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

JON S.T. QUAH*

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

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

Raymundo Julio A. Olaguer (2006: 88)

Corruption is a serious problem in the Philippines according to Transparency International’s 2009 Corruption Perceptions Index (CPI), the Political Economic Risk Consultancy’s (PERC) 2009 survey of corruption in Asian countries, and the World Bank’s 2008 data on the control of corruption indicator. Why is corruption rampant in the Philippines? What measures have been taken by the various governments to combat corruption in the Philippines? How effective are the anti-corruption measures that have been introduced since the 1950s, when the fight against corruption began? Is

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Curbing corruption in the Philippines an impossible dream? This article addresses these questions and contends that the major obstacle to curbing corruption in the Philippines is the lack of political will of the various administrations since the attainment of independence from the United States in July 1946.

There are many definitions of corruption. Heidenheimer (1970: 4-6) has identified three types of definitions namely: public-office-centered, market-centered, and public-interest-centered definitions of corruption. However, for this article, corruption refers to “the misuse of public power, office or authority for private benefit—through bribery, extortion, influence-peddling, nepotism, fraud, speed money or embezzlement” (UNDP 1999: 7). This public-office-centered definition is useful because it identifies the seven major forms of corruption, and it is applicable to both the public and private sectors. It is also important to distinguish between grand corruption and petty corruption. Grand corruption refers to “the misuse of public power by heads of state, ministers and top officials for private, pecuniary profit” (Moody-Stuart 1997: 2). In contrast, petty or “survival” corruption is practiced by underpaid junior civil servants who demand bribes from the public to expedite transactions or perform other favors.

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

Perceived Extent of Corruption in the Philippines

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

Joselito D.R. Obejas (2009: 97)

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

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

In our essay at making our social and economic objectives a fact accomplished, we are hampered by a cancer gnawing at our national entrails. Graft and corruption . . . is . . . a national problem. The problem of graft and corruption is not peculiar to our administration in this country. Nor is it a new one. It has plagued all administrations before us. Nevertheless, I do not condone nor minimize the significance of this blight (Quoted in Iglesias 1963: 20).

In 1969, the Philippine Ethnic Group Attitude Surveys found, among other things, that 66 percent of the 1,381 Filipinos interviewed believed that graft and corruption were prevalent and constituted a major problem (Averech, Koehler, and Denton 1971: 31). When the respondents were asked “Which officials are corrupt?” thirty-eight percent identified politicians as corrupt, 36 percent viewed government employees as corrupt, and 22 percent considered local politicians as corrupt. Finally, the respondents from Manila viewed politicians and government employees as corrupt unlike the Ilocano, Muslim, Pampango, and lower-income respondents (Averech, Koehler, and Denton 1971: 32-33).

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

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

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

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

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

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

Carmen Navarro Pedrosa (1987: 222) estimated that Marcos had amassed “a staggering $15 billion,” which was more than half of the country’s national debt. The Marcoses used the government banks as “piggy banks” and diverted US$27 million of Philippine National Bank funds for their own use (Chaikin and Sharman 2009: 160). Among the ten most corrupt political leaders identified by Transparency International in 2004, Marcos was ranked second after President Suharto of Indonesia as Marcos was estimated to have embezzled between US$5 and US$10 billion. Joseph Estrada, who was ranked as the tenth most corrupt political leader, had embezzled between US$78 and US$80 million when he was President of the Philippines from 1998 to 2001 (Hodess et al. 2004: 13).
The Marcos regime was described as “sultanistic” by Mark Thompson (1998: 216) as it was based on personalism and loyalty to Marcos was motivated by a mixture of fear and rewards to his collaborators. President Marcos had appointed his relatives and close friends as directors of government agencies, corporations, and development projects in the sugar and coconut industries, hotels and resorts, and the construction sector. The Marcos kleptocracy was characterized by the provision of “behest loans” to members of his family, cronies, or political supporters by the government-owned financial institutions. Needless to say, their “mismanagement and agenda of personal gain” had adverse consequences as the government was deprived of “positive returns on investments and profitable use of foreign loans.” More importantly, the government had to bear the deficits and losses and incurred heavy foreign debts, which increased from US$16.98 to US$26 billion from 1982 to 1985, for bailing out Marcos’ cronies (Rebullida 2006: 170).

