



## PROCEEDINGS

### **Policy Dialogue Series 2004: Academe Meets Government on Corruption in the Military**

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**C.M. RECTO HALL, FACULTY CENTER  
UNIVERSITY OF THE PHILIPPINES-DILIMAN**

**ZOSIMO E. LEE** (DEAN, COLLEGE OF SOCIAL SCIENCES AND PHILOSOPHY [CSSP], UNIVERSITY OF THE PHILIPPINES [UP]-DILIMAN): The College of Social Sciences and Philosophy is honored to welcome Undersecretary Ernesto Carolina and Vice Chief of Staff Vice Admiral Ariston de los Reyes to this afternoon's forum, together with our very own Dr. Carolina Hernandez, Prof. Felipe Miranda and Dr. Edna Estifania Co. This forum is very significant as we turn our attention to our military. We in UP used to have a negative and skeptical attitude toward the military borne out of the experiences during Martial Law. Even now, the cynical view of the military persists. But a state and a viable civil society need a trustworthy military. There are forces within the military that are also eager to move toward reforms within the institution because they would also like the institution that they are working for to deserve the trust and confidence of the Filipino nation. The viability of our republic needs a military that has the trust and confidence of its citizens. This forum is significant because we, as concerned citizens of the republic, would like to know whether it is possible to strengthen the military in the service of the goals of the republic and not as a private feat of power and privilege. We, as citizens, would also like to be able

to contribute toward making our military the institution that the Filipino nation deserves.

**TERESA S. ENCARNACION TADEM** (DIRECTOR, THIRD WORLD STUDIES CENTER, UP-DILIMAN): Today we are very fortunate to have a forum on the military, which seeks to tackle the following questions: What is the Arroyo government's overall reform agenda for the Department of National Defense (DND) and the Armed Forces of the Philippines (AFP)? How has the Arroyo government addressed and will address military corruption? What are the political, economic, and cultural factors that impede reforms in the military? And, finally, is there political resolve to implement political reforms?

**CAROLINA G. HERNANDEZ** (PRESIDENTIAL ADVISER ON THE IMPLEMENTATION OF THE FELICIANO COMMISSION RECOMMENDATIONS): The original sin that led to the erosion of civilian oversight over the military was committed with the imposition of Martial Law in September 1972. Marked by the destruction of oversight institutions to ensure the supremacy of civilian authority over the military, combined with the expansion of the military's role beyond the provision of external and internal defense, and peace and order through the Philippine Constabulary, Martial Law increased the influence and power of the AFP relative to civilian political institutions. On the other hand, the original sin that prevented the implementation of reforms to redress corruption in the military was committed when the recommendations of the Davide Commission that investigated the failed coup of 1989 were not implemented by the government. The effects of these landmark events in Philippine politics continue to be felt to this day.

It is often suspected that corruption in the military was bred by Martial Law. Among the few institutions Marcos allowed to survive and flourish during Martial Law was the AFP. Marcos needed military support to implement Martial Law policies and for regime survival. In return, he shared the power to govern with the military and showered the institution with material reward, including management of sequestered corporations and new investment, and other financial institutions reserved for the AFP. Among them was the AFP Retirement Service and Benefits System (RSBS) established on December 30, 1973, on the 37th anniversary of the AFP and fifteen months after the imposition of Martial Law.

The RSBS was intended to eventually become a real retirement and benefits system that would provide for the soldiers' pension and other benefits. Government gave the RSBS seed money of PHP 200 million in two tranches. In addition, it received 5 percent of the base pay of every soldier every month, which the RSBS board invested in stocks and bonds in the money market and in the real estate market. It has never failed to return the accumulated contribution of each soldier plus 6 percent in interest compounded annually—tax exempt—upon the soldier's retirement. The corruption in the RSBS was caused by the fact that, first, military officers without any expertise in investments managed the funds. Second, RSBS was exempt from the Bangko Sentral (Central Bank) and Securities and Exchange Commission regulations. Third, RSBS funds were exempt from audit powers of the Commission on Audit (COA). And fourth, it did not have internal control or check-and-balance mechanisms.

