

Negative Bureaucratic Behavior in the Philippines: The Final Report of the IDRC Philippine Team

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This article integrates all the studies done by the College of Public Administration, University of the Philippines, regarding negative bureaucratic behavior, many of which appear on the earlier pages of this issue. Aside from providing convenient summaries, it analyzes the developmental implications—mostly negative—of graft and corruption across three types of governmental agencies. It also recommends policy towards more effective control of both individualized and systemic corruption through measures directed at the personnel, administrative culture, and politico-administrative and economic systems.

Introduction

Graft and corruption is a perennial political issue in the Philippines. It was one of the chief campaign battlecries against the administration by opposition candidates in pre-martial law elections; yet it is now "still reigning in the civil service," according to no less an authority than President Marcos himself.¹ Accordingly, one of the first presidential decrees under martial law (P.D. No. 6, Discipline of Government Officials) and several others in its wake have dealt with this problem.² These promulgations are

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¹Speech on "The Practice of Government," delivered on November 25, 1975.

²P.D. No. 46 making gift-giving unlawful; P.D. No. 677 on the yearly submission of detailed statement of assets and

only the latest in a long list of laws which define what is graft and corruption within the Philippine legal context. The law itself covers a strict, all-embracing set of acts committed by a public officer which are dishonest, preferential to himself and to others close to him, or appearing to be such. As such, it follows the public office definitional variant identified by Heidenheimer which centers on "the concept of public office and the norms binding on its incumbent."³ In his perform-

liabilities; P.D. No. 749, granting of immunity from prosecution to giver of bribes; P.D. No. 1486, creating a special court to be known as *Sandiganbayan*; and P.D. No. 1487, creating the office of the Ombudsman to be known as the *Tanodbayan*.

³Arnold J. Heidenheimer (ed.), *Political Corruption: Readings in Comparative Analysis* (New York: Holt, Reinhart and Winston, 1970) has identified three sets of definitions of graft and corruption. The others are the market-centered definition and the public interest approach.

ance then, a civil servant is expected to follow a set of norms which are required by a bureaucratic organization. Bureaucrats are supposed to be universalistic and to follow priority and scheduling rules, manifest efficiency, guard their jurisdiction and not encroach upon another's territory, and keep official secrets secret. In addition, it is not enough that these norms are followed in letter and in spirit. The law also requires that the essence of fairness and incorruptibility should be made visible by a manifest cleanness, an obedience to the norm of propriety.⁴ It is a very difficult law to obey. As Sen. Roseller Lim voiced out during Senate deliberations on what is now Republic Act No. 3019 (Anti-Graft and Corrupt Practices Act),

We will have an ideal bill but we ourselves will be afraid to vote for (it) because for even the most innocent thing we may do we will be subject to censure.⁵

The very idealism of the legal definition may make compliance difficult to attain. This sets the context for some of the issues that will be discussed in this paper. Initially, we will make a brief historical survey to determine the standard

⁴This point was stressed by retired Justice Jose O. Bengzon, now representative to the Interim Batasang Pambansa (National Assembly), in an interview in November 1976.

⁵Quoted in Gabriel U. Iglesias, "The Passage of the Anti-Graft Law," in Raul P. de Guzman (ed.), *Patterns in Decision Making* (Manila: College of Public Administration, University of the Philippines, 1964), p. 14.

against which bureaucratic behavior was judged.

Secondly, we will attempt to show how graft and corruption takes place now, despite the strict legal norms. This involves a discussion of the distinction between graft and corruption, the kinds of roles and statuses civil servants and clients bring to their encounter, as well as the organizational milieu in which they operate.

Thirdly, we will discuss whether the expectations fostered by law are congruent or in conflict with those of the various systems in which bureaucrats and clients interact. Specifically, we will deal in turn with the interrelationship between graft and corruption as defined by law and the demands and expectations of the ethico-cultural, politico-administrative and economic systems existing in the Philippines.

Fourthly, we will analyze how deviations from the legal definition have affected the achievement of development goals.

Fifthly, we will focus on the modes of control that have been used to give teeth to the legal definition, the reasons they have failed, and the faint hopes for success that they may imply.

Lastly, we will endeavor to identify the requirements for a better enforcement of the demands of the legal definition, while making sure that the more overriding objectives of development efforts are not set

aside thereby. At the same time, another criterion for these policy recommendations would be their practicality, so that the law will not remain an ideal stricture, and thus be able to obtain willing compliance.

Such a paper has a wide compass and draws from many sources. The papers and cases submitted to the Bureaucratic Behavior and Development Project (BBDP), an Asian comparative study sponsored by the International Development Research Centre (IDRC) and the seminars and informal discussions by the Philippine team among themselves, with Filipino colleagues and policy makers, and with members of the IDRC country-teams, have contributed ideas they will, hopefully, immediately recognize. In addition, we have also utilized pre-BBDP papers of three members of the Philippine team whose interest in the study of graft and corruption and related behavior antedates the project.⁶ Inevitably, we have also

⁶These include the following: Raul P. de Guzman, Ledivina V. Cariño and Ma. Aurora A. Carbonell, "Some Insights on the Problem of Self-Discipline in the Government Sector," *Philippine Journal of Public Administration*, Vol. 17, No. 1 (January 1973), pp. 68-79; Cariño, "Bureaucratic Norms, Corruption and Development," *Philippine Journal of Public Administration*, Vol. 19, No. 4 (October 1975), pp. 278-292; Cariño, "Boundary Encounters and Corruptive Behavior," *Philippine Journal of Public Administration*, Vol. 21, No. 2 (April 1977), pp. 141-155; Ma. Concepcion P. Alfiler, "Universalistic vs. Particularistic Norms in Bureaucrat-Client Interaction in a Service Agency" (M.P.A. thesis, College of Public Administration, University of the Philippines, 1975).

drawn from the growing literature on corruption and development in the Philippines and elsewhere,⁷ signifying that the academic and pragmatic concerns engendered by corruption, unlike its legal definition, know no cultural boundaries.

Graft and Corruption in Philippine History⁸

Pre-Spanish Philippines was a collection of *barangays*, communities generally no larger than 100 families which were governed under a feudal system. The *datu* or chief was expected to provide protection, security and assistance to the other members who were in turn expected to provide him tribute or services differing according to their position in the social structure. The *datu* and his family were practically the only powerholders and there was no distinct government structure separate from their persons. Although a public and a private role for the *datu* could be recognized analytically, in practice, such a distinction was seldom made. There were also few recognized limits on

⁷See, for instance, the annotated bibliography prepared by Ma. Concepcion P. Alfiler, Zenaida C. Lacson, Angelina M. Pasco and Eduardo P. Sundiarg as part of the Philippine Team's preparation for the IDRC Project Development Meeting, January 1977.

⁸This section draws largely from Jose N. Endriga, "Historical Notes on Graft and Corruption in the Philippines," paper prepared for the Second Working Meeting of the Bureaucratic Behavior and Development in the Philippines (BBDP), Pattaya, Thailand, January 1977, also in this issue.

the datu's power over his subjects. As such it would be difficult to posit that he could ever be guilty of graft and corruption, a concept that did not exist at the time. Nevertheless, there were moral strictures against stealing and unpaid debts, that is, crimes by private persons against other private individuals. These could have been the start of anti-corruption prohibitions had private-public distinction or a separate bureaucracy ever developed. About the same time among the ancient Malays where larger confederations (and an incipient bureaucracy) were in existence, the distinction between bribery and gift-giving was already being made, and laws punishing the former extant.⁹

The Spanish conquest consolidated the numerous barangays under the Crown and grafted a colonial bureaucracy into the new colony. Laws emanating from Madrid (and later, from Mexico) had contradictory goals (for instance, Christianization and protection of the *Indios*,¹⁰ versus filling the exchequer, by whatever means), a situation which, aggravated by the distance and lack of communications, in effect allowed the bureaucrats to do as they pleased. The wide area of discretion generally

was resolved in favor of self-enrichment rather than service to the higher ends of the Crown. For one thing, public office was for sale, and the Spaniard in the Philippines had to recoup his investment and make a fortune as soon as possible so that he could forthwith return to his native land. Control measures passed in Spain had little effect for the *visita* and the *residencia*¹¹ were seldom conducted, and even when made, may be reversed in Spain when the bureaucrat in question had a powerful patron. Graft and corruption then flourished under the Spanish occupation.

Under the American regime, the beginning of the concept of "graft and corruption" as we now understand it was introduced. The philosophy of a public office being a public trust was instituted. The civil service law passed in the early years of this century was even stricter than its counterpart in the United States in that it closed the door completely to the spoils system. The corruption scandals that surfaced during this era bear witness to the prevailing environment of rectitude; at least two American cabinet-level officials were subjected to extensive investigations in the United States and numerous Filipinos at lower ranks were disci-

⁹Syed Hussein Alatas, *The Sociology of Corruption* (Singapore: Donald Moore Press, 1968), p. 57.

¹⁰The Spanish colonizers called the inhabitants *Indios*, or Indians, because they erroneously thought they had reached the shores of India when they came to the Philippines.

¹¹These were investigations conducted on the performance of an employe of the Crown. The *visita* was unannounced and took place during his term of office, while the *residencia* was a full-dress investigation conducted just before he returned to Spain.

plined or removed for various offenses. Perhaps this could be explained by the fact that the Spanish system of selling public office was outlawed. Instead, civil servants were given adequate income, thereby removing the economic pressure to commit graft. In addition, the Americans created a professional bureaucracy, entrance to which was strictly by tests of merit and fitness, accompanied by effective legal sanctions against violations of bureaucratic norms. It may also be mentioned that few Americans were interested in joining the service; alternative enterprises in the colony offered better chances of amassing wealth.

