

Latitudes and Limits, Principles and Practices: The ConCom, the PCGR, and the Hazardous Road to Reorganization

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Reorganization seems inevitable everytime a new administration is installed. Indeed, this is regarded as a necessary process of governmental adjustment to environmental changes. The Integrated Reorganization Plan (IRP) during the Marcos administration was believed to be encompassing but it produced a bureaucracy that was characterized by centralization, interventionism, and gigantism. The Presidential Commission on Government Reorganization (PCGR), the Aquino administration's counterpart to Marcos' Presidential Commission on Reorganization, has identified three bureaucratic structures operating in government today which should be the focus of reorganization efforts: government corporations; the departmental organizations; and local governments. The PCGR now confronts a host of related problems which should be addressed to ensure an efficient reorganization.

Introduction

Is it the workings of providence, fate or human design that a full decade ago, in a national conference such as this, we were preoccupied then as now with administrative reform? Stretching our recall by another decade, the late sixties was marked by political ferment that led to the adoption of a new form of government and the Integrated Reorganization Plan (IRP). Today, amidst an even more turbulent political and social environment and under a new government determined to bring about political stability, economic recovery, and social justice, the task is a continuing search for appropriate administrative reforms instrumental in goal achievement.

Lest anyone misconstrue, the message is that administrative reform should be regarded as a necessary process of governmental adjustment to environmental change and therefore, a continuing concern of public administration.

Reorganization has been defined as "a periodic overall assessment of governmental structures and operations... to provide the basis for effecting adaptations that will enable them to remain adequate and responsive to the ever changing conditions and needs of society." As such, it is assumed to be:

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a) a deliberate means by which the government administration adopts itself to the changing times and environment;

b) a cyclical or recurring process to render governmental administration viable and responsive; and

c) a method by which government innovates towards established goals.

Ultimately, it is the instrument by which the government may be transformed from a mere dispenser of services to one that not only reacts to the forces of change but also creates and hastens such change.¹

Given the necessity and desirability of reorganization, under what circumstances and to what extent may reorganization be pursued? Governmental action involves the use of legitimate power and authority. How much latitude should be given the reorganization effort for it to be effective? Does such latitude differ under a dictatorship, a revolutionary government, or a Constitutional democracy? Meaning, do the scope, the principles involved and the strategies differ whether the source of power and authority emanates from serendipity (as in an allegedly divine suggestion to save the nation through martial rule), a "freedom" Constitution, or a Constitution adapted by the people in a referendum?

Government action (in this case reorganization) is normally defined or guided by law. However, it is widely known that laws are either exceedingly, fully, partially carried out or not at all. Practice then, is something else. For us in public administration, the execution of policy and its outcomes is of primary interest, more than the policy itself.

More questions may have been raised than are answered in this paper wherein the objective is to review past and current experiences at administrative reform via reorganization, particularly the IRP exercise under martial law and the current reorganization of the Aquino government. More precisely, the purpose is to draw parallels and contrasts in the principles, scope, thrusts and strategies of each, to raise issues and elicit discussion, thereby discerning some future alternatives.

The Guiding Principles of Reorganization

Perhaps the best thing that could be said about the Integrated Reorganization Plan without holding comment on its implementation is that, although it was adopted by then President Ferdinand Marcos as his first administrative issuance under Presidential Decree No. 1, it was the handiwork

of a Reorganization Commission convened by fiat of Republic Act 5435 in September 1968. As such, its guiding principle may be considered as sufficiently universal, applicable to the demands under a democratic regime.

The overall objective of the IRP was defined by RA 5435 as follows:

to promote simplicity, economy and efficiency in the government to enable it to pursue programs consistent with national goals for accelerated social and economic development and to improve the services in the transaction of the public business.

In carrying out its mission, the Commission adopted the following principles:

- 1) Establish a development-oriented administrative system;
- 2) Increase the capacity of that system for effective program implementation;
- 3) Achieve maximum output for manpower, financial and other resources;
- 4) Group bureaus/offices under major functions to minimize conflict/overlap/duplication;
- 5) Foster administrative decentralization;
- 6) Clarify lines of authority, improve channels of communication and strengthen responsibility/accountability in the public sector;
- 7) Curtail practices inimical to sound, honest and effective public administration;
- 8) Achieve efficient, economical and responsive management amidst the context of cultural and environmental factors.²

The guidelines were remarkably specific and understandable even to the layman, which led the Commission to produce a detailed plan for adoption by Congress in its totality.

The more recent (and current) reorganization effort under the Presidential Commission on Government Reorganization (PCGR) might be described as a valiant response to its mandate to come up with a plan within 100 days from March 1986, by virtue of Executive Order No. 5. While the Marcos

government on the eve of martial law had a handily available plan, the Aquino government on the heels of the February revolution had to conceptualize an entirely new plan.

The task was heroic, as the PCGR report opened with a quotation from the late Benigno Aquino, Jr.:

Whoever comes after Marcos will have one heck of a time.