RSBS was transformed from a pension fund into an investment company by investing contributions of soldiers in business ventures. It engaged in the pursuit of high-yielding investments in real estate and portfolio loans to new companies, none of which was listed on the Manila or Makati Stock Exchange. Some of these loans were extended to companies engaged in real estate development that were either fully or partially owned by RSBS or its officers. It also expanded its real estate and loan portfolios through short-term borrowing. The real estate bubble burst in 1997 when the Asian financial crisis struck, affecting RSBS funds. The Senate Blue Ribbon Committee investigation showed that the real estate bought by RSBS were overpriced by PHP 703 million and RSBS extended *behest* loans to new companies suspected to be owned by RSBS ranking officers.

The practice of conversion is another form of corruption in the military. The rapid increase in the size of the AFP undermined its internal management systems, including the procurement and storage of arms, ammunition, and supplies that eventually led to the widespread practice. Conversion became necessary due to the constraints imposed by budget and auditing regulations where the needs of operational units on the ground could not be readily met. This provides a quicker way of converting authorized budgetary items into cash, after clearing the papers through proper authorities. The clearing process involves "cost of money," which sometimes amounts to as much as 30 percent of the authorized budgetary items. Once cleared, the cash can be used

to purchase supplies needed by operational units, or land in the pockets of corrupt comptrollers.

Corruption in the military also took the form of fraudulent acquisition of homes and lots in Fort Bonifacio. The most celebrated of these cases are those involving the Southside Homeowners Association Inc. (SHAI) that took possession of the Joint United States Military Assistance Group (JUSMAG) houses without the benefit of a presidential proclamation that would make this parcel of public land disposable, and the Naval Officers Village Association Inc. (NOVAI) that took possession of a parcel of Fort Bonifacio land on which military officers housing units stand through a nonexistent presidential proclamation. These cases involve ranking retired military officers who occupied military housing units on these lands due to their positions while on active duty. Some of them are ranking officials at the DND and other offices in the national government. JUSMAG/SHAI involves forty hectares that could be sold at the same price for PHP 14.1 billion. After deducting replications costs, these monies could be used for military upgrading and other purposes for the AFP.

In addition, squatted land inside Fort Bonifacio covers a total area of 59.6 hectares. At PHP 12,000 per square meter, the total value would be PHP 7.152 billion—less the assumed cost of relocating informal dwellers at 50 percent of selling price, which is PHP 3.576 billion—the net amount that would be realized would be PHP 3.576 billion. Under the sharing arrangement from Fort Bonifacio sales proceeds, the AFP share would be 35 percent of this amount. The sharing arrangement from the sales proceeds of Fort Bonifacio lands is another story that would break the heart of every soldier.

There are also allegations of the transfer of military arms, ammunitions, and supplies to persons outside the military establishment, as well as irregularities in the construction of military facilities where funds allocated for them were disbursed without completing the construction. And with the surfacing of the graft and corruption cases against Maj. Gen. Carlos F. Garcia in 2004, there also arose allegations of unexplained wealth against other military officers.

In January 2003, President Gloria Macapagal Arroyo established the Presidential Task Force for Military Reform seeking in particular a reform of the AFP's financial and procurement systems. She also created an office—the DND Undersecretary for Internal Control (USIC)—with a specific mandate to conduct a management audit in coordination with the AFP's major service commanders within a

month and to implement reforms within another month. She also established a fact-finding commission to investigate the facts and circumstances behind the July 2003 Oakwood mutiny and to make recommendations on military reforms to prevent the occurrence of a similar incident in the future. Since the submission of the report of this fact-finding commission, otherwise known as the Feliciano Commission (FelCom), the president has pursued the implementation of the recommendations of this commission and instructed the DND and the AFP to comply with these recommendations. At the same time, the DND has also embarked on the development and implementation of the Philippine Defense Reform (PDR) program based on the Joint Defense Assessment conducted in 2002 to 2004 as a long-term response to the problem of corruption in the military and related issues.

The FelCom feared a failure of the government to implement its recommendations like the benign neglect committed by the government with regard to the recommendations of the earlier Davide Commission. Thus, it recommended the appointment of an official to oversee and ensure the implementation of its own set of recommendations. There are about twenty-nine recommendations made by the FelCom. Four of them have not yet been attended to, while the rest have been fully implemented or are at varying stages of being responded to by the appropriate agencies. Of the four, one can only be implemented should an incident like Oakwood occur in the future, while the three others are crucial to the reduction of corruption. These are the return of the National Intelligence Coordinating Agency to its original mandate and appointing a civilian head to it, liquidation of RSBS, and recovery of squatted land in Fort Bonifacio, the sale of which could generate funds for military upgrading. The recovery would stem military wrongdoing either through illegal occupation of military lands or causing its illegal occupation by nonmilitary persons. The appointment of a civilian secretary of national defense was effected in August 2004, while the appointment of an official to oversee the implementation of the FelCom recommendations was made in December 2003.