The annual surveys of business enterprises on corruption conducted by the Social Weather Stations (SWS) from 2000 to 2007 have shown that, on the average, nearly two-thirds of the managers interviewed said that there was “a lot” of corruption in the public sector in the Philippines. Table 1 shows that while the proportion of managers indicating that there was “a lot” of public sector corruption has declined from 77 percent in 2001 to 61 percent in 2007, the average percentage for 2000-2007 is 65.7 percent. The percentage of managers who perceived that there was “a lot” of public sector corruption increased to 64 percent in 2008 and 2009 (Guerrero et al. 2010: 5).

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

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

Source: Guerrero et al. (2007: 7).

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

2010
In the 2009 SWS Surveys of Enterprises on Corruption, the respondents were asked to rate the sincerity or insincerity of government agencies in fighting corruption. Table 3 shows that the BOC, DPWH, and BIR were perceived by the managers to be the least sincere in combating corruption. It should be noted that the Office of the President (OP) was ranked fifth with a net sincere rating of -37 percent. The three anti-corruption agencies were also viewed negatively by the managers with the Office of the Ombudsman (OMB) receiving a net sincere rating of -8 percent, followed by -28 percent for the Presidential Commission on Good Government (PCGG), and -33 percent for the Presidential Anti-Graft Commission (PAGC).

Surprisingly, the Bureau of Immigration (BI) was not identified among the most corrupt government agencies in Table 2 even though it was riddled with corruption. According to retired Colonel Salvador Rodolfo, a former intelligence consultant of the BI:

The Bureau of Immigration is the worst agency in the Philippine republic enmeshed in graft and corruption, and the only language spoken from commissioners down to clerks and janitors is money, money, dirty money (Quoted in Chua and Rimban 1998: 153).

Corruption in the BI was systemic and permeated “every rung in the bureau’s hierarchy” because of the “discretion given to immigration officials to determine the lives and destinies of both aliens living in the Philippines and Filipinos leaving for abroad, the opportunities for payoffs abound” (Chua and Rimban 1998: 153-154).

**Table 2. Managers’ Perception of Most Corrupt Government Agencies in the Philippines, 2000-2007**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Customs</td>
<td>74%</td>
<td>65%</td>
<td>66%</td>
<td>70%</td>
<td>65%</td>
<td>61%</td>
<td>60%</td>
<td>65.9%</td>
</tr>
<tr>
<td>BIR</td>
<td>72%</td>
<td>67%</td>
<td>68%</td>
<td>68%</td>
<td>64%</td>
<td>51%</td>
<td>46%</td>
<td>62.3%</td>
</tr>
<tr>
<td>DPWH</td>
<td>57%</td>
<td>38%</td>
<td>49%</td>
<td>49%</td>
<td>46%</td>
<td>37%</td>
<td>35%</td>
<td>44.4%</td>
</tr>
<tr>
<td>PNP</td>
<td>16%</td>
<td>32%</td>
<td>29%</td>
<td>28%</td>
<td>19%</td>
<td>11%</td>
<td>11%</td>
<td>20.9%</td>
</tr>
<tr>
<td>LTO</td>
<td>4%</td>
<td>5%</td>
<td>20%</td>
<td>21%</td>
<td>17%</td>
<td>13%</td>
<td>15%</td>
<td>13.6%</td>
</tr>
<tr>
<td>DENR</td>
<td>5%</td>
<td>10%</td>
<td>14%</td>
<td>10%</td>
<td>17%</td>
<td>12%</td>
<td>7%</td>
<td>10.7%</td>
</tr>
<tr>
<td>DepEd</td>
<td>22%</td>
<td>7%</td>
<td>8%</td>
<td>8%</td>
<td>9%</td>
<td>7%</td>
<td>7%</td>
<td>9.7%</td>
</tr>
</tbody>
</table>

Source: Guerrero et al. (2007: 16).
The DPWH was identified in Table 2 as the third most corrupt government agency and in Table 3 as the second least sincere government agency in fighting corruption in 2009. The DPWH had “earned a reputation as a bastion of graft” because it encouraged the payment of commissions and bribes and discouraged honesty since “honest employees and whistle-blowers risk ostracism by their colleagues.” As the DPWH dealt with huge infrastructure projects involving vast sums of expenditure, bribes were usually paid in cash and commissions were given after winning the contracts. Consequently, the DPWH became known as “a den of corrupt practices”
because there were ample opportunities for corruption among its employees and external vested interests (Vitug 1998: 188).