Filipinization of the civil service was almost completed by 1919 but a Filipino president did not take over from an American governor-general until 1935, the year that the Commonwealth government was established. Fears of corruption creeping into the service when the Americans left turned out to be unfounded. Not only did the Commonwealth government pass stricter laws governing bureaucratic behavior and strengthening the civil service¹² but the rectitude that characterized the American era was maintained and enhanced. However, graft and corruption is popularly assumed to have reached its height during the Japanese occupation (1941-45) when cheating the colonizers was rationalized as an

¹²A civil service provision was even incorporated into the 1935 Constitution.

act of patriotism as well as an economic necessity.¹³ From then on graft and corruption may be said to generally characterize the civil service system.

The Modes of Graft and Corruption

Any deviant bureaucratic behavior may be identified according to three categories: (1) whether it is "graft" or "corruption," (2) whether the exchange transaction is one set in the market or in the culture, and (3) whether the act is an individual deviancy or a systemic one.

Graft vs. Corruption

Technically, we speak of "graft" when the act is performed by a civil servant or a group of civil servants acting alone, without involving any person external to the bureaucracy or compromising the performance of duties of another bureaucrat, and of "corruption" when the latter actions obtain with participants both within and outside the bureaucracy. In the Bureau of Internal Revenue (BIR), examples of graft are the falsification and manipulation of financial documents and records, and the delaying of remit-

¹³O.D. Corpuz, *Bureaucracy in the Philippines* (Manila: Institute of Public Administration, University of the Philippines, 1957) pp. 222-223. This does not appear to have been unique to the Philippines. Cf. Ralph Braibanti, "Reflections on Bureaucratic Corruption," *Public Administration Review*, Vol. 40 (Winter 1963), p. 357.

tances.¹⁴ Corruption, on the other hand, has two variants. First, the activity that damages—i.e., corrupts—the bureaucracy may involve only civil servants, e.g., the sale of lucrative posts or bidding for promotions, or the giving or accepting of bribes so that the briber can get a preferred position or can receive more lenient treatment than he deserves (as when he is under investigation for other corrupt activities). The second variant involves the client and may be initiated either by him or the bureaucrat. In the Board of Transportation (BOT), corruption is practiced when employes circumvent specified steps in the checking or resealing of taxicab meters, or receive retainers for regular expeditious processing of the clients' licenses.¹⁵ Collusion in purchasing, the *arreglo* in income taxes, and granting licenses to unqualified but bribe-paying applicants are all examples of corruption. We rarely distinguished between graft and corruption in the BBDP, preferring instead its usage as a collective noun requiring a singular verb. Neither does Philippine law. However, the

distinction may be important when viewed in terms of causes and possible means of control. Since "graft" is an individual act, it may be more directly a product of personal moralities and only indirectly of systemic variables. Corruption, meanwhile, since it involves collusion, alerts us to the effect of other factors and may necessitate more complex modes of control.

*Market Transaction and Favor Corruption*¹⁶

Another way of categorizing the modes of corruption is to view it as a supply and demand problem. Government controls the supply of a tremendous number of goods and services—employment, medical treatment, franchises to engage in business, schooling, electric power, etc. In addition, it also controls resources—financial and otherwise—which may be awarded as purchase, construction, and other kinds of contracts. It likewise controls the supply of sanctions. Being the ultimate coercive institution in the society, it can will the meting out of punishments to alleged violators, some of which may be threatened by the law, victims rather than actual perpetrators of crime. The power to control the supply of these disparate commodities is delegated to various bureaucrats organized into different agencies. This power is their legal authority, one of the most important bargaining devices

¹⁴This and other references to the BIR have their main source in Leonor M. Briones, "Negative Bureaucratic Behavior and Development: The Bureau of Internal Revenue," paper read at the 3rd Working Meeting of the BBDP, Singapore, November 22-26, 1977, also in this issue.

¹⁵References to the BOT draw from Victoria A. Bautista, "Negative Bureaucratic Behavior in the Licensing of Land Transportation Franchises: The Case of the Board of Transportation of the Philippine Government," paper presented to the 4th Meeting of the BBDP, Hongkong, August 25-29, 1978, also in this issue.

¹⁶This section is a revision of and draws largely from Cariño, *op. cit.*

brought by a civil servant in his transactions with the client. In addition, he has other bases of power. For instance, he has gate-keeping power by which he can provide or deny to a client access to records and other important information which the latter needs to conduct his business. In addition, he may have technical expertise. The bureaucrat can also schedule work, personnel and other resources through his control of time. A related bureaucratic source of power is the regularity of the transaction. Here the civil servant not only can control time and with it other resources, but the frequency of the encounter may make the client forever seeking his favor. This power base is so important that we will separate its effects from other factors in the later discussions.

Besides power that has its source in his bureaucratic role, the civil servant may also have other power bases depending on his extra-agency roles and statuses, e.g., wealth, kinship or associational ties with powerful officials, party membership, etc. When these non-bureaucratic sources are high relative to those of the client, we may then say that his status is high. Otherwise, the status exchange would favor the client.

The client meets the bureaucrat with one major disadvantage: he usually has a request to make of the government. Frequently, his demand for that service is great since

it may be: (1) necessary for his physical survival (e.g., medical treatment, pollution relief), (2) required by his occupation (e.g., license to conduct business), and/or (3) not available elsewhere, such service being a government monopoly. As such the client may often find himself at the short end of the transaction. However, he may have other sources of power (e.g., wealth, position, education, political power). In addition, he may have kinship, associational, or regional ties with the civil servant in question.

In addition to the power they may wield, the bureaucrat and client each brings certain roles and statuses to the transaction. Each participant starts with his own role, i.e., that of bureaucrat or client, but may also activate other roles that are external to the transaction itself.

For instance, the interactors may be first cousins. When either desires to make that role salient, that kin relationship may negate the importance of the original roles, thereby serving to release the participants from the norms required by the playing of the bureaucrat or client role, respectively.

Depending on how the power, role status and regularity of transactions are distributed and converge, different types of corruption may be produced. Table 1 summarizes these possibilities.

Tong is protection money regularly paid by clients to bureaucrats.

Table 1. Type of Corruption, by Attribute And Actor

TYPE OF CORRUPTION	THE BOUNDARY ENCOUNTER		
	Attribute	Status of Actors	
		Bureaucrat	Client
<i>Tong</i>	Extra-bureaucratic status relative to alter	High	Low
	Power bases	Both bureaucratic and non-bureaucratic	Neither
	Regularity of Encounter	Regular	
	Non-bureaucratic role relevant to alter	None	None
<i>Lagay or arreglo</i>	Extra-Bureaucratic status relative to alter	Low	High
	Power bases	Bureaucratic only	Non-bureaucratic only
	Regularity of encounter	Not Regular	
	Non-bureaucratic role relevant to alter	None	None
<i>Retainer</i>	Extra-Bureaucratic status relative to alter	Low	High
	Power bases	Bureaucratic only	Non-bureaucratic only
	Regularity of encounter	Regular	
	Non-bureaucratic role relative to alter	None	None
<i>Favor</i>	Extra-bureaucratic status relative to alter	Irrelevant	
	Power bases	Irrelevant	
	Regularity of encounter	Irrelevant	
	Non-bureaucratic role relative to alter	Present and activated	Present and activated

As suggested by the table, it would generally be given by individuals lower in status to the bureaucrat, as in the case of sidewalk vendors and drivers who are collected tong by policemen. The encounter is moreover terribly biased in favor of the latter, who can draw power from both his bureaucratic and non-bureaucratic roles.

A second type of corruption in this classification is *lagay* or *arreglo*. A *lagay* or *arreglo* is payment for a specific service rendered by the bureaucrat, and its closest English translation is a "bribe." A *lagay* is paid by a high-status person to a civil servant who however, has bureaucratic sources of power over him. The more important of these are the bureaucrat's power to give or withhold government goods and services or to give or withhold sanctions. Such sanctions may range from losing government contracts to actual punishment for wrongdoing (e.g., fine or imprisonment for tax evasion or other violations of law). The *lagay* is usually paid because the client values time and considers the bribe less costly than the inconvenience of dealing with the bureaucracy.

A variant of both *tong* and *lagay* is the "retainer" kind of relationship where the client practically employs the bureaucrat as an insurance against possible sanctions later. Here, while status-wise the client would have an edge (since he is usually a businessman with more

wealth than, say, a BIR examiner, or agency purchasing agent), the bureaucrat's control over both the supply of government services as well as of government sanctions can allow him to put the taxpayer or supplier at his mercy. The regular nature of this transaction makes a semi-permanent arrangement like this profitable to both parties.

Favor corruption is one where only the variable of particularistic role is activated. In the first three types, money usually changes hands, since they are economic transactions set in the market. In this case, however, the common relationship between bureaucrat and client is highlighted so that the use of money is seen as soiling that relationship. In this instance, corruption still occurs although the participants may view these as outside its pale because it has been "sanctified" by specific cultural expectations. The existence of favor corruption underscores the major incongruence between the legal definition and the cultural system, a subject we will discuss at length later in this paper. As in the distinction between graft and corruption, the distinction between transactions set in the market vis-a-vis those endowed with special role relationships implies both different causes and combative measures. Each type creates a distinct social relationship that is amenable to varying degrees of control. It highlights a situation of exchange of power and statuses, the balance of which may need to be altered

through the application of administrative and social controls, but the proper mix depends on whether it is a market transaction or a case of favor corruption.

