think are important in combating corruption?

Areas	PNP	DAR	LTO	DA
Civil society participation	4.00	4.33	4.0	4.26
Freedom of the press	3.98	3.61	3.0	3.22
Power of Data/ Empirical surveys/scorecards	3.66	3.63	4.0	3.51
Coalition building and collective action	3.78	3.47	3.0	3.54
Community level/women involvement	3.92	3.57	3.0	3.64
Corporate responsibility	3.88	4.06	3.0	3.79

Civil society participation implies that fighting corruption is seen as a responsibility for everyone, regardless of their social order. While it remains legitimate and a duty to be constructively critical about unjust and corrupt governance, this should be done by calling upon the government to fulfil its proper task and high purpose. All must seek to strengthen the commitment of citizens and public officials to a high view of trust and accountability in the public service and integrity of public office. This finding further confirms with what Dublin (2001) emphasized that the recognition of the importance of social responsibilities can be gauged in part by the extent of government action and legislation on such matters as, for example, employment protection, equal opportunities, companies acts, consumer law, product liability and safeguarding the environment, which formalized certain areas of social responsibility as a legal requirement.

In mobilizing civic participation and involvement, it is important to highlight what UNDP considered crucial, which is citizens as customers, “owners”, evaluators of public services and at the same time partners in producing public services and doing self-help that minimizes the need for public services. Civil society organisations channel participation in economic and social activities and organize them into more powerful groups to influence public policies and gain access to public resources, especially for the poor (UNDP, 2008). Larmour and Wolanin (2001) stressed that fostering community awareness and support for minimizing corruption is very important. Community attitude surveys can provide an informed basis for attempts to enhance public sector corruption resistance.

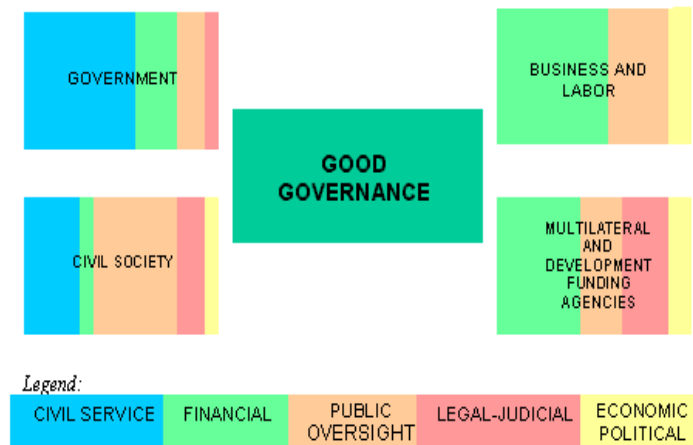
Strategic Focus by the Key Players

Findings in Table 5 corresponds with the TI-Philippines’ findings that the government’s strategic focus was on civil service and fiscal reforms (as shown in Figure 4). The respondents’ perceive that in the areas of economic policy, tax simplification (PNP), and fiscal discipline (DAR and DA) are highly important variables in combating corruption.

Table 5. What areas of economic policy do you think needs utmost concern in minimizing fraud and corruption?

Areas	PNP	DAR	LTO	DA
Deregulation, Entry and Competition	4.06	3.98	3.0	3.11
Tax Simplification	4.26	3.98	3.0	4.22
Public Expenditure policies and composition	4.08	4.24	3.0	3.50
Macroeconomic policy	3.94	3.94	3.0	3.00
Fiscal discipline	4.08	4.29	3.0	4.51

Figure 4. Strategic focus by different groups



Source: Hills Governance Center. <http://www.aim-hills.ph/projectpage/prs/research.htm>. TI-Philippines (2001), *Directory of Institutions, Organizations & Agencies Involved in Combating Corruption in the Philippines*

Financial management is an important component of what financial and program managers in departments and agencies do in delivering programs and services, and exercising stewardship over the resources provided to them (Faunillan, 2006). Sound fiscal management requires mastery of the skills of budget literacy, budget construction, costing out alternatives, monitoring revenues and expenditures, and computer literacy. It provides the foundation for cost effectiveness and this means selecting the best alternative at the least cost, not necessarily the cheapest one (2006). Fiscal transparency also takes a great role in good governance (2006). Hence, government’s role and responsibilities must be

clear and fiscal information should be subjected to independent assurances of integrity (Faunillan, 2006).

In terms of financial controls, both the regulatory agencies, the PNP and the LTO, placed emphasis on *audit and financial management*; whereas, the DAR and DA respondents called for *procurement reforms* (see Table 6).

The perception of the respondents of the DA conforms to the observation of Coronel and Tirol (2002:152) that the DA regional field units “were notorious for diverting funds meant for farm inputs for the purchase of costly and unnecessary items, or technical malversation”. The DA legal division in Central Luzon found that the document keepers were overpriced by 50%, no public bidding was held, and the supplier developed only 70% of the contract was paid for”.

Table 6. What financial control initiatives do you regard as important to curb corruption?