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

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

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

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

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

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

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

Causes of Corruption in the Philippines

Bribery proliferates and is sustained among agencies that do not address the need for efficiency for procedures and effectiveness of service delivery. Bribery is sustained in a system where personnel get meager pay from government employment. . . . The culture of corruption is sustained by a sub-culture . . . of gift giving, reciprocity, ‘clientelism,’ the so-called ‘dark side of social capital,’ fixing, facilitation used in a negative way, dualism, and the expansive yet discretionary use of bureaucratic power. (Co et al. 2007: 35, 37)
Corruption was introduced in the Philippines by the Spanish as the “low salaries and poor working conditions of the bureaucrats and the many opportunities available for corrupt behavior contributed to the widespread corruption in the colonial bureaucracy” (Quah 1982: 158). For example, the gobernadorcillo, or little governor, was paid a miserable salary of P2 a month which was not commensurate with the extensive duties he had to perform including, among other things, being the village mayor, justice of the peace, and supervisor of tribute and tax-collections (Corpuz 1957: 111-112). A public office was viewed as a grant or favor from the King during the Spanish colonial period and “many bureaucrats actually treated the transaction as a business—selling an office at a profit and buying a more lucrative one” (Endriga 1979: 247-249). Corpuz (1957: 129) contended that the most serious weakness of the Spanish colonial bureaucracy was the “internal moral corruption of its members.”

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

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

Why is corruption such a serious problem today in the Philippines? The first factor responsible for corruption in the contemporary Philippines is the low salaries of the political leaders and civil servants. For example, employees
of the Bureau of Immigration are under-qualified and paid “starvation wages.” Consequently they find it “difficult to survive without accepting bribes, one way or the other, because nearly everyone is doing it” (Chua and Rimban 1998: 154). The monthly salary of the most junior civil servant (salary grade 1, step 1) in 1976 was P286 (US$36) and the monthly salary of the most senior civil servant (salary grade 28, step 8) was P5,935 (US$747) (Fernandez 1980: 422). According to Perfecto L. Padilla (1995: 187), “the grossly low compensation is an unchallenged fact in Philippine government administration” because salary revisions cannot keep pace with the rising cost of living, and civil service salaries are not as “attractive and competitive as those offered by private companies, multinational corporations, and regional/international organizations.”

In a survey of public attitudes towards corruption in the Philippines conducted in September 1998, the problem of low salaries was cited most often as the major cause of corruption (Beschel 1999: 9). Table 4 shows that the monthly salary of the President of the Philippines is P50,000 (US$1,077), while the Vice-President, President of the Senate, Speaker of the House of Representatives, and Chief Justice of the Supreme Court earn between P40,000 to 47,547 (US$861 to 1,024) per month. The monthly salaries of senators, members of the House of Representatives, and associate justices of the Supreme Court range from P35,000 to 41,604 (US$754 to 896). In contrast, most of the civil servants earn salaries which are “74 percent below comparable jobs in the private sector, [thus] encouraging corruption in all levels of the bureaucracy” (Reuters India 2009). Consequently, these poorly-paid civil servants “augment their meager incomes” by resorting to such practices as selling goods to their colleagues in the office, “moonlighting,” part-time teaching, private professional practice after office hours, research and consultancy projects, and petty corrupt practices (Padilla 1995: 195-206).

Recently, 11,000 Filipino doctors retrained themselves as nurses in order to emigrate to other countries like the United States because “it is much harder for a Philippine-trained doctor to pass medical board exams in a foreign country than for a Filipino nurse to be certified abroad” (Harden 2008: A13-A14). The health-care brain drain of physicians in the Philippines to other countries to work as nurses has strangled rural hospitals across the country. The motivation for this change in career is financial as in the United States, “a nurse can make 10 times the [US]$4,700 annual salary” of a government doctor in the Philippines. The exodus of doctors from the provinces has resulted in a shortage of doctors in the poor rural areas. Rey Melchor F. Santos, the President of the Philippine Medical Association, has revealed that “there are rural hospitals that are no longer operating because they have no medical manpower” (Harden 2008: A14).
Table 4. Salary Grades and Salaries of Constitutional Officials in the Philippines

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


*Except for salary grade (SG) 33, SG 31 and 32 have eight steps each. The monthly salary indicated for each position is the range from step 1 to step 8. The conversion of pesos to US$ is based on the exchange rate of US$1 = P46.43 at the time of writing on 28 February 2010.