On the implementation of the FelCom recommendations, progress is being made on the following:

1. Making the AFP grievance mechanism more effective through the Enhanced AFP Grievance System, the AFP

Automated Info Text System, and similar mechanisms at the service commander level such as “*I-Text mo si FOIC*” (Send a text message to Flag Officer-in-Command) of the Philippine Navy

2. Enforcing the law against all violators as seen in the pursuit of cases against the Magdalo soldiers (a group of junior officers involved in the Oakwood mutiny) at the civilian and military tribunals; those against General Garcia at the Sandiganbayan (People’s Court) and the General Court Martial; and those against Senator Gregorio Honasan and others by the Department of Justice
3. Developing a draft bill to create an AFP Service and Insurance System to pave the way for the liquidation of the RSBS and take over the burden of paying military pensions from the General Appropriations Act
4. Implementing fully the recommendations of the Senate Blue Ribbon Committee, through the filing of the graft cases by the Ombudsman against retired Gen. Jose Ramiscal, and others at the Sandiganbayan, and the reinvestigation and fact finding of the cases against retired Gen. Lisandro Abadia regarding the RSBS irregularities
5. Simplifying the AFP procurement procedures through the creation of a single Bids and Awards Committee (Single BAC) for the DND and the AFP, continuous monitoring of procurement concerns by the USIC and now by the DND Office of the Internal Audit, the DND policy that all military procurements be conducted by the Procurement Service of the Department of Budget and Management through the Inter-Agency Bids and Awards Committee until such time that the DND and AFP Single BAC gains procurement competence under the New Government Procurement Reform Law (Republic Act [RA] 9184), among other measures
6. Reducing the amount of “Centrally Managed Funds” (CMF) at the general headquarters (GHQ)/Service Headquarter levels by transferring large portions of the CMF to the operating units through the major services
7. Strictly implementing control measures over supplies through monitoring by the USIC and now by the Internal Audit through the use of Annual Procurement Plan

consistent with RA 9184 as the basis for procurement activities

8. Setting tenure limits for AFP finance and procurement officers, first, through the removal of General Garcia as Deputy of Staff for Communications, Electronics and Information Systems (J6) when his tenure was about to reach three years in 2004, and since October 2004, the abolition of the J6 and its replacement with a system of checks and balances among the Office of the Comptroller, Office of Resource and Management, Armed Forces Internal Auditor, and Accounting Office; the Philippine Army also abolished its Offices of the Assistant Chief for Comptrollership, Civil-Military Operations, and the Office for Education and Training
9. Establishing an autonomous Internal Affairs Office through the creation of the Internal Audit Service at the DND; the reactivation of the AFP Resource Management Office, and the Office of the Internal Auditor at the GHQ with check-and-balance functions; the establishment by the Philippine Army of the Office of the Army Internal Auditor and by the Philippine Navy of the Office of the Naval Internal Auditor
10. Pursuing the JUSMAG/SHAI and NOVAI cases (and other military land cases) through better coordination between relevant government agencies via the establishment of task forces at the DND and the Office of the Solicitor General (OSG) for this purpose
11. Substantially increasing the AFP's share in the Fort Bonifacio sale proceeds through the refiling of a draft bill for this purpose during the Thirteenth Congress
12. Reinforcing the Office of the Ombudsman (OMB) by hiring forty-eight additional prosecutors and fifty-one investigators in 2004, President Arroyo's provision of funds for twenty-five additional lawyers, the extension of official development assistance (ODA) funds to the OMB for this purpose, and the use of pro bono lawyers from private law firms to assist the OMB
13. Responding to recommendations to improve the services, welfare, and capacity of the AFP for its soldiers in the areas

of medical services, housing, personnel records keeping, and aircrafts, among other areas of soldiers' concern

As earlier noted, at the time of the Oakwood mutiny, the Arroyo administration had already undertaken a number of reform measures, including pay and pension increases for active and retired soldiers to be implemented from 2001 to 2004; the creation of the Presidential Task Force on Military Reform to precisely address procurement and financial system irregularities allegedly rampant in the defense and military establishments; the creation within the DND of the undersecretary for internal control to train and prepare DND/AFP personnel for the implementation of the new procurement law, see to its proper implementation, and generate measures to ensure its effective compliance by the DND/AFP; the creation of the FelCom to investigate the root and proximate causes, personalities involved in the mutiny, and make recommendations to avert the repeat of similar events in the future; and the conduct of the Joint Defense Assessment leading to the formulation and adoption of the PDR program.