Individualized and Systemic Corruption

Another distinction that may be made is whether we are speaking of actions of an individual who strays from a prevailing norm of official public behavior, or whether we have a situation where the corruptive behavior is itself the prevailing norm, since

corruption has become so regularized and institutionalized that organizational supports back wrongdoing and actually penalize those who live up to the old norms.¹⁷

The "individual strayer" may commit either graft or corruption, or engage in market or favor transactions. The important issue here is that he performs, without organizational support, a crime of opportunity that must thus be conducted in utmost secrecy. The distinction between individualized and systemic corruption cannot really be made unless one knows the administrative culture of the agency or bureaucracy in question. The agencies we have examined provide more evidences of the systemic kind. In our study of an office we called the Bureau of Resource Management

¹⁷Gerald and Naomi Caiden, "Administrative Corruption," *Public Administration Review*, Vol. 37, No. 3 (May-June 1977), p. 306.

(BRM) we found corruption so well entrenched that in some instances, bureaucrats as well as their clients could describe the same deviant process, even down to the "rates" per service and the way these were distributed throughout the bureaucracy.¹⁸ A similar institutionalization has been found at the Bureau of Customs.¹⁹ Briones in her study of the Bureau of Internal Revenue (BIR) found a closeness among employes which almost replicates family ties. Protection and covering up for each other occurs, and sharing with those with less "opportunities" are engaged in by the ones with "initiative" and "daring," thus engulfing all in an administrative culture that is, at the very least, not forthrightly against corruption.

Even instances that end on a positive note are no less examples of the systematization of corruption. Our study of a spending agency shows the collusion of everyone from director down for purposes of defrauding the government. When a new "cleaner" director took over, deviations from procedure continued, but this time, gifts of the suppliers were distributed and used in the office instead of lining the pockets of the chosen few "in" on the job.²⁰

¹⁸Cariño, "Bureaucratic Norms," *op. cit.*

¹⁹Edward C. Kuinisala, "Lagay is my Guy" *Philippines Free Press*, Vol. 61 (October 19, 1968), p. 274.

²⁰The case study of the spending agency is discussed in Raul P. de Guzman and Rizalino Viñeza, "A Case Study of Supply Management and Problems of Graft and Corruption in a Philippine Government

Individualized and systemic corruption again divides, though not very neatly, according to causes and possible effects. Individualized corruption may be regarded as arising from individual weakness. However, following the dictum,

whatever your philosophy, it should accept a priori that human beings, even the nicest of them, can be corrupt.²¹

analysts of this type of corruption prefer to look at it as a management problem, occurring because employees are allowed "non-productive time"²² or pushed "more by a lack of accountability than by an inherent desire to commit a crime."²³ The Caidens contend that individualized corruption may lend support to "revisionists" who posit the possibility of a positive relationship between corruption and development. On the other hand, the Caidens argue strongly that the revisionist hypothesis would find little support where corruption is itself a sabotage or subversion of organizational purpose.²⁴ Aside from its developmental implica-

tions, systemic corruption is also less amenable to management solutions because of the involvement of controllers as well as the controllees in deviancy. This is then the more difficult type of corruption to control.

The Congruence of the Legal Definition with the Ethico-Cultural System²⁵

Filipino conceptions of obligation and responsibility are culturally tied up with the idea of personalism. The latter connotes relating to others as a total personality, without separating its various segments or roles. The demands of personalism lie a great distance from the bureaucratic-legal norms. As the bureaucracy requires universalism and collectivity-oriented actions, the culture asks for particularism and self-orientation. As the organization and the law demand behavior based on expertise and achievement, the culture gives preference to ascriptive characteristics, especially those rooted in kinship. The dictates of a personalistic culture may thus conflict with the expectations engendered by our legal system and vice versa. Thus, the question raised has been: is graft and corruption, although patently illegal, a behavior encouraged and supported by the

Agency," paper presented to the 3rd Working Meeting of the BBDP, Singapore, November 22-25, 1977, also in this issue.

²¹Sylvester Murray, *Public Management*, February 1977, p. 1.

²²Debbie Chapin and Frank Setton, "Corruption and Accountability," *Public Management*, February 1977, p. 9.

²³*Ibid.*, p. 7 Cf. Murray, *op. cit.*, pp. 11-12.

²⁴Gerald and Naomi Caiden, *op. cit.*, pp. 306-308.

²⁵This section draws largely from the revised version of Cariño, "The Definition of Graft and Corruption and the Conflict Between Ethics and Law," paper prepared for the 2nd Working Meeting of the BBDP, Pattaya, Thailand, January 18-22, 1977, also in this issue.

culture? Our answer to this question is a strong negative with, however, some qualifications based on the following:

(1) The ethical precept admits of a range of behaviors not all of which is or is productive of graft and corruption;

(2) The use of public office to satisfy this precept is losing hold at the level of knowledge, verbal adherence and behavior;

(3) The moral obligation of kin to kin, if done within the bureaucracy, is denounced by persons suffering therefrom;

(4) Nevertheless, some other norms appear to facilitate the commission of graft and corruption.

Range of Behavior

The term "ethical precept" itself needs to be explicated clearly. The society does allow for a range of behavior that could be considered as obedient to this particular ethical norm. This means that while the society expects its members to attend to the needs of their kin in preference to others, it nevertheless allows the individual to decide how to manifest his valuation of ascriptive ties. A bureaucrat may thus choose to satisfy this requirement by assisting relatives in all domains other than in his official capacity, or he may not. Even where his official role is salient, he still has alternatives that would have differ-

ing degrees of desirability along the dimension of law, ethics and moral obligations. Thus, there may be behavior regarded as desirable (or ideal) by both the legal and cultural system, and actions that are condemned by both. These instances of congruence and incongruence do not present problems for us. There are however actions ethically condemned but idealized by law (e.g., refusing all Christmas gifts, even small items), that is, examples manifesting a very strict concept of rectitude. The other incongruence is behavior accepted by the culture which law condemns. This is equivalent to favor corruption.

The Weakening Hold of the Particularistic Norm

The existence of favor corruption has been used as a major reason for the persistence of corruption. Our case studies show, however, that market transactions rather than favor corruption are the more common type of corrupt acts. At the same time, favor corruption may already be starting to lose its power as an ethical precept. For instance, a survey by F. Landa Jocano has shown that most respondents have been able to separate kinship, friendship and *utang na loob* (norm of reciprocity) ties from the demands of the bureaucracy and to choose to follow the dictates of the latter over the cultural expectations.²⁶ In addition, a group of

²⁶Paper presented to the Department of National Defense, November 1976.

"development-oriented" bureaucrats have been determined to possess this capacity,²⁷ probably presaging a trend towards the "less entangled civil servant" foreseen by Frank Lynch.²⁸

Cultural encouragement should also be manifested, at the very least, in a lack of condemnation of deviant bureaucratic behavior. However, such behavior is condemned—publicly, strongly and continuously. Survey after survey has shown that graft and corruption is seen by many sectors of the society as a major problem whose existence contributes to their low regard for government.²⁹ Specifically, Filipino admin-

istrators, who may be assumed not to consider the issue as simply a theoretical one, see corruption as "the foremost object of national shame."³⁰ The passage of ever stricter anti-graft and corruption laws also appears to contradict the notion that the concept of graft is still simply a Western encroachment on the culture.

Cultural encouragement should also be manifested in the lack of acceptance of the legal precept at the levels of knowledge and behavior. Yet at the level of knowledge, acceptance of what is *the* norm appears to be clear. For instance, Alfiler and Stone,³¹ in separate studies, have shown that different kinds of bureaucrats and their clients are aware of what is the correct behavior in dealing with the bureaucracy.

Acceptance at the level of behavior may be more problematic. However, our record during the American regime (including the

study, bureaucrats in line agencies and government corporations stated their belief that citizens had a low regard for their government because of "graft and corruption." Averch, *et al.*, *op. cit.*, p. 44.

³⁰Jose V. Abueva, "Administrative Culture and Behavior and Middle Civil Servants in the Philippines," in Edward Weidner (ed.), *Development Administration in Asia* (Durham, North Carolina: Duke University Press, 1970), p. 152.

³¹Alfiler, "Universalistic..." *op. cit.*; and Richard L. Stone, *Philippine Urbanization: The Politics of Public and Private Property in Greater Manila* (DeKalb, Illinois: Center of Southeast Asia Studies, Northern Illinois University, 1973), pp. 99-107.

²⁷Ma. Aurora A. Carbonell, "Towards A Concept of Development Orientedness" (M.P.A. thesis, College of Public Administration, University of the Philippines, 1974).

²⁸He discussed it in the paper of the same title in the *Philippine Journal of Public Administration*, Vol. 5, No. 3 (July 1961), pp. 201-209.