Second, the excessive red tape and inefficiency of the Philippine Civil Service provide ample opportunities for corruption. Indeed, papers in the government are processed in an unsystematic and time-consuming manner. Furthermore, the cumbersome and complicated procedures also slow down paper processing. The filing systems are disorganized and there is no disposal policy for files accumulated for many years. In other words, “there is much room for simplifying procedures in the bureaucracy” (de Guzman, Brillantes, and Pacho 1988: 199). Excessive regulations coupled with increased bureaucratic discretion provide opportunities and incentives for corruption as regulations governing access to goods and services are exploited by civil servants to extract “rents” from groups vying for access to these goods and services (Gould and Amaro-Reyes 1983: 17). Accordingly, businessmen in the Philippines resort to paying “speed money” (bribes) to expedite the processing of their applications for licenses or permits from the relevant government agency (de Guzman, Brillantes, and Pacho 1988: 198).
The Doing Business Surveys 2007-2009 conducted by the World Bank show that red tape is a serious problem in the Philippines as reflected in its consistently poor ranking for the ease of doing business: 126th position among 175 countries in 2007; 133rd position among 181 countries in 2008; and 140th position among 181 countries in 2009. Furthermore, Table 5 shows that the Philippines’ rank for starting a business deteriorated from 108th position in 2007 to 155th in 2009 because the number of procedures increased from 11 to 15; the length of time increased from 48 to 52 days; and the cost rose from 18.7 percent to 29.8 percent.

Table 5. Business Indicators and CPI Rank and Score in the Philippines, 2007-2009

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


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

Only in the Philippines could a leader like Ferdinand Marcos, who pillaged his country for over 20 years, still be considered for a national burial. Insignificant amounts of the loot have been recovered, yet his wife and children were allowed to return and engage in politics. . . . General Fabian Ver, Marcos's commander-in-chief . . . had fled the Philippines together with Marcos in 1986. When he died in Bangkok, the Estrada government gave the general military honours at his burial (Lee 2000: 342-343).

Robert P. Beschel Jr. (1999: 8) observed that sanctions were inconsistently imposed in the Philippines, “with draconian punishment being meted out for relatively minor infractions and major crimes receiving lenient treatment—particularly when they are committed by the rich, the powerful and the politically well-connected.” In his comparative analysis of successful prosecution of corrupt offenders in Hong Kong and the Philippines, Beschel (1999: 8) found that a person committing a corrupt offense in Hong Kong was 33 times more likely to be detected and punished than his counterpart in the Philippines. More specifically, he found that Hong Kong’s Independent Commission Against Corruption (ICAC) successfully prosecuted about 8.24 cases per 10,000 civil servants for corruption in 1997. On the other hand, the comparable figure in the Philippines was less than 0.25 per 10,000. The lower probability of being convicted for corruption in the Philippines was confirmed by the former Ombudsman Simeon V. Marcelo (2004: 37) who revealed that the Office of the Special Prosecutor’s conviction rate at the Sandiganbayan (the Anti-Graft Court) was “a dismal 6 percent.” This low percentage means that “a high-ranking government official accused of graft and corruption has a 94 percent chance of walking away scot-free.”

Fourth, the importance of the family and the cultural value of utang na loob (debt of gratitude) among Filipinos have made them more tolerant of corruption. The family plays a central role in the Philippines because:

It is the primary vehicle for socialization of the young; the source of emotional and financial support for its members; and the chief claimant of loyalty . . . . The primacy of the family is reinforced by custom, embedded in Catholic teachings, and proclaimed in the 1987 Constitution (Timberman 1991:16).

Another characteristic of the Filipino family is that kinship ties extend bilaterally to include the families of both spouses. It is further extended through the “compadre system, in which a prominent man in the community” is chosen as “the child’s godfather and the compadre of the parent.” The godfather acts as an intermediary in dealings with the government and he receives in return “gifts or free labor services in election campaigns and other political situations.” In other words, the compadre system encourages the
Filipinos to work whenever possible through an intermediary (Langston 1991: 71).

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

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

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

Consequently, it is not surprising that nepotism is prevalent in the Philippines as public officials readily perform favors for their relatives, including the appointment of unqualified persons. For example, in the case of education, many people “unfit for the teaching profession end up teaching in and running public schools” and they “pay ₱3,000 to ₱5,000 in ‘bribes’ to ensure their admission and give up one to three months’ pay to recompense their *utang na loob* (debt of gratitude) to their superiors when their initial paychecks arrive” (Chua 1999: 10).

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

**Anti-Corruption Measures**

Too many cooks spoil the broth.