The FelCom submitted its report on October 17, 2003. The president has since begun to implement the recommendations by ordering the DND and the AFP to implement the recommendations of the FelCom in their respective areas of responsibility; creating the office of the presidential adviser to implement the FelCom recommendations; appointing a civilian secretary of national defense; ordering the enforcement of the law against the Magdalo soldiers by accepting their apology for the mutiny and, at the same time, not interfering in the administration of justice in the civilian and military courts while seeking to implement the agreement between Ambassador Roy Cimatú and the Magdalo leaders on July 27, 2003, before the order to return to barracks; assisting other government agencies that are involved in the implementation of the FelCom recommendations such as the OMB that was given additional budget to hire more prosecutors, investigators, and lawyers; and putting her influence and prerogatives behind officials and policy measures that would ensure the implementation of the recommendations.

It must be noted that in reform processes, there are always political and other factors that shape the reform measures as well as their implementation. These include the actors and their interests, political will of reform actors, the issues that need to be addressed, institutional capacity of the agents involved in the reform process, economic/



financial factors, and even sociocultural factors. In the case of the FelCom recommendations, political dynamics had played out during the investigation, the preparation of the report, and the ongoing implementation of the recommendations.

During the hearings, it was clear that the government witnesses were all trying to project their own roles in the resolution of the mutiny, or justify why they were present at the scene of the mutiny if their positions did not warrant their presence at the scene. It is noteworthy that social and other links among key actors were activated to shape the outcome of the mutiny and the negotiations for return to barracks. On the other hand, those that might be accountable for either being leaders, followers, or supporters of the mutiny tried their best to justify their position with regard to the evidence already in the possession of the authorities.

It is noteworthy that those that bought into the adventure but whose involvement did not become evident played the role of the proverbial *balimbing* (turncoat), doing things to commend themselves to the victors. The saying that “success has many fathers and failure is an orphan” applies to the mutiny and the actors involved.

During the process of implementation, the politics of reform brought into the picture politically influential personalities and segments of Philippine society. On the question of amnesty for the Magdalo soldiers, the politicians in both houses of Congress began positioning themselves almost soon after the dust settled at Oakwood. More recently, upon the offer of apology by the Magdalo officers to their commander-in-chief, many political personalities came forward to voice their opinion. It is curious that while the apology was not to them but to the president as commander-in-chief of the armed forces, congressional leaders and personalities far removed from the issue began urging amnesty for the Magdalo soldiers. The justice secretary also offered his own opinion apparently tilting toward amnesty until the president clearly reemphasized her position on the matter.

In November, after the Garcia graft case exploded, both houses of Congress passed resolutions urging the president to consider the grant of amnesty, and the bases of their argument is fodder for a lengthy dissertation on the politics of defense and military reform in the Philippines. They argued that the Garcia case vindicated the Magdalo soldiers and their action, and that in the spirit of national unity and reconciliation, amnesty should be considered. These resolutions were the outcome of lobbying by relatives, friends, and supporters of the

Magdalo soldiers. Unfortunately, the object of their lobbying in support of amnesty could very well be uninformed about the issue itself as well as its implications on governance not only of the military, but of Philippine society as a whole. Unfortunately too, most legislators are at bottom media grabbers. Amnesty for the Magdalo is an issue surely able to deliver its advocates to the front pages of broadsheets (and even the tabloids), which is perceived as helpful to a politician's electoral goals.

Two leaders of the Catholic church also threw in their support for amnesty. Unfortunately, although their intention is Christian brotherly love, its effects on governance could be seriously damaging to military discipline and behavior, and would have effects on the whole society because the lesson that is being taught by amnesty is that violators of the law could be forgiven in the interest of national reconciliation and unity. While national reconciliation for unity is a worthy goal, it should not be sought at all costs, especially at the cost of good governance.