²⁹Although the statistics vary, researches which involved different sectors of the Philippine populace confirm the conclusions. For instance, 71 percent of the peasants and 77 percent of the elites of two local municipalities revealed that they thought the government was corrupt. See Wilfredo Al. Clemente II and Constanza Fernandez, "Philippine Corruption at the Local Level," *Solidarity*, Vol. 7, No. 6, (June 1972), pp. 78-79. Another project done in 1969 which involved 1550 respondents coming from 11 language groups of the Philippines, disclosed that graft and corruption is a national problem and was second only to general economic issues like rising taxes, increasing volume of imports and high costs of living. See Harvey A. Averch, John E. Koehler and Frank H. Denton, *The Matrix of Policy in the Philippines* (New Jersey: Princeton University Press, 1971), p. 38. In the same

Commonwealth era when Filipinos were already at the helm) shows that the knowledge of anti-corruption norms *can* be translated into behavior. It is rather strange, indeed, to find that cultural encroachment upon the bureaucracy could be suspended for four decades, only to descend in full flower again after that period. Other factors than simply ethical precepts appear to be at work here.

The Unfairness of the Personalistic Norm

One problem with favor corruption is that while it is used as a rationalization by parties on both sides of the bureaucratic encounter, it is not so readily condoned by those who are not its direct beneficiaries. In fact, the kinship factor is not seen by others as a question of moral organization as much as attempts to put one over the rest of the clients. In this sense then, kinship (or another ascriptive role) becomes used as a commodity of value (just like money) and is exchanged in the market like any other. Because the availability of relatives is not randomly distributed throughout the bureaucracy, there are a few who benefit from particularism and many others who suffer. The latter thus invoke norms of justice and fair play; this is the moral obligation according to the culture.³² This does not necessarily

preclude one from using particularistic ties if they are available, however, since it yields more direct personal benefits. It does mean, however, that that act is not regarded as ethical by the rest of the society.

Other Norms of the Culture

Nevertheless, there are other norms and values which may have the effect of facilitating or encouraging the commission of graft. For instance since success is conceived in terms of conspicuous consumption and other economic indicators, successful practitioners of corruption find that they are not ostracized, although suspicions about the source of their wealth may be gossiped about. Adulation may even be forthcoming because they now have success on two counts: in amassing wealth, and in not being caught in the process.

A second value is that of having people who have had success (whether earned in corrupt ways or not) to share their wealth with their less fortunate kinsmen or colleagues. A politician and administrator who starts out with good intentions of remaining clean soon finds that demands for his presence, contribution or sponsorship of everything from baptisms to inauguration of basketball courts may force him to augment his income by whatever means. Anthropologists have traced this "blowcut" mental-

³²The equal treatment of people in like circumstances can in fact be seen even in pre-Spanish Philippines when the chiefs

treated freemen and serfs differently, but all freemen similarly.

ity to the cultural value of social levelling, an attempt at making everyone equal, because success after all comes by luck or fate, not by personal effort or will.³³

The Congruence of the Legal Definition with the Norms of the Political System

General attitudes towards authority and the sense of political efficiency and competence may be considered as political norms that affect the effectiveness of anti-corruption laws.³⁴ These involve issues of legitimacy of the political system and of what constitutes the political will. Where it is not considered legitimate, deviation from legal precepts may be expected. This may be illustrated by the lack of condemnation of corruption during the Japanese occupation. In some instances, what may be considered illegitimate may only be certain laws. Thus, if the anti-graft laws were considered as merely Western-imposed, its disregard may be expected.

³³Frank Lynch, "Social Acceptance," *Readings on Philippine Values* (Quezon City: Ateneo de Manila University Press, 1964), p. 19.

³⁴These norms are also used by Victor Le Vine, *Political Corruption*, in his analysis of the Ghana case (Stanford, California: Hoover Institution Press, 1975), pp. 40-51. He explored political values in four areas. The parameter of obligation and individual responsibility we have already discussed above. The fourth was on retrospective attitudes of his respondents on their own or on others' corrupt behavior.

The people's concept of what is the political will also affect the obedience to the law. If citizens doubt the sincerity of the political leadership or if they expect that the rule will permit of "untouchables," then implementation of legal statutes will be difficult. For instance, the climate of rectitude which obtained during the American regime is in sharp contrast to the Spanish, as well as the recent Philippine, administrations. The vital ingredient seems to be whether or not role models of cleanness are present and visible. The BIR at present appears to have this kind of leadership and is gradually generating a climate of integrity.

The political will is further manifested in whether or not corruption works. The efficacy of corruption is helped along by the fact that it entails few risks. As Cesar Climaco said after one year of heading the Presidential Anti-Graft Committee (PAGCOM) in 1964, "no hits, no runs, all expenses, no convictions!" Climaco decried specifically his failure to jail a single public crook because of cumbersome procedures, congressional and judicial interference and the lack of teeth of the PAGCOM itself.³⁵ Such a dismal record has been repeated by almost every anti-graft agency and every administrator who had wanted to clean his office.

³⁵"The Presidential Anti-Graft Committee Annual Report for 1964," Documents Section, *Philippine Journal of Public Administration*, Vol. 9, No. 2 (April 1965), pp. 185-192.

In many instances, the enemy of the "graft-buster" is the administrative culture of the agency. Where systemic corruption is prevalent, the agency norms may be presumed pro- rather than anti-corruption. In this case, the informal organization which may be so close-knit as to simulate family ties may shield the wrongdoers, even if not everyone in the agency is a participant in corruption.

However, the one-big-happy-family syndrome in an agency does not necessarily direct the bureaucrats towards supporting corruption. The culture in some instances may be staunchly anti; again the climate of most agencies in the 1930's may be cited here. The general impression which has to be tested by further studies is that at present this culture tends to be fostered in agencies performing highly technical functions where the main commodity of exchange is ideas rather than cash.

In addition, our case studies from the revenue-generating and spending agencies suggest that the shift from a corruption culture to a rectitude culture may be effected, provided that there is a determination of new leadership to be clean, and measures are instituted to strengthen that resolve, including independent checks and investigations of anomalous transactions, promulgation of new control measures, etc. The political will towards higher bureaucratic morality may be

thwarted by a recalcitrant informal organization initially, but a determined leadership may yet succeed in making the informal organization value opposite, and therefore less corruptive, goals.

While corruption is judged effective, the people's valuation of their own level of efficacy and competence may be low. This has a strong relationship to political will, in that efficacy is dependent on what the leadership allows. For instance, Stone has shown that while his respondents—drivers, sidewalk vendors, policemen, merchants—knew the proper procedure, they generally chose an alternative route which reinforced their personal ties to bureaucrats rather than their own qualifications for getting the service, which were assumed to get them nowhere.³⁶ This may also be read as an extension of the notion of personalism, whereby government is deemed unapproachable unless personalized by getting a relative or someone just as efficacious, an inside-fixer who knows the ropes.³⁷ Corruption may then be the chosen behavior because "it works" quite independent of one's moral judgment on it.

One view of corruption related to efficacy is suggested by James Scott who looks at it as a case of political influence.³⁸ In this light, corruption

³⁶Stone, *op. cit.*

³⁷Cf. Alfiler, "Universalistic..." and Cariño, "Bureaucratic Norms..." *op. cit.*

³⁸James Scott, *Comparative Political Corruption* (Englewoods Cliff: Prentice Hall, Inc., 1972) esp. pp. 20-36.

becomes a way by which individuals with limited or no access get to reach the government. These are not necessarily only the members of the lower class. Wraith and Simpkins for example, trace corruption to the presence of a wealthy elite without access to policy.³⁹ To put it this way is to suggest that elites may turn to corruption after other alternatives to benefit their interests have failed. Thus corruption may be regarded as a struggle in the administrative (implementation) phase while other forms of political influence may take place at the level of policy; for instance, one may look at various efforts of multinational companies to make investment priority schemes or patent laws in their favor. An implication which we cannot pursue further in this paper is that corruption may only be the last step in the long process of private-regarding activities by certain sectors. A proper study of political corruption then has to analyze also the ill effects of other acts of political influence in the first stage, which are heretofore assumed to be much more legitimate than corruption.

The Congruence of the Legal Definition with the Norms of the Economic System

We have already seen that many acts of corruption are market transactions where private individuals

pay government employes for various government resources including goods, services, contracts, licenses, even exemption from sanctions. Such resources are usually the object of high demand because they are limited. This is true not only of franchises which may confer a monopoly or near-monopoly rights on a corporation, but even of such everyday needs as hospital beds, employment or fire protection. In effect, getting a government service becomes a privilege because it is such a scarce commodity. In addition, they are usually available at no cost to the direct recipient, for traditional government services, including security and defense, education, social welfare, etc. are already paid for by taxes. Others are available at very low cost; these include fees for concessions, or franchises. Such fees are not supposed to cover the cost of the service. Rather the government allocates these resources on known criteria of equity and fairness, following legal-bureaucratic norms, and regards their use for private gain as a distortion (i.e., a corruption) on its concept of public service.

On the other side, the person dealing with government may be willing to pay more if only to assure that the contract or service would be his. This is because the actual price of the government commodity in the market is so much higher than the fee charged for it. For instance, a recent newspaper report alleges that a bureau director's

³⁹Ronald Wraith and Edgar Simpkins, *Corruption in Developing Countries* (London: George Allen and Unwin Ltd., 1963).

brother received close to P100,000 in consideration of assured jobs overseas for 38 workers, when the official fee charged by his kin's agency is only P300 per applicant.⁴⁰ By the same token, the application fee to the BRM is only one peso per unit, where each unit may yield the applicant returns in five or even six figures. He is also willing to pay for immediate inspection (done gratis by the Bureau) because it would save his business thousands of dollars in demurrage fees. Clearly then, clients do pay more than the required fees because their calculus is that corruption costs are just one of the variables (or, in a systemic situation, "constants") that affect the business. Even persons who have no businesses may make similar cost-benefit analyses. A driver caught by a policeman, for instance, may consider his time and income to be foregone as more costly, and decide in favor of bribery. In other cases, the client's inconvenience may be the primary cost. Here a professional may gladly fork over more than the required fee for car registration to a bureaucrat or fixer since it would still be less than the opportunity cost of being away from his work. Among businessmen, there is even less incentive to follow the norms of the bureaucracy, since anyway the cost of corruption can be passed on to the consumer. Moreover, the competitive economy admits only the

⁴⁰KB asks palace intervention to hasten labor case probe," *Bulletin Today* (August 14, 1978), pp. 1-17.

profit norm and does not necessarily reward those who stay within the bounds of the law, only those who maintain a profit. In a sense then, all is fair as long as one can keep his enterprise afloat. The calculation also takes into account the fact that corruption entails few risks. The political system rarely wields sanction at the same time that the culture bestows honor upon the successful, especially, the wealthy, no matter how that wealth was attained.