English idiom

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

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

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

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

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

However, these purges were ineffective as “many of those who were fired were already retired or dead, while others were exonerated and the charges were dropped. Ten months later, many implicated officials were still at their posts.” Moreover, the criteria for these purges were random and “encouraged fear and indifference rather than excellence.” Most importantly, the Marcos regime’s efforts in curbing corruption lacked credibility among the public as there was “growing suspicion that the worst offenders were sitting in the president’s palace” (Root 1996: 116). By 1976, corruption had become rampant as grand corruption by Marcos and his cabinet encouraged the spread of petty corruption.

The Philippines is the Asian country with the most anti-corruption measures as it has relied on seven laws and 19 presidential anti-corruption agencies (ACAs) since it began its fight against corruption in the 1950s. Table 6 provides details of the 19 presidential ACAs. The proliferation of ACAs is the result of the frequent changes in political leadership as these agencies are either created or abolished by the President. From May 1950 to January 1966, five ACAs were formed and dissolved as there were five changes in political leadership during that period. Similarly, President Marcos created another five ACAs during his 21 years in power because the first three agencies were ineffective and lasted between eight months and two years (Quah 1982: 168-169). In December 1978, President Marcos formed the Sandiganbayan (Special Anti-Graft Court) by issuing PD No. 1606 and, in July 1979, the Tanodbayan (Ombudsman) through PD No. 1630.
Table 6. Presidential Anti-Corruption Agencies in the Philippines (1950-2009)

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

Sources: Compiled from Alfiler (1979: 347), Batalla (2001: 47), and Oyamada (2005: 100-101).
President Aquino assumed office in February 1986 and “there was high expectation that the end of the culture of graft and corruption was near” (Varela 1995: 174). She established the Presidential Commission on Good Government (PCGG) to identify and retrieve the money stolen by the Marcos family and its cronies. Unfortunately, Aquino’s “avowed anti-graft and corruption” stance was viewed cynically by the public as two of her Cabinet members and her relatives (referred to derisively by her critics as “rela-thieves”) were accused of corruption. The PCGG was also a target for charges of corruption, favoritism, and incompetence. Indeed, by June 1988, five of its agents faced graft charges and 13 more were being investigated (Quah 1999: 81).

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

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

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

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

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

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

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

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

Lande contends that “it was Estrada’s mismanagement of the economy that most decisively turned the upper and middle classes against him.”

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

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

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

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

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

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

### Box 1. Tell-Tale Signs of a Corrupt Bureaucrat in the Philippines

How to tell if a public official or bureaucrat has amassed wealth “disproportionate” to his declared sources of income:

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


### Evaluation of Anti-Corruption Measures

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

*Philippine Daily Inquirer* (2008)

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

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

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


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

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Ranking</th>
<th>Score*</th>
<th>No. of Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>8&lt;sup&gt;th&lt;/sup&gt;</td>
<td>6.60</td>
<td>11</td>
</tr>
<tr>
<td>1996</td>
<td>9&lt;sup&gt;th&lt;/sup&gt;</td>
<td>6.95</td>
<td>12</td>
</tr>
<tr>
<td>1997</td>
<td>6&lt;sup&gt;th&lt;/sup&gt;</td>
<td>6.50</td>
<td>12</td>
</tr>
<tr>
<td>1998</td>
<td>8&lt;sup&gt;th&lt;/sup&gt;</td>
<td>7.17</td>
<td>12</td>
</tr>
<tr>
<td>1999</td>
<td>4&lt;sup&gt;th&lt;/sup&gt;</td>
<td>6.71</td>
<td>12</td>
</tr>
<tr>
<td>2000</td>
<td>8&lt;sup&gt;th&lt;/sup&gt;</td>
<td>8.67</td>
<td>12</td>
</tr>
<tr>
<td>2001</td>
<td>9&lt;sup&gt;th&lt;/sup&gt;</td>
<td>9.00</td>
<td>12</td>
</tr>
<tr>
<td>2002</td>
<td>8&lt;sup&gt;th&lt;/sup&gt;</td>
<td>8.00</td>
<td>12</td>
</tr>
<tr>
<td>2003</td>
<td>7&lt;sup&gt;th&lt;/sup&gt;</td>
<td>7.67</td>
<td>13</td>
</tr>
<tr>
<td>2004</td>
<td>9&lt;sup&gt;th&lt;/sup&gt;</td>
<td>8.33</td>
<td>13</td>
</tr>
<tr>
<td>2005</td>
<td>12&lt;sup&gt;th&lt;/sup&gt;</td>
<td>8.80</td>
<td>13</td>
</tr>
<tr>
<td>2006</td>
<td>11&lt;sup&gt;th&lt;/sup&gt;</td>
<td>7.80</td>
<td>13</td>
</tr>
<tr>
<td>2007</td>
<td>13&lt;sup&gt;th&lt;/sup&gt;</td>
<td>9.40</td>
<td>13</td>
</tr>
<tr>
<td>2008</td>
<td>13&lt;sup&gt;th&lt;/sup&gt;</td>
<td>9.00</td>
<td>13</td>
</tr>
<tr>
<td>2009</td>
<td>11&lt;sup&gt;th&lt;/sup&gt;</td>
<td>7.00</td>
<td>16</td>
</tr>
<tr>
<td>Average</td>
<td>9&lt;sup&gt;th&lt;/sup&gt;</td>
<td>7.84</td>
<td>--</td>
</tr>
</tbody>
</table>