Within and beyond the defense and military establishments, as well as military and other retirees, the implementation of the FelCom recommendations would have many losers as there would be winners. Those that might have been involved in the graft and corruption cases unearthed by the commission and by the Office of the Presidential Adviser for the Implementation of the Feliciano Commission Recommendations would not want these cases to see the light of day. And they can call in all kinds of powerful allies from various sectors for this purpose. In spite of the fact that the president is seriously committed to reform, various members of the AFP that would be disadvantaged could also obstruct, delay, or worse, bury the recommendations in the dust bin of history, as the Davide Commission recommendations had been dealt with by the military and the government from 1990 onward. Because the president attends to far too many issues in her role as the highest official in the land, she would not be able to monitor all the orders she has given to relevant officials or officers. These orders can be subverted by simply not acting on them. Even her presidential adviser cannot monitor all the goings on in various government agencies such as the DND, the AFP, and the OSG in relation to military land cases, particularly those that government needs to recover because they were illegally disposed of in collusion between the Land Management Bureau of the Department of Environment and Natural Resources, the Registry of Deeds, and the

officers in question; the OMB that investigates and prosecutes graft and corruption cases, such as those involving the RSBS and the Garcia cases now in the Sandiganbayan; the Regional Trial Courts of Pasig and Makati where military land and the Magdalo cases are lodged; the Court of Appeals and the Supreme Court that are the subsequent higher and highest levels of relief by the government that is consistently losing these cases in the lower courts; or the Department of Justice that, until two days ago, had not ordered the respondents to submit an answer to the indictment in the Honasan case, although it had been cleared to assume jurisdiction by the Supreme Court as early as April 2004.

In each of these instances the politics of reform is at play and those interested in working for reforms must be prepared to engage themselves in a persistent struggle against the obstructionists of reform. Reformers need to have allies at all levels of government, at all areas in the civilian and military bureaucracy with relevant tasks in the reform areas, with members of the influential elite—academe, business, church, media, etc.—as well as with broad sectors of civil society. While numerous civil-society organizations are involved in various issue areas—environment, health, education, labor, etc.—there is not a single civil-society organization that has taken on defense and military or security sector reform as its area of concern and object of faithful monitoring. We need such a civil-society organization to involve itself in the politics of defense and military reform because like in other areas of concern, it could play a very significant role to further the reform agenda.

There is cause for cautious or guarded optimism. The implementation of the FelCom recommendations is moving in the right direction in a number of key areas as pointed out earlier. An important factor is the political commitment of President Arroyo and key officials in the DND/AFP in favor of reform. The general public wants to see concrete evidence of military reform, particularly in holding military officers accountable at the bar of justice for wrongdoing. It is therefore imperative that the guilty be convicted and made to pay the price of his or her crime.

The role of external actors in the reform process cannot be ignored. United States (US) President George W. Bush, in his address to the joint session of the Philippine Congress on October 18, 2003, a day after the FelCom submitted its report to the president, said the US government supports Philippine military reform and will extend military assistance to the country in this regard, particularly within the

context of the global war on terrorism. Note that in the US view, there has to be military reform first before military assistance would be extended. While it is not, as a rule, wise to look at the involvement of external actors particularly the US in domestic issues, this may have some value added in the area of defense and military reform. As in other areas of reform, the role of external actors is important as seen in the application of cohesion funds by the European Union (EU) to its candidate members to make them more democratic and market-oriented, and therefore more like the EU members. Indonesians continue to decry the failure of external actors to weigh in on the domestic struggle waged by Indonesians to put an end to authoritarian rule under Mohammad Suharto. In their view, the end of the Suharto era could have come earlier and the disastrous consequences of his hasty removal could have been avoided.

However, in the military-reform process there are more actors that should get involved. In short, the military and the government are not the only responsible actors. This task is a shared responsibility of every Filipino who wants to make a contribution toward making the Philippines the country that we can bequeath honorably to our future generation. In short, military reform is too important to be left solely in the hands of the AFP and its commander-in-chief.