The Development Implications of Corruption

Recently, a revisionist school of corruption has arisen. The school suggests that corruption should not be treated as a moral problem; in fact, it does not regard corruption as a problem at all. Rather it hypothesizes that its presence may be a characteristic of a particular stage of economic and political development, and may disappear (or at least be minimized) as the nation becomes more developed. It also posits that corruption itself may be one of the conduits toward the goal.⁴¹

⁴¹See, for instance, D.H. Bayley, "The Effects of Corruption in Developing Nations," *Western Political Quarterly*, Vol. 19, No. 4, (December 1966), pp. 719-732; James A. Nye, "Corruption and Political Development: A Cost-Benefit Analysis," *American Political Science Review*, Vol. 61, No. 2 (June 1967), pp. 417-427; and James C. Scott, "An Essay on the Political Functions of Corruption," *Asian Studies*, Vol. 5 (1977), pp. 501-523; and the works cited in notes 42, 45 and 46.

Our study of corruption in the Philippines convinces us that the revisionist school is at the least unenlightened, if not wrong. In one respect, however, we agree with the revisionists: corruption is not primarily a question of morality although some persons may refrain from it on moral grounds. Like them we see corruption as a structural problem but unlike them we do not see it vanishing away as the country becomes more developed economically. As we have stated in our analysis of the systems in which corruption exists, negative bureaucratic behavior appears to be endemic in a society where the profit motive is primary, where political leadership is weak, and where the culture honors economic success more than any other.

Our analysis of corruption is that it is almost completely anti-developmental. First, we may tackle directly the hypotheses offered by revisionists regarding the beneficial effects of corruption on economic development. Most of these are predicated on the assumption that government is either non- or anti-developmental, and that corruption practically represents the only way for innovators and entrepreneurs to break through the barriers to growth imposed by public policies.⁴² This

⁴²See James C. Scott, "The Analysis of Corruption in Developing Nation," *Comparative Studies in Society and History*, Vol. II (June 1969), pp. 315-340, J.S. Nye, *op. cit.* and Nathaniel Leff, "Economic Development Through Bureaucratic Corruption," *The American Behavioral Scientist*, Vol. 8, No. 3 (November 1964), pp. 8-14.

requires evaluating the public policies being implemented by the agencies we have studied. In the BIR, the public policy being served, aside from the mere economic purpose of collecting taxes, is redistribution of income. The effect of corruption, on the other hand, is to undermine this goal, because "those who tend to wilfully and maliciously avoid and evade payment of taxes through collusion with the BIR agents are those who belong to the middle and upper classes, particularly the business sector."⁴³

In the BRM, meanwhile, the policy goal is again not merely revenue generation (the resource being a major source of foreign exchange) but also the rational and economic exploitation of the product so that there may be more resources for the future while maintaining the proper ecological balance. However, corruption, since it allocates concessions and regulates performance based on willingness to pay extra-governmental dues, disregards the rational standards of economy and efficiency which may be more conducive to growth. It is possible, although not likely, that those who are willing to pay are also the most efficient and rational producers. In that case, however, that would simply be a coincidence, because the system does not select applicants on these grounds.

⁴³Briones, *op. cit.*, p. 33.

In the spending agency, government endeavors to reward efficient suppliers by the rule of giving contracts to the lowest bidder. Corruption, however, negates this rule again. In so doing, it may even push small quality producers off the market since these do not have the contacts and resources of big merchandising companies which can easily put bribery charges into their padded expense accounts.

A small exception seems to obtain in the BOT, where operation of the *kabit* system⁴⁴ allows small taxicab companies to enter the business. However, the question is whether the same or better results would not have obtained if the Board simply made its franchise-giving more rational, by making sure a taxicab operator can field the number of units it is allowed. In this case, the advantage allowed by corruption could also have been given legitimately if better standards for making policies were adopted in the Board.

On the other hand, a strong case can be made that corruption makes development more expensive. As corruption is regarded as an additional expense to the producer, its cost is passed on to the consumer in terms of higher prices. If the product is used by all social classes,

⁴⁴The *kabit* system allows a person to share in the franchise given by the BOT. Because the process is illegal, BOT men and the legitimate franchise holder receive from the *kabit* (literally meaning, attached to) a fixed monthly fee.

as the resource of the BRM is, then its higher cost would aggravate the economic hardship of the lower class and serve to widen the gap between the rich and the poor. Where corruption is used to get inferior materials—for roads, for pharmaceutical supplies, for other governmental services—the cost would not simply be monetary, but also in terms of increased danger to life and limb of the populace. In a society where reports of a killer fire in a movie theater are accompanied by the news that the place had no building permit (whether due to corruption or sheer inefficiency), contemplating the increased developmental cost fostered by corruption in human-survival terms cannot be attributed to alarmist tendencies.

Another revisionist claim is that corruption provides funds for capital investment either for a "struggling entrepreneur" or for his cohort in the bureaucracy.⁴⁵ We have already noted that our entrepreneur is likely to rely on his wealth than on his efficiency to get governmental services. Let us now take a look at his governmental partner. Rolla Park points out that economic growth may be promoted by graft through the transfer of wealth from an individual with a lower propensity to invest to an official with a higher such propensity, and retarded if it is the official who has

⁴⁵Jose V. Abueva, "The Contribution of Nepotism, Spoils and Graft to Political Development," *East-West Center Review*, Vol. 3 (June 1966), pp. 45-54.

the lower investment propensity.⁴⁶ In the Philippines, the latter type of bureaucrats seems to predominate. First, low government wages are almost entirely spent on consumption. Moreover, even higher paid officials tend to use their additional income, including ill-gotten wealth, on conspicuous consumption — flashy cars, mansions, etc., and investments tend to be of the less productive type, such as in jewelry and real estate.⁴⁷

Capital formation arising from ill-gotten funds may occur, but these seem more to be the exception rather than the rule. For instance, the BIR recently instituted a system for spotting corrupt officials which has had a batting average of 100 percent. Aside from their poor records regarding their collections, the criteria included high living by collection agents, gambling, frequenting night clubs, maintaining mistresses, buying luxurious houses, accumulating real property, and becoming members of exclusive clubs. The absence of any entry for investments seems to indicate that if they are made at all, they are of much less magnitude than the evidences of conspicuous consumption. For some regional groups, e.g., Visa-

yans, there is a belief that income from gambling, corruption and other immoral activities should not be spent on one's family, lest it bring bad luck to them. Instead, they should be spent as soon as possible, often in the triumvirate of wine, women and song. Investments here are not even considered, for they would be long term, with the possibility of the ill effects of the immoral act hovering on the family for a long time. These factors make us hesitant to accept the notion that capital formation of any consequence may accrue from the proceeds of corruption.

To be fair, however, corruption does manage to provide some facilities. These are largely through its role as a lubricating mechanism which enables a rusty machinery to move faster. The need for corruption however increases in situations where paperwork will not flow unless it is greased, thus contributing to a vicious cycle. However, where the administrative culture values results and service over extra (illegitimate) income, the facilitative role of corruption is minimized.

Next we may look at the direct effects of corruption on government. For one thing, the costs borne directly by government are rather high. The spending agency we studied would have paid as much as ₱183,000 more if the new director had not ordered a re-cavass for a purchase order where each item actually costed only ₱33

⁴⁶Edward Rolla Park, *The Effect of Graft in Economic Development: An Examination of Propositions from the Literature* (Sta. Monica, California: Rand Corporation, 1969).

⁴⁷Caridad Semaña, "Philippine Politics and Economic Development," *Philippine Journal of Public Administration*, Vol. 11, No. 1 (January 1967), pp. 3-37.

each. In a case where they unearthed the smallest overpricing, the additional cost to the government would still have been over P16,000. In some instances where all suppliers overprice, the government would not be able to determine how much more it had paid. Instead, the difference between the government cost and the actual price of the item would be given to the administrators in charge of the purchase. In the books of the company, this would appear as the "government discount," not as a bribe. An informant-administrator reports that she was subject to harassment from both the private company and the other receivers of the discount when she returned the amount and instead asked that her agency pay only the discounted price.

Second, leakage of government revenue is also high. Enterprising BIR employes in cases brought to court were found to have defrauded the government from P149,000 to over P3 million, the latter by a group of three working overtime to manipulate official receipts. Considering that these employes are small fry with little support from the BIR "family," we can only guess at the amounts taken by those who had worked with the blessings of the informal organization.