Sources: PERC (2001; 2008: 7) and Hussain (2009: B5).
* The score ranges from 0 (least corrupt) to 10 (most corrupt).

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

The previous three indicators provide data on the perceived extent of corruption in the Philippines. Table 10 provides data on the Philippines’ rankings and scores on the Global Competitiveness Report’s indicator on public trust of politicians. The Philippines’ declining rank from 49<sup>th</sup> position among 59 countries in 1999 to 130<sup>th</sup> position among 133 countries and the
Table 9. World Bank’s Control of Corruption in the Philippines, 1996-2008

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentile Rank (1-100)</th>
<th>Governance Score (+2.5 to -2.5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>45.1</td>
<td>-0.27</td>
</tr>
<tr>
<td>1998</td>
<td>43.2</td>
<td>-0.35</td>
</tr>
<tr>
<td>2000</td>
<td>36.9</td>
<td>-0.53</td>
</tr>
<tr>
<td>2002</td>
<td>38.8</td>
<td>-0.49</td>
</tr>
<tr>
<td>2003</td>
<td>39.8</td>
<td>-0.48</td>
</tr>
<tr>
<td>2004</td>
<td>34.0</td>
<td>-0.60</td>
</tr>
<tr>
<td>2005</td>
<td>35.9</td>
<td>-0.61</td>
</tr>
<tr>
<td>2006</td>
<td>22.8</td>
<td>-0.78</td>
</tr>
<tr>
<td>2007</td>
<td>22.2</td>
<td>-0.79</td>
</tr>
<tr>
<td>2008</td>
<td>26.1</td>
<td>-0.75</td>
</tr>
<tr>
<td>Average</td>
<td>34.5</td>
<td></td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Year</th>
<th>Rank</th>
<th>Score*</th>
<th>No. of Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>49</td>
<td>2.02</td>
<td>59</td>
</tr>
<tr>
<td>2000</td>
<td>51</td>
<td>2.00</td>
<td>59</td>
</tr>
<tr>
<td>2001-2002</td>
<td>52</td>
<td>2.10</td>
<td>75</td>
</tr>
<tr>
<td>2002-2003</td>
<td>69</td>
<td>1.50</td>
<td>80</td>
</tr>
<tr>
<td>2003-2004</td>
<td>94</td>
<td>1.40</td>
<td>102</td>
</tr>
<tr>
<td>2007-2008</td>
<td>119</td>
<td>1.70</td>
<td>131</td>
</tr>
<tr>
<td>2009-2010</td>
<td>130</td>
<td>1.60</td>
<td>133</td>
</tr>
<tr>
<td>Average</td>
<td>81</td>
<td>1.76</td>
<td>--</td>
</tr>
</tbody>
</table>


* The score ranges from 1 (strongly disagree) to 7 (strongly agree) with this statement: “Public trust in the financial honesty of politicians is very high.”
corresponding decrease in its score from 2.02 to 1.60 during the same period for this indicator is a clear reflection of the Filipino citizens' negative reaction to the corrupt behavior of their politicians.

Why has the Philippines been ineffective in curbing corruption even though it has relied on seven laws and 19 ACAs? According to Edna Co et al. (2007: 11):

If laws and policies were to be the bases of the state of corruption in a country, the Philippines would be ranked among the most corrupt-free. Numerous laws and policies are legislated and programs are in place all across the public sector. However, the enormous constraint lies in the enforcement of these laws and policies.

Indeed, the anti-corruption laws have not been enforced impartially because of the lack of political will, which is the most important reason for the ineffectiveness of the Philippines' anti-corruption strategy as the government has not allocated sufficient personnel and budget to the various ACAs to enable them to perform their duties effectively. For example, the OMB, which is the lead ACA, is under-staffed, and according to a former Ombudsman, Simeon V. Marcelo (2005:1), it is “designed to fail because of its crippling lack of resources.”