**ERNESTO CAROLINA** (UNDERSECRETARY FOR THE PDR, DND): Undeniably, the AFP is currently facing one of its toughest tests as an institution. But this is because I firmly believe that the whole story about the AFP has not been told. In countless camps and battlefields, in social upheavals and strife, in civic missions and calamities, there are a lot of untold stories of little-known acts of selflessness and courage, of dedication to duty and sacrifice, of honor and integrity, and of idealism and heroism of our men and women in uniform. It is out of their respect for honor and sacrifices that we must weed out the bad from the good in the military. We must ensure that the military justice system is given the opportunity to work as it has worked in the past, and the AFP must be firm but fair in the discharge of this important task. The AFP must ensure that there will be no whitewash as we assure everyone that there will also be no witch-hunt. Having witnessed the competence and dedication of the unheralded multitude of men and women, whom we honor with respect to the flag and the uniform they wear, we had come to view the events of the past few months more as a challenge and an opportunity. I am confident that the Armed Forces

will emerge out of this episode as a stronger and more capable institution. Let me now take this opportunity to share with you the present government's reform agenda for the DND and the AFP, and plans to address corruption. I would also like to take this opportunity to inform you about our modest accomplishments so far. In pursuit of our goal to transform our institution as we perform our duties to provide a security environment conducive to economic growth, we are currently focusing our attention on four major thrusts: 1) implementing the PDR program, 2) updating the capability of the armed forces over a six-year period, 3) supporting the peace process, and 4) enhancing the ability to fight terrorism.

We are currently in the process of implementing the PDR. Through the PDR, we will introduce comprehensive and lasting institutional, structural, and systemic reforms in the DND and the Armed Forces. The PDR is envisioned to reengineer resistance and retool personnel of the DND and the AFP. These efforts are geared toward promoting cost effectiveness and efficiency, and sustaining a long-term balance among the forces and personnel, equipment, systems, and facilities; and sustaining training operations within specified financial limits. These institutional, structural, and systemic improvements are based on templates for defense reform that have been tried and tested in several countries that have undertaken similar reform measures in the past. Briefly, under the PDR, ten key areas of improvement will receive sustained focus as shown.

First, the Multi-Year Defense Planning System (MYDPS). This means setting measurable objectives, determining the requirements for achieving those objectives, and allocating the budget and resources to meet those requirements over a six-year period. Today, the MYDPS is in place. We have completed the initial joint assessment and study of the future defense acquisition system.

Second, the improvement of operational and training capacity of the armed forces. We will address the backlog of basic training for our soldiers and battalions. We will also emphasize the development of doctrines, training, and interoperability of all the forces. The capability of the AFP to execute effective joint operations will be increased and this will result in efficient deployment of our resources.

Third, the improvement of logistics capacity. This involves the enhancement of operational readiness and reliability rates for all platform and weapons systems as well as the logistics efficiency of key AFP systems. This will entail improvements in planned maintenance

and maintenance procedures, supply chain management where a lot of inefficiencies and some corruption occur, automated supply management system, inventory controls, and logistics training. This may very well be the long-term and systemic answer to what has been referred to in the FelCom recommendation as conversion. Already, significant progress has been made in various areas, including the wall-to-wall inventory, tool-control programs, and maintenance training.

Fourth, the staff development program shall work toward the development of expertise and management skills in the DND and the AFP in critical areas and functions that directly impact on the AFP's capability to plan, support, and execute effective operations.

Fifth, the personnel management system shall also undertake the review and evaluation of AFP personnel policies and personal management systems; the realignment of force structure to address strategy, threat, and mission; the reduction of personnel costs, now at 80 percent of the AFP budget; and the automation of the personnel management information system.

Sixth, the Six-Year Capability Upgrade Program for the Armed Forces will, for the medium term, focus on the basic requirements of the AFP to improve its capability in fulfilling its missions in pursuit of internal-security operations, which I will discuss later.

Seventh, improving management controls to optimize the defense budget will feature needed improvements in the planning, budgeting, and requirement-generation systems of the DND and the AFP, and the creation of structures and systems for oversight within the DND and the AFP major services to manage resources and requirements from planning to execution. Again, this will address what has been referred to as conversion in the long term.

Eighth, a professional and centrally managed defense acquisition system capable of evolving effective strategies and policies, as well as efficient processes and organizations will be established in the DND and the AFP. This will be manned by competent and professional acquisition workforce capable of requirement generation, planning, accountability in reporting and acquisition.

Ninth, increasing the capability of the AFP to conduct civil-military operations to diminish the underlying socioeconomic conditions and spur development in the countryside. The DND and the AFP shall support the construction of affirmative-action roads that would facilitate the entry of economic enterprises in country areas. We will also encourage government departments and agencies to execute

action plans that support the counterinsurgency campaign funded under the corresponding budget. We will likewise support the enhancement of