Another kind of leakage concerns payment for services which government at present is not collecting. Drivers of jeeyneys and buses re-

ported that they paid policemen ten centavos to one peso daily in 1967, depending on the route. Sidewalk vendors, on the other hand, paid over P4,000 weekly to policemen on the beat in the same year. These are high costs for protection and may almost double a policeman's salary.⁴⁸ However, this is definitely small time compared to the "take" in the BRM where informants gave shocking figures: P25 per janitor and messenger, P250 per signatory, increasing to as much as P5,000 if the official concerned is a division chief or higher. This is for each application, which in July to December 1973 averaged 16 papers a month. The government in one sense is not losing anything because its required fees are not reduced by corruption. In a deeper sense, however, it is defrauded because the protection costs of the policemen, and the lagay to the employes are in effect fees paid for the privilege of operating a business, a function that is clearly governmental and for which government might as well collect revenues. However, no move to increase legitimate fees is proposed, say by Bureau officials, because this would cut into their personal income.

A third cost to government lies in the relationship of governmental borrowing to revenues collected. We have already seen that corruption is one of the devices that keep revenues down. Government then

⁴⁸These were the calculations of Stone, *op. cit.*, pp. 86-96.

resorts to borrowing when its revenues are deficient to meet all its developmental requirements. However, borrowing is more costly than receipts from taxation since the latter does not exacerbate inflation. Moreover, it is locally generated, while borrowing may carry foreign policy risks since large loans usually come from foreign sources.

Other costs to government cannot be qualified. Within the bureaucracy itself, corruption may add to the low morale and a sense of alienation of the employes. The moralist individual in an organization systematically involved in corruption may be isolated and ostracized until he resigns or decides to join the system. In the latter case, the gain to the system is a loss to government since the number of individuals who attempt to pocket government revenues would be increased. At the same time, the erosion of public confidence cannot be gainsaid. Citizens who do not avail of corruption feel cheated when less qualified applicants win bids. They may contribute to a general climate of distrust and of a feeling of shame in relation to their government. The revisionists see corruption as an alternative to violence and here they may be right.⁴⁹ As the sense of futility in fighting

⁴⁹See, for instance, Samuel Huntington, "Modernization and Corruption," in Heidenheimer, *op. cit.*, pp. 492-500. For a more moderate view, see Mansoor Marican, "Corruption and Violence," *Philippine Journal of Public Administration*, Vol. 15, No. 1 (January 1971), pp. 21-30.

corruption increases, the public may correctly analyze the situation as generated by the private enterprise system and the competition it engenders. As such, really effective solutions cannot take place unless that system is altered drastically. The continuation of corruption may then take its toll in a violent overthrow of the system.

Modes of Controlling Corruption

Short of this ultimate solution, however, various means of attacking corruption have been tried. They include: (1) presidential investigating offices; (2) purges; (3) agency clean-up drives; (4) citizen group campaigns, and (5) the *Tanodbayan* and the *Sandiganbayan*.

*Presidential Investigating Agencies*⁵⁰

The presidential anti-graft investigating agencies started in the postwar era with President Quirino's Integrity Board. To date, there have been ten such agencies, at least one per president from Quirino to Macapagal, with President Marcos' 12-year administration accounting for five. Except for the Complaints and Investigation Office (CIO) which was merely a unit within the Executive Office, all the

⁵⁰This section is largely drawn from Ma. Concepcion P. Alfiler, "Measures Against Bureaucratic Corruption: The Philippine Experience," paper presented at the 2nd Working Meeting of the BBDP, Pattaya, Thailand, January 18-22, 1977, also in this issue.

agencies were headed by individuals who enjoyed the President's confidence and reported directly to him. This identification with the Chief Executive should have been one of the agencies' chief strengths. Instead, it had made for most of their main difficulties, viz., (1) the accusation, not always without basis, that the investigatory power of the President was used as a political tool against his opponents; (2) the frequent changes in agency leadership, since the position has required close political and personal friendship with the President to the extent of protecting his personal reputation and that of his party mates; (3) the strained relationship with judicial and legislative branches and with other executive-branch agencies, because "graft-busting" units may duplicate or even take over some of the other offices' functions and thus overstep their bounds (4) pressures for the appointment of investigators based on political rather than merit considerations to protect both the party and the President.

These problems lead in turn to organizational instability (since funds come from the executive rather than from legislative enactments) and poor investigative capacity. The public has also responded with apathy and indifference. The agencies had been widely regarded as a *palabas* (show) that would not change the climate of corruption pervading the bureaucracy. The

public view has not proved unwarranted; cumbersome legal procedures, the lack of qualified prosecutors, and little clout, resulting in the inability to bring any "big fish" (in fact very few civil servants of whatever rank) to justice, have combined to underscore the importance of presidential anti-corruption agencies.

Summary Dismissals of Erring Employes⁵¹

Martial law has provided for the replacement of enervating legal procedures by summary dismissals of erring civil servants. "Purges," as they are popularly called, may be resorted to: (1) when the charge is serious and the evidence of guilt is strong; (2) when the respondent is a recidivist or has been repeatedly charged and there is reasonable evidence to believe he is guilty of the present charge, and (3) when the respondent is notoriously undesirable.⁵² Since 1972, government-wide purges have numbered three—not counting summary dismissals occurring in selected problem agencies (e.g., Bureau of Customs, BIR, etc.). Purges as an anti-corruption measure have "teeth," unlike the

⁵¹Ledivina V. Cariño, "Personnel Policies and Bureaucratic Behavior under Martial Law," *Philippine Journal of Public Administration*, Vol. 21, Nos. 3 and 4 (July-October 1977), pp. 303-323.

⁵²P.D. No. 807, Section 40. The provision for summary proceedings for the removal of employes was first promulgated by authority of P.D. No. 6.

presidential investigating bodies. However, their effectiveness has been vitiated by the following factors:

(1) The purges were not always the result of careful study, leading to the initial retraction of some dismissal orders after appeals or new information were provided, and some loss of face on the part of the authorities. Many purged personnel turned out to have been long dead, resigned or transferred from the offices from which they were removed.

(2) The bases of the purges were not clear, and as such they did not provide precise guidelines to the remaining employes' behavior. "Notoriously undesirable" is a notoriously difficult term to define, and many employes, on finding their own or the names of their colleagues in the dismissal lists, were at a loss as to the reasons for their inclusion. To be sure, many of those purged were widely known to have extracted private profit from public office, and their dismissal operationalized for many the concept of "notorious undesirability." However, many queries were raised as to whether absenteeism, or even inefficiency, should be regarded as of the same order as corruption and be subject to the same dire punishment.

(3) The purges tended to create an atmosphere of fear and backlash instead of encouragement to excel. Thus they made many employes more cautious and more determined to stay on the safe side, where they would be more unlikely to make errors. This may have resulted not necessarily in more ethically correct behavior, but in inflexibility and unwillingness to be innovative. An overly rigid bureaucracy could present problems which may be more difficult to deal with than corruption.

Agency Clean-Up Drives

Clean-up drives usually start when a new administrator takes over a "problem" agency, often with instruction from the President for that purpose. Since martial law, more military officials, in active duty or retired, have been tapped for this job. The clean-up may use any or all of the following modes: re-assignment of employes in sensitive posts; filing of corruption charges against some employes or their forced resignation; recruitment of "new blood" into the service (often military especially if the new chief comes from the Armed Forces); widespread re-training of employes, with some programs focusing unabashedly on ethics and anti-corruption philosophies; alteration of procedures to reduce or increase control points and person-

nel's area of discretion,⁵³ including resort to new technologies; investigation of previous decisions to check faithfulness to legal standards, etc.

Three of the agencies we studied recently got new administrators, the usual signal for a clean-up to occur. There have been mixed results. There has been no visible continuing clean-up in the regulatory agency. In the spending bureau, however, success is more evident. This appears to be traceable partly to the timing of the new director's entry: the system of corruption had just been upset with the removal of the old director and several of his collaborators in the September 1975 purge. In addition, there was also the influence of the new director's own ethical standards which provided both employes and suppliers with a new role model. The new

⁵³Ironically, the increase or reduction of control points and the increase or reduction of one's area of discretion may all lead to less corruption. The increase of control points decreases the employes' area of discretion and makes it more difficult to engage in corruption, particularly the individualized kind. On the other hand, *reducing* control points also decreases the number of people who may be corrupted, and, since it is a simplification of procedures, makes it easier for the client to be informed, thus somewhat equalizing his power with the bureaucrat. Increasing a personnel's area of discretion usually is given to those with known expertise. Such expertise, however, would often be accompanied by a sense of professionalism which in turn provides a regulator in addition to the bureaucracy (i.e., professional conscience or professional organization) leading toward fulfillment of technical norms.

director's reforms on purchasing are of two types. First, he had ordered a re-cavass of questionable purchases. Second, he made clear to suppliers that so-called government discounts are to be given *officially* to the director in the form of supplies and other terms usable by and donated to the Bureau rather than to the director in his personal capacity. The director has so far not made changes in the central mechanism, procedures, rules, etc. governing purchasing. His own stress is in the strength of his leadership, and the attendant climate against corruption and collusion that it has generated.

The BIR model of change is the most extensive. Even before the takeover of the new Commissioner, changes in rules and procedures to reduce opportunities for graft and collusion with taxpayers have already been instituted. Under Plana, these were supplemented by the following:

- (1) Purges of 88 employes and the removal or demotion of 15 key officials as of September 1977 (in contrast to 21 removed in the general purge of September 1975);
- (2) Reorganization of the Inspection Service and the Internal Security Division, graft-busting and investigation units within the BIR;
- (3) Continuous monitoring of personnel particularly those

whose poor performance is accompanied by "high living."