Areas	PNP	DAR	LTO	DA
Procurement reforms	4.16	4.43	3.0	4.45
Audit/financial management	4.22	4.00	4.33	4.00
Corporate governance/ethics	4.08	4.18	4.0	4.25
Financial sector regulation	4.06	3.98	4.0	4.0
Budget control and treasury development	4.20	4.18	4.0	3.87
IT/ internet computing	3.86	3.80	3.0	3.20

The importance of procurement reforms is emphasized by Porter (1985) as cited by Castro (2002) by enumerating procurement practices that can reduce costs. These include, 1) tune specifications of purchased inputs to meet needs more precisely, 2) enhance bargaining leverage through purchasing policies, 3) select appropriate suppliers and manage their costs, 4) seek out opportunities for joint procurement, and 5) pursue technology development to eliminate or reduce the need for expensive inputs. When groups are able to reduce their accountability whether it is through the lack of transparency or by declaring areas of decision making off limits to democratic scrutiny and intervention, corruption is likely to run rampant (Cuyos, 2001). Furthermore, during the Marcos era, the military, police, and civilian departments were allowed to have “intelligence funds” which were not subject to regular auditing procedures supposedly because of security reasons. The international literature on corruption shows that the greatest abuses and violations of public trust are those in government agencies with the least accountability, usually the police (2001).

One of the major reforms implemented during the Estrada and Arroyo administration is the use of Electronic Procurement System (EPS), through EO 40 (Castro, 2002). This requires that all purchases of national and local governments using national government funds to pass through the EPS. This is meant, among others, to fast track purchasing efforts by government agencies. But, will e-procurement work? In many parts of the world, especially in East Asia and Latin America, e-procurement has proved to be an effective means of curbing corruption, as well as easing the purchasing woes of state agencies (Coronel & Tirol, 2002). Castro (2002) added that the benefits of e-procurement include, 1) competitive purchase price, 2) wider ‘market’ participation, 3) faster transactions, 4) direct communication with suppliers, 5) reduced administrative cost, 6) real time information, and 7) enhanced accountability.

Cuyos (2001) further emphasized that police agencies are vulnerable to being drawn to corruption because of their proximity to the legalities of all businesses and the enforcement

of laws. Drivers who want to avoid the tedious process of getting back their license from the LTO, will succumb to the demand of the policemen. This same illicit operation is being committed by the police when flagging down civilian vehicles for traffic violation (2001).

Shown in Table 7 are the perceived legal-judicial reforms believed to be important in curbing corruption. Ranked highly important are judicial independence and enforcement of visible grand corruption cases. Electoral, administrative, and judicial systems constitute part of the means by which citizens hold a constitutional republic accountable. Those who are interested in the courts are often on the look out for instances of corruption. This is a matter which should not be taken for granted because corruption erodes the confidence of people and also makes a mockery of the judicial system (Balgos et al., 2003). The respondents in the study want to hold on to the faith and expectation that, in general, the judicial system is still delivering accurate interpretations of the law and the courts can still command respect and trust and have ability to maintain its integrity.

Table 7. What initiatives in the legal-judicial context are important in curbing corruption?

Areas	PNP	DAR	LTO	DA
Judicial Independence	4.18	4.12	4.0	3.87
Meritocratic Judicial Appoint	4.12	3.98	3.0	3.00
Alternative Dispute resolution mechanisms /NGO alternatives	3.56	3.57	3.0	3.54
Enforcement of visible grand corruption cases	4.18	4.27	3.0	4.42
Reducing judicial-judiciary capture	3.82	3.69	3.0	3.00

Interestingly and expectedly, the respondents of the four agencies under study expect the courts have wilful enforcement of visible grand corruption cases. The fraudulent enrichment and corruption of heads of states and senior government officials is a problem which has only recently begun to interest international lawyers. The organized and systematic plundering of national treasuries or spoliation of assets by political and military elites has ravaged many developing countries, exacerbating poverty and undermining economic and social development (Chaikin, in Larmour & Wolanin, 2001).

The funds allegedly embezzled by some of the leaders over the last three decades only represent the tip of the iceberg of the problem and hazard of political corruption (TI Global Corruption Report 2004). Government leaders still abuse their political power to extract and accumulate for private enrichment, and use politically corrupt means to maintain and hold on to power (2004). According the same report, the late Philippine President F. E. Marcos (1972-1986), allegedly embezzled US \$ 5 to 10 billion, while President M. Suharto of Indonesia (1967 -1998) allegedly looted US \$ 15 to 35 billion (2004).

The very recent verdict on the former Philippine President J. E. Estrada was coloured with fresh hopes to have boosted the credibility of the Supreme Court and has brought back the confidence and trust of the Filipino people on the independence, integrity and objectivity of the courts.

Conclusion

Six years (2001) since Transparency International emphasized the primary role of government in anti-corruption initiatives and governance reforms, the same call for action is felt and perceived by its civil servants today. The persistent appeal for civil service reforms, financial efficiency, and genuine civil society participation hangs back.

When better could be that appropriate time to start a fundamental reorientation in our approaches to politics, the government, and civil service than now? Since curbing corruption is everybody's concern including the government, the political will of leadership, civil servants, civil society, the community, business and the labour sector, crusades are needed more than advocacy. The initiatives to minimize fraud and corruption in the government service may sound idealistic for the present generation. The Filipino youth and the masses are wide awake to the grim reality that there is moral decline in politics and in the civil service. While politics is marred with issues on procurement and fiscal integrity, the civil service is perceived to have been constrained with public service delivery. Moral decadence is widespread because even those with the highest noble intentions are swayed to forfeit their morals into the politics of corruption.

Fresh Hopes Remains

If corruption is assumed to arise from greed and the discretionary powers of public officials, there is still fresh and enough hope for offering a vision of leadership and a strategic reform of the political and bureaucratic system; and that of the people's attitude toward public office and public service. Let this be the battle cry of every Filipino.

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