In sum, the Aquino government was faced with the job of undoing the "Marcos legacy" which, in administrative terms referred to dismantling a bureaucracy characterized by centralization, interventionism and gigantism.³

Determined to "de-Marcosify" Philippine bureaucracy, the PCGR identified the following strategic issues to establish a more efficient, productive and responsive government:

- 1) Proliferation of government corporations;
- 2) National-local government relations;
- 3) Waste and inefficiencies in the (ministries) departments;
- 4) Inter-departmental relations to decongest, rationalize, reallocate resources;
- 5) Government regulatory powers;
- 6) Front-line services;
- 7) Hierarchical ambiguities, measures of performance, strengthening the civil service

The President's policy speeches, political platforms and the Freedom Constitution provided the bases for the five guiding principles of reorganization.

1) *Promotion of private initiative* (privatization of government corporations, self regulation in business, deregulation by departments, community self-help in local government).

2) *Decentralization* (no monopolies in government corporations, deconcentration, delegation, regionalization among departments, local autonomy).

3) *Cost effectiveness* (no special privileges to corporations; no gaps/overlaps, effective span of control, etc. at departmental level; fair compensation/integration of services at local level).

4) *Front-line services* (no special privileges for GCs, institutionalize personnel and local government evaluation).

5) *Accountability* (information systems, performance disclosure, audit, performance evaluation at all levels).

Near the end of its existence in June 1986, the PCGR had come up with general observations and recommendations, for consideration of its members *en banc* and eventual submission to President Aquino. The details of reorganizing government corporations, the departments, and local government were to follow. Actual reorganization was yet far behind.

Scope and Thrusts

To some extent, all reorganization efforts are confronted with immense challenges and prove unequal to the task as they labor under vigorous opposition and constraints. Succeeding attempts decry the limitations of scope and dismal failure of past reorganizations, promising more comprehensive and systematic coverage. For instance, the PCR recognized its weakness in dealing with corporations whose charters were impediments to IRP implementation. Again, the PCGR noted the "traditionalist" orientation of past reorganizations. While it recognized the all-Filipino, balanced technical/political/private sector representation, and development thrust of the previous reorganization plan, it also acknowledged its failure.

Aware of past lessons, the PCGR has identified three bureaucracies—government corporations (regardless of their charters), the departmental organizations, and local government. Perhaps a factor going in its favor is its data from consultations with agencies concerned and certain of their publics which can form a basis for developing guidelines and criteria. One instance is in the government corporate area where the PCGR has recommended the disposition of non-financial corporations (46 for retention, 14 for regularization, 7 for conversion, 21 for consolidation, 38 for abolition, and 87 for privatization).⁴

Twin issues emerge thus far, the first relating to operationalization of indicators or *criteria* for government to divest itself, and the mechanism for implementation. While criteria for corporate activity can be explicit, what criteria shall be used for the other bureaucracies: the departments and local government?

One criterion offered is a "Visibility Profile," obviously in response to the critique of interventionism and gigantism of the bureaucracy. The first step is a distinction between the inherent and non-inherent or secondary *functions* of government. The second step is the *degree* of government involvement in such functions, e.g., direct participation or indirect in terms of control and monitoring.⁵ In any case, the proposals remain general and require further review, as the PCGR has itself recommended in its interim report.

The other issue has to do with the mechanisms for implementation. One concern perhaps has to do with the creation of new bodies to activate reorganization. The PCGR has recommended the creation of a divestment body, an Assets Management Trust (now the Assets Privatization Trust), and supervisory mechanisms for government corporations. This sounds like a paradox: in the effort to reduce the size of bureaucracy, are we in fact creating new bureaucracies?

A more imminent concern is seeing the reorganization plans through the appropriate authorities. The PCGR has taken note of the failure of past efforts as plan approval was delayed by "political hemmings and hewing" in the Old Congress and as implementation was snagged by the resistance of high officials protecting their turf. How can the PCGR avoid the same fate?

Strategies

While the IRP suffered setbacks in the Old Congress, it was saved by President Marcos when he decreed it into law. In fact martial law or authoritarian rule is cited as a factor in *executing* the plan.⁶

One notes with interest the low-key approach of the PCGR. It acknowledged that:

the ultimate responsibility lies in the hands of the one directly entrusted by the President with its performance. The PCGR therefore assumes the role of external consultant, with the responsibility of providing a disinterested and objective view of the reorganization needs of each unit.⁷

Assuming therefore that the final design of the governmental structure rests with the vision of President Aquino, the PCGR did not go into the "detailed engineering" aspects.

This calls to mind the past experience wherein then President Marcos created the PCR initially to hammer out the details of carrying the IRP through, and later to monitor the progress of implementation. Is there a need to create one such office after the PCGR dissolution?

One indicator of such need is the arduous process of getting a reorganization plan for specific agencies approved by the agency concerned and Malacañang. In at least one department, the PCGR consulted with top echelons and designed a broad blueprint. The department created a task force of insiders and an outside consultancy group to study and recommend a draft reorganization plan. The plan was submitted to Malacañang as a draft executive order, with the Presidential Management Staff providing secretariat support to plan revision. Soon, there was more than one draft, highlighting structural issues, e.g., should there be one or more undersecretaries? How many assistant secretaries may be had? Which level is political or career? As of now, the plan awaits approval.

Perhaps a more sensitive area is on the need for firmness. The IRP was approved and carried out as a total plan providing a uniform structure, among others. Approval and compliance was achieved in less time. If one can hazard a guess, the limited time of 100 days given to PCGR was a function of the urgency of getting the reorganization through, under the Freedom Constitution. However, the plan was overtaken by the drafting and adoption of the new Constitution, and eventually the convening of Congress, bringing an end to Presidential legislation on matters, including reorganization.

Recent Developments: An illustrative Case

Having foregone the chance of a systematic sweeping and high-profile reorganization, the Aquino administration has opted for a slower-paced and low-keyed approach. If one thought that the danger of a massive (and violent) reorganization passed with the laying aside of the PCGR recommendations, he is bound for a disappointment. The process of reorganization has been and is currently going on, without much fanfare - silently if you will. However, the "silence" has been broken on at least two occasions: The reorganization of the Department of Education, Culture and Sports (DECS) and the Senate Committee on Civil Service and Reorganization bid to stop the ongoing reorganization.

The reorganization at the DECS was authorized by Executive Order No. 117, issued by Malacañang on January 30, 1987 (before the ratification of the Constitution in February 1987). Months before, the Civil Service Commission issued Memo Circular No. 10 on September 2, 1986, prescribing guidelines for the retention and placement of personnel affected by the reorganization. It provided for, among others, a Placement Committee to be created in offices concerned as well as a grievance procedure. The 1987 Constitution upheld "due process" as a basic right of every Filipino and assured civil service employees not only of protection from unjust removal except for cause, but also benefits and employment opportunities if adversely affected by reorganization.⁸

Regardless of such assurances, actual reorganizations apparently tended towards abuses. The strike of DECS central office employees on July 24, 1987 highlighted the following concerns:

- 1) Abolition of all service units, bureaus, offices and agencies, divisions/units not included in the approved staffing pattern;
- 2) New positions included in the approved staffing pattern;
- 3) Separation of "reorganized out" incumbents;
- 4) Salaries of officials/employees in the new staffing pattern;
- 5) Partial appointments/reappointments by the DECS Secretary or the President; and
- 6) Itemization of new positions in central and field offices.

The Senate Committee on Civil Service and Reorganization resolution to stop the reorganization, co-authored by Senators Santanina Rasul and Edgardo Angara, referred to the following observations among others:

- 1) Lack of openness and transparency in the reorganization effort;
- 2) Arbitrary selection and placement of personnel;
- 3) Violations of CSC and Presidential memos on the priority of regular/permanent employees;
- 4) Increase in number of positions from 605,123 to 614,256 (in the DECS alone, there was an increase of 2,181 positions); and
- 5) Inadequate representation of employees in Selection Committees (heavily representing management, i.e., undersecretaries, assistant secretaries and directors).

The Senate Committee would put a halt to the reorganization until such time that guidelines have been set through legislation.

Meanwhile, what happens to those who have in effect been "reorganized out?"

Conclusion

In effect, what have we been saying? In terms of stated objectives, reorganization has transcended the usual "efficiency, economy, simplicity" syndrome. That is good. Reorganization is envisioned as a tool to render government more relevant, sensitive, and accountable. There is no perceived variation in the objectives - they are universal. One cryptic note about the current reorganization is its avowed mission to "de-Marcosify" the bureaucracy. One note of caution: the bureaucracy was under Marcos for some twenty years or so. It was in existence even before.

The current reorganization has avowed to extend the limits beyond the line executive departments to the corporate sector and local governments. While PCGR attempted to prescribe a set of criteria for divesting government corporations, none are available for the two other "bureaucracies." In that absence, plus the "de-Marcosify" motto, it is an open field - a virtual manhunt. How does one separate the goats from the sheep, when goats can wear sheep's clothing?

The subject of reorganization, on account of the foregoing, remains to be a timely and continuing concern. At this point, it is very tempting to go back and ask questions. The following have been raised before, but perhaps, it is worthwhile to raise them again for the purpose of this discussion.

- 1) If bureaucracy is to be trimmed, which structures, functions, and programs should be retained or divested?
- 2) Corollary to the above, which specific criteria may be developed/adopted as a basis for government retaining or divesting itself of such structures and functions?
- 3) Which strategies and mechanisms can ensure a successful and effective implementation of reorganization?

Endnotes

¹Presidential Commission on Reorganization, *Organizing Government for Effective Development Administration*, June 1984.

²*Ibid.*

³Presidential Commission on Government Reorganization (PCGR), "Principles and Policy Proposals," *Provisional Report, Book I*, June 1986.

⁴*Ibid.*

⁵UPCPA/PSPA Task Force on Government Reform and Reorganization, *Structural Aspects, Government Reorganization: Proposal for Structural Reforms*.

⁶Perla Segovia, "Administrative Reorganization, Institutional Development, and Management Improvement," *Philippine Journal of Public Administration*, Vol. XXI, Nos. 3 & 4, July-October 1977, pp. 235-282.

⁷PCGR, "Principles and Policy.....," *op. cit.*

⁸Article XVIII, Section 16, *1987 Constitution of the Republic of the Philippines*.