(4) Revitalization of the personnel program including positive recruitment and improved promotion systems, as well as continuous training at all levels, including reorientation seminars that focus on values of the public service;

(5) Reducing opportunities for graft by reducing discretion (e.g., payment of taxes through banks, the proposal for gross income taxation, etc.);

(6) Reducing opportunities for fraternization with clients by periodic reshuffling of BIR agents, and with each other by preventing employment of relatives up to the 6th degree,⁵⁴ and

(7) Leadership by example.

So far the clean-up drive seems to be taking hold, and the administrative culture is slowly adjusting to the new values espoused by the new Commissioner. Whether they would truly change than merely adjust is a subject of great speculation even within the Bureau.

*Citizens' Group Campaigns*⁵⁵

Two citizens' groups have worked up front in the drive against corruption. The first, the anti-graft

⁵⁴The law on nepotism prevents employment of relatives only up to the 4th degree.

⁵⁵See note 50.

committee of the Knights of Columbus, had referred graft cases to the presidential investigation agencies and conducted seminars to inform the public of anti-corruption laws. It has been moribund for almost five years now. The second, the Anti-Graft League of the Philippines, established in 1970 has conceived its role more broadly. To its anti-corruption functions, including bringing corruption charges against even political officials, a nationalist and anti-imperialist program has been added. Their activities on behalf of the latter have caused many of its leaders to be detained when martial law was declared, and has led the organization to maintain a very low profile since.

The Tanodbayan and the Sandiganbayan

We have already stated that the anti-corruption legislation has been progressively stricter since the Filipinos took over from the Americans. The flow of laws (and, since martial law, of presidential decrees) has continued apace in the same direction. The creation of both an Ombudsman (*Tanodbayan*) and a special court (*Sandiganbayan*) to respond to citizen complaints (including but not limited to corruption charges) has been constitutionally ordained since 1973. However, the decree fulfilling that mandate has just been promulgated (June 11, 1978) and implementation has not yet taken place. The presumed independence of these two bodies

from both the President and the legislature, the organizational stability engendered by their Constitutional status, and the strict requirements for their personnel augur well for the use of these bodies as anti-corruption institutions. However, they still lack the enforcement teeth. Also, they require that action be initiated by citizens. As such, their success will largely depend on the market reduction of public indifference and apathy which in turn would be generated by a sustained, sincere and visible will by political leaders to rid the bureaucracy of corruption.

The measures on the whole have not been smashing successes. Our next task then is to recommend measures to combat corruption that can be both successful, practical, and reflective of the studies we have undertaken.

Recommendations for Policy

In our earlier discussion we have distinguished between individualized corruption, that committed by enterprising practitioners of the art without or with little support from their agency's informal organization, and systemic corruption, that committed with the tolerance, facilitative influence and support of a corruption-oriented administrative culture. Measures to attack individualized corruption tend to be more amenable to direct administrative solutions. On the other hand, the modes of control for systemic corruption would require those for a

start, but in addition they must also alter the systems surrounding the employe and his agency. Because of these, we will focus first on efforts to minimize individualized corruption even though these would entail rather simple recommendations, very few of which would be at the level of policy. The measures would be more complex and involve higher levels when we attempt to tackle systemic corruption.

Recommendations to Control Individualized Corruption

Certain types of negative bureaucratic behavior, especially graft or corruption of the individualized kind, thrive because they are relatively easy to do and can be done when pressures for performance are not very strong. Look, for instance, at the old practice of changing the carbons in BIR official receipts after the taxpayer had been satisfied with the accurate original sheet. The BIR's response was a simple one: give one of the carbons to the taxpayer, thus making subsequent alterations difficult. Such procedural changes to plug corruption-producing loopholes can easily be instituted by management after a careful review of its procedures and requirements. If the problem for instance generally involves fixers, the prohibition of outsiders and employes except those on official business would decrease its incidence considerably.

Another means of making corruption more difficult is by reducing

the personnel's area of discretion. This can be accomplished in two ways. The first is by providing the personnel with tools and machines that show fine calibration and leave little guesswork in decision making. For the examiner of taxicab meters, for instance, a machine to measure its accuracy would be a great improvement over present-day primitive methods (e.g., counting the number of electric posts per meter drop).

The second is to improve the technical expertise of the personnel themselves with the aid of retooling courses and other staff development programs, and the standardization, and clarification of decision rules. This has the added advantage of enhancing the employe's pride in his work and sense of professionalism. Where a group of persons with like expertise exists, i.e., a professional community, there is a greater chance that regulation of the conduct of its members would develop. The development of professionalism in turn would lead to an enhanced sense of responsibility and public service, factors that are also required by a committed bureaucracy.

The secret nature of transactions also make corruption relatively easy to accomplish. Visibility may then be a response. It can be accomplished in three ways. First would be a direct increase of visibility. For instance, openness can be enhanced even by mere changes in office lay-

out, where employes performing sensitive tasks are not shielded from public view. High visibility has been tried in the BOT as a kind of reward where, this time, incorruptible persons are placed in special glass cubicles as a means of recognizing their rare quality, and as a means of showing that processing can be done quickly in the agency. While we would have preferred to make the other officials more subject to public inspection, we realize that where corruption is pervasive, there may not be enough glass walls to put in the corrupt.

A second means would be to install more effective monitoring systems, which may include the addition of control points to check on the accuracy and ethical adequacy of a bureaucrat's performance and the organization, or the strengthening of units to assess and evaluate employe behavior. Visibility may also be increased with the use of closed-circuit television and other such technologies, where management may tune in at unannounced moments. Their placement should be openly made and their purposes and expected repercussions known to all. Otherwise we would hesitate to endorse their use because they may infringe on certain rights of the civil servants which may be a greater loss than the effects of corruption itself.

Third, visibility can be directly enhanced by making rules and procedures clear to every participant,

whether employe or client. This would involve training or re-training programs on the part of the employes; and information campaigns, simplified manuals and large, framed descriptions at a prominent place in the office for the benefit of clients. Even the last, which is the simplest, mode would be able to let the client know if his papers are going the proper route, or are intentionally being diverted so that he would "come across." It also allows him to share some of the bureaucrat's knowledge, which the latter may have heretofore been monopolizing, thus somewhat neutralizing the insider's power over the public he is supposed to serve. It would also make it unnecessary for the client to ask for the assistance of insider-friends, thus minimizing some possibilities of favor-seeking which may be corruptive. This simple expedient has been tried at the Bureau of Quarantine, widely praised for its fast, efficient, and incorrupt service.

Where graft is largely a function of idle time, the use of a management audit may also be tried. Such an approach may not directly attack corruption, but would instead be a "pro-active or preventive step to reduce opportunities" for corruption.⁵⁶

The difficulty in coping with present economic realities is another factor often mentioned as causative of individualized corruption. One

⁵⁶Chapin and Sefton, *op. cit.*, p. 8.

man's need is of course another's greed, but an objective look at government salaries in the midst of inflation serves to point out that more realistic salary levels, particularly for lower-ranking personnel, have to be given. The income necessary to provide a family of six with adequate nourishment and other physical necessities—the subsistence level—was set at P10,550 per annum for Greater Manila in 1974.⁵⁷ This is close to the annual income of a Resident Physician or Rural Health Physician (P10,644), Civil Engineer (P10,128), Legal Officer II (P9,156) and and Administrative Officer (P11,184) according to the Office of Compensation and Position Classification. These are positions already at middle-management levels of the civil service. Clearly, it is difficult for a government employe to make ends meet if he turns away from all dishonest opportunities. Therefore upgrading government salaries have to be seriously considered as both a humanitarian and an anti-graft measure.

Individualized corruption has also been attributed to occasional (or

⁵⁷For other urban areas, the figure is P8,844, and for rural areas, P6,738. This is the so-called subsistence level (also total threshold or secondary poverty) where food, clothing and shelter can be provided without outside aid, but with no allowance for social or other needs. See Ma. Alcestis S. Abrera, "Philippine Poverty Thresholds," in Mahar Mangahas (ed.), *Measuring Philippine Development* (Manila: Development Academy of the Philippines, 1976), pp. 223-274.

continuous) moral lapses, where the temptation overpowers the individual's spiritual strength. These are the main lines attacked by evangelizing seminars of various titles now proliferating in many government bureaus, (e.g., Reorientation Seminars, Ethics in the Public Service, Attitude Improvement). Others are carefully built into training programs with other announced objectives, sometimes at the instance of participants themselves (e.g., the Career Executive Service Development Program involving aspirants to CES-level positions). Such seminars and an evaluation of their effects on employe behavior are hereby recommended.

In line with this positive thrust, the agency may consider the institution of rewards for outstanding performance to its employes, with a possibility of making it a government-wide recognition policy. We recommend that integrity be a criterion for such awards. However, it should only be one criterion, since an award for not engaging in corruption may produce an image of passive, conservative bureaucrats as role models. This should therefore be complemented by innovative, responsive behavior, which is truly our image of the outstanding public servant.

The stress of these awards should be on the exemplary conduct it honors rather than on the cash-or-kind recognition it bestows. Otherwise it would be ironic that material

rewards are given for abstaining from gaining more income (albeit illegal), as if money were the arbiter for ethical behavior anyway.⁵⁸

The positive stress of ethics seminars and awards may be accompanied by the strictly negative act of purges and its variants. Even prior to P.D. No. 6, determined administrators could effect the equivalent of purges by reorganizing out the positions of erring employes, requiring them to resign, or transferring them to less sensitive positions. However, administrative and criminal cases filed against them would be subject to long legal processes, so that actions short of the summary dismissals authorized since martial law could not really provide the punishment and warning to others that purges could theoretically give.