To demonstrate the OMB’s “severe” lack of resources, Marcelo (2005: 3) compared the personnel and budget of the OMB with those of Hong Kong’s Independent Commission Against Corruption (ICAC). Table 11 vividly shows how understaffed and underresourced the OMB is compared to the ICAC. The OMB’s field investigator-bureaucracy ratio of 1:17,045 compares unfavorably with the ICAC’s ratio of 1:208. The OMB’s staff-population of 1:71,340 is much higher than the ICAC’s ratio of 1:5,354. In terms of per capita expenditure, the ICAC’s figure of P696 exceeds that of the OMB’s P6 by 116 times. Marcelo (2005: 4) captures the essence of the OMB’s powerlessness by describing it as “a hunter hunting for crocodiles with only a flyswatter in hand” because “there is no way it can kill its prey, i.e., the corrupt public officials.” Even before Marcelo became the Ombudsman, Eric Batalla (2001: 73) had recommended the expansion of the OMB’s capacity and the improvement of its capability to enhance its effectiveness. More recently, Raymundo Julio A. Olaguer (2006: 79) has recommended that the OMB’s budget be increased “to solve the problem of overworked and underpaid prosecutors and investigators” and to provide the OMB with “modern and state-of-the-art equipment for surveillance and evidence-gathering.”

Table 12 provides a comparative analysis of the personnel and budgets of eight Asian ACAs and shows that the OMB is ranked fifth in terms of staff-population ratio, and seventh in terms of per capita expenditure. More specifically, the OMB’s staff-population ratio of 1:85,057 is better than those of
Table 11. Comparison of the Personnel and Budgets of the OMB and ICAC, 2004

<table>
<thead>
<tr>
<th>Item</th>
<th>Office of the Ombudsman</th>
<th>Independent Commission Against Corruption</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of field investigators</td>
<td>88</td>
<td>837</td>
</tr>
<tr>
<td>Total no. of staff</td>
<td>1,141</td>
<td>1,326</td>
</tr>
<tr>
<td>Size of bureaucracy</td>
<td>1,500,000</td>
<td>174,175</td>
</tr>
<tr>
<td>Field investigator-bureaucracy ratio</td>
<td>1: 17,045</td>
<td>1: 208</td>
</tr>
<tr>
<td>Budget</td>
<td>480 million pesos</td>
<td>4.94 billion pesos</td>
</tr>
<tr>
<td>Population of country</td>
<td>81.4 million</td>
<td>7.1 million</td>
</tr>
<tr>
<td>Per capita expenditure</td>
<td>6 pesos</td>
<td>696 pesos</td>
</tr>
<tr>
<td>Staff-population ratio</td>
<td>1: 71,340</td>
<td>1: 5,354</td>
</tr>
</tbody>
</table>

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

India’s Central Bureau of Investigation (CBI), South Korea’s Korea Independent Commission Against Corruption (KICAC), and Indonesia’s Corruption Eradication Commission (CEC). Similarly, the OMB’s per capita expenditure of US$0.15 is only higher than the CEC’s per capita expenditure of US$0.08 and the CBI’s per capita expenditure of US$0.03.

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

Another limitation of the OMB is that it only has jurisdiction over public officials and not those employed in private companies (Quah 2009: 778). The OMB has been “tainted with allegations of wrongdoing” as impeachment complaints were filed three times against Ombudsman Aniano Desierto during his seven-year term. However, the charges against him were dismissed by the Congress. The OMB has also been accused of not taking action or dismissing
Table 12. Comparative Analysis of the Personnel and Budgets of Eight Anti-Corruption Agencies in Asian Countries in 2005

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


cases “despite overwhelming evidence against suspected offenders” (Dizon 2007: 117).

Thirdly, the reliance on multiple ACAs has not benefited the Philippines as the proliferation of these ACAs has led to “duplication, layering and turf wars” (Quimson 2006: 30). There is also no coordination or cooperation among the various ACAs, which compete for recognition, staff and resources because they are under-staffed and poorly funded. Even though their basic mandates are defined, these ACAs have overlapping jurisdiction, which diffuses anti-corruption efforts and results in “poor coordination in policy and program implementation, weak management and wastage of resources” (Oyamada 2005: 99).

Edna Co et al. have questioned why new ACAs are created by a new administration without evaluating the effectiveness of the existing ones thus:

Each administration created flagship programs and projects, sending the message that the political leadership was doing something against graft and corruption. However, the creation of

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such commissions and bodies may have been redundant and costly for the government. Although this may not be an efficient way of doing things . . . the creation of these bodies itself should be examined to ascertain whether or not they contribute to the commission of corruption in the public administrative system. An attendant question one could raise is why a new program needs to be created each time a new administration steps in instead of merely building upon past efforts (Co et al. 2007: 21).

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

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

From the looks of it, the apparent weakness of the Ombudsman as an institution . . . is the doing of poor leadership. The low conviction rate is explained by a highly centralized system, a weakened Office of the Special Prosecutor, and a demoralized staff. This and bad relations with other anticorruption organizations contribute to the bad image of the Ombudsman and thus its growing unpopularity (TAN 2009: 5).

The PAGC was created by President Arroyo in 2001 to perform these functions:

1. To investigate or hear administrative complaints against presidential appointees;
2. To investigate administrative cases against non-presidential appointees conspiring with presidential appointees alleged to have done irregular acts; and
3. To assist the president in the campaign against graft and corruption (Quimson 2006: 29).
However, the PAGC lacks fiscal autonomy and depends solely on the Office of the President for its budget, which is “a fraction of what [the] OMB receives” (Quimson 2006: 30). The PAGC has been ineffective in securing convictions as it dealt with 1,004 cases since its inception in 2001, but only 9 percent of these cases had punitive recommendations because 40 percent were dismissed for lack of jurisdiction, and 59 percent were dismissed for insufficient evidence. Indeed, the PAGC is not viewed as a credible ACA because of its lack of organizational and financial independence and its organizational proximity to the President (Quimson 2006: 30). According to a critic, there have been 14 versions of the PAGC since it was first created in the 1950s. Unfortunately, “like its predecessors, the present PAGC has had a negligible impact in the fight against corruption” (Dizon 2007: 117).

The PAGC conducted a total of 287 lifestyle checks on government officials from 2003-2005 (Ursal 2006: 202). However, according to Romulo Pagulayan (2007: 112), these lifestyle checks are “selective and ineffective” as “no secretaries, presidential assistants, general managers of government-owned or government-controlled corporations” were subjected to lifestyle checks. Unlike the President who has declared that she was open to a lifestyle check, the spokesperson for her husband, the First Gentleman, “insisted that he is a private person” and is, therefore, not subject to a lifestyle check. Furthermore, “the hype generated by the lifestyle check diverts the people’s attention from the more massive and systemic graft, even plunder committed by political appointees, top bureaucrats and the President’s relatives and cronies.” In short, like the other anti-corruption measures, the lifestyle check is ineffective because it focuses on “the lowly government workers [who] have become convenient scapegoats and easy prey” and ignores the “fat cats of government” (Pagulayan 2007: 112-113).

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

. . . the fight against corruption cannot truly be won since the highest government official, no less than the President, is tainted by corruption. Any Filipino, be he a simpleton in the streets or a scholar would indubitably arrive at the conclusion that corruption, if committed in high places, may go unpunished. This brings the efforts of the anti-corruption campaign to naught (Olaguer 2006: 35).

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

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

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

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

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

> People who keep hoping for clean and honest government that uses taxpayers’ money wisely and well will have to wait for another administration. The President thinks corruption is not a problem or at least not the serious problem businessmen and other observers take it to be. Nothing, not even neutral surveys and studies, will change her mind. It would be pointless and futile to look up to her for a solution.
In sum, President Arroyo’s commitment to curbing corruption in the Philippines has been eroded after nine years in office.

Conclusion

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

Quah (1982: 154, 175)

In conclusion, corruption will remain a serious problem in the Philippines as long as the five causes discussed in the second section are not eliminated. The salaries of the civil servants and political leaders are unlikely to be substantially increased as the government would not be able to afford such an expensive strategy without sustained economic growth. Furthermore, Singapore’s experience shows that “salary revision is a necessary but insufficient condition for curbing corruption if other reforms are not undertaken also” (Quah 2007: 43). While the opportunities for corruption can be minimized by reducing red tape and improving the efficiency of the civil service by streamlining the cumbersome and complicated administrative procedures, such opportunities will remain as long as low salaries or “starvation wages” reinforce the need for civil servants to accept “speed money” for expediting the approval of applications for permits. The population’s tolerance for corruption is reinforced by the importance of the family and such particularistic values as utang na loob in Philippine society.
In the final analysis, the key factor responsible for combating corruption effectively in a country is the political will, or commitment of its political leadership. According to Ian Senior (2006: 184, 187):

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

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

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

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

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

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

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

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

Endnotes

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

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

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

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

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

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