The agency should also make a continuing assessment and evaluation of the annual statements of assets and liabilities of its employes, documents which are currently gathering dust in most office files. This should be coupled with the filing of charges against persons with sudden unexplained wealth. For this purpose, the use of other indicators, such as the list given by the BIR, should be considered as important supplements.

⁵⁸This point was raised by Chairman Francisco Tantuico, Commission on Audit, in the preliminary seminar with policy makers held by the BBDP Philippine Team, August 18, 1978.

Recommendations to Control Systemic Corruption

Our analysis of Philippine negative bureaucratic behavior is that it is generally of the systemic kind, i.e., a complex set of actions that is deeply embedded in our politico-administrative, ethico-cultural and economic systems. The structural nature of the problem then requires solutions aimed not only at curbing the behavior per se but also at altering significant aspects of the surrounding milieu.

Attacking the Agency's Administrative Culture. Where the informal organization is facilitative or supportive of corruption, the obvious control measure is to break the system. This would require the removal and criminal prosecution of major leaders of the corruptive culture; where the system is pervasive throughout the agency, this would mean the head of office. This negative measure should immediately be complemented by the following positive actions: (1) the appointment of a new leader or leaders of known integrity who can provide the new role model for integrity. This person must have the full confidence of the Minister and the President (especially if it is a notorious agency like the BIR) so that his clean-up drive will not be stymied at vital points; and (2) the institution or strengthening of a unit to monitor the performance of civil servants. This should likewise be manned by people of proven

integrity and courage. The recent experience of the BIR shows that the system can be broken in this manner.

Once this is done, the use of all measures already recommended against individualized corruption would also combat the systemic kind. At the agency level, this would then be a multi-pronged and concerted approach against graft and corruption.

Attacking the Political and Administrative System. The Philippine problem extends, however, beyond one agency. That graft and corruption has earned the status of a "national shame" suggests that the overall administrative and political system has also been facilitative, if not always supportive, of these deviant activities. In fact in the context of such a system, the deviation may be exemplified by the honest civil servant because normal behavior is expected to be corrupt.⁵⁹

As an extension of our previous recommendation, breaking the system at the politico-administrative level requires providing honest and effective leadership by example. This would necessitate the exemplary conduct of the highest political leadership which would provide the most powerful role model of all. This appears to be the experience in Singapore where the unquestioned integrity of Prime Minister Lee Kuan Yew and his cabinet

⁵⁹*Ibid.*

has set the tone for the behavior of bureaucrats at all levels.

The entire government's commitment to rectitude would also be heralded by the creation and activation of three agencies, the Tanodbayan, the Sandiganbayan and the Commission on Personnel Discipline. The Tanodbayan and the Sandiganbayan, as mentioned earlier, are bodies provided for under the 1973 Constitution whose creation has recently been promulgated by presidential decree. We recommend here the immediate appointment of the Tanodbayan (the Ombudsman) to hear and investigate complaints regarding the poor performance of civil servants (including but not limited to corruption). The Tanodbayan would help in keeping bureaucrats on their toes and as such act also as some kind of monitoring device.

We see his chief role, however, in bridging the gap between the government and the people, by restoring and enhancing the public's faith in the responsiveness of its leaders. He would thus provide the climate within which a militant citizenry can thrive, a requisite for the establishment of a democracy attuned to public service and public trust.

The Sandiganbayan is the special court to try cases involving violations of the Anti-Graft and Corrupt Practices Act and other laws concerning the conduct of public officials. Such a court has been recommended as early as 1964 to make

possible the speedy and effective prosecution of crimes of public officers. Its creation and activation would then show the Administration's sincerity in providing teeth for the enforcement of this law. If the Sandiganbayan can convict and send big crooks to jail,⁶⁰ the people's definition of what is politically efficacious and their image of what is "the most effective way" of dealing with the bureaucracy may be changed.

Enforcement would be helped by the Commission on Personnel Discipline we are recommending here. At present personnel discipline is the responsibility of line agencies following guidelines set by the Civil Service Commission. As such, rewards for exemplary behavior or discouragement of negative ones tend to be individual efforts on the part of the agencies. The proposed Commission would deter corruption by institutionalizing such efforts, thus providing for continued vigilance, and by making it a government-wide concern. At the same time, it would be an improvement over presidential anti-graft bodies because of its (1) permanence, (2) politically neutral stance, (3) active role in seeking out cases rather than, like a court, in waiting for problem behavior to be brought to its attention, and (4) presence in all agencies. The Commission will work closely with the Commission on Audit (COA), the constitutional

⁶⁰This was Climaco's big dream for his PAGCOM. See Note 35.

body to check out the integrity of financial transactions, in the same manner that it would check out the integrity of personnel behavior. Its structure would also closely parallel the COA as it would have a central office for standard setting, and units in all the agencies to monitor performance. It may absorb present monitoring units within the agencies as an initial step. If it does so, it would have the added advantage of relative independence from the culture of the organization it is watching closely. The Commission would exemplify the principle of "inspectability" that operationalizes the Benthamite goal of the greatest good for the greatest number. As Wraith and Simpkins argue,

If the possibility of bribery and corruption is to be lessened or until the millennium when the controllers of the state are free from human corruptibility, control and inspection by an impartial civil service and by disinterested experts (both characteristic of the proposed Commission) are vital if the full benefits of taxation are to reach the taxpayer.⁶¹

Attacking the Ethico-Cultural System. Our analysis of the ethico-cultural system shows that engaging in corruptive behavior is by no means a moral obligation in the society. Even where one is ethically required to give preference to kin and other ascriptive relations, the culture allows its fulfilment by a civil servant in his personal rather

than official capacity. However, our materialistic concept of success and the diminished emphasis on public service as shown by the pervasiveness of corruption manifest the need to disturb the ethico-culture system as a means to attack systemic corruption. The cultural agents that will be harnessed would be the following:

(1) The church, school and family as the major molders of the child and the adult, and the source of their notions of ethical norms and behavior. The role of the family and the church should be obvious; thus our focus will be on the educational system which is also more directly controllable by government. We recommend an educational thrust towards ethics, an emphasis that appears to have been overshadowed by the proliferation of technical courses in the curriculum. The values of paying taxes, family planning and saving in banks have been incorporated into the curriculum; we believe that ethical concerns are of greater importance than those. The thrust should be manifested at all educational levels. Looking into our own role as faculty members of a college of public administration, we realize that we have a responsibility to our students and to the wider bureaucracy to inculcate and stress these values in our own program. Therefore, we will look into the re-inclusion of a course or courses in ethics in the

⁶¹Ronald Wraith and Edgar Simpkins, *Corruption in Developing Countries* (London: George Allen and Unwin, Ltd., 1963), p. 207.

public service into our curriculum and will recommend to other colleges similar changes.

(2) The mass media as value-molders which will increase in importance with technology and economic development. The mass media will be used to complement the efforts of the institutions mentioned above, perhaps in terms of showing that "a good name is rather to be chosen than riches, and loving favor more than silver or gold."⁶²

(3) The bureaucracy. The organization itself can change the cultural expectations. For instance, there may be new rules against receiving of gifts where the recipient may be required to return them when leaving office. A less idealistic measure is already a rule in the BIR: a strict rule of no-gifts for the Commissioner and other key officials, and an equally inflexible rule prohibiting all its employes from getting involved in fund-raising campaigns which might cause them to be beholden to taxpayers and other clients.⁶³

Another complaint regarding the strictness of the legal norm against corruption is the difficulty of dealing with an impersonal government. Yet a concerned bureaucracy need

not be corrupt. The management improvement of all agencies will redound to greater public service and will have an additional merit in that it would minimize the need for a personal go-between to deal with it, the latter a situation that may give rise to favor corruption.

Attacking the Economic System. The free-enterprise system emphasizes individualism and hard work and gives rewards to those who exemplify these qualities. It is a continuous state of competition of showing that who is best survives. As long as competition for government contracts and funds obtain, each firm in the private sector will seek ways to increase its advantage over its rivals by whatever means, since profit is the ultimate standard. In this sense then, corruption may be regarded as endemic in a system such as what the Philippines has. The way to change the system requires a drastic overhaul that is nothing short of a revolution. Our recommendations, however, are more modest.

We need first to strengthen the government's bargaining hand against the private sector. In purchasing, this may require the establishment of a central procurement office for all supplies and equipment of government agencies. Needless to say, this should be manned by people of integrity. Short of that, a central agency would at least limit the number of people "on the take." The office will set standards

⁶²Proverbs 22:1.

⁶³This information was given by Atty. Eufrazio Santos, Head Revenue Executive Assistant, BIR, in the BBDP preliminary seminar held on August 18, 1978.

and recommend suppliers, and will take discounts offered by private companies in the name of government rather than to private persons.

In the case of other functions, the government may also use direct measures for changing the private sector's way of dealing with its agencies. This may be effected by the prosecution of private individuals and corporations which engage in corruption, and short of

that, the blacklisting of such enterprises.

On the private sector side there should be an information campaign to match the "new orientation" of public servants. Here, citizen groups, can help immensely. The commitment, then, of the entire society to a system based on integrity will somehow make the ravages of competition less productive of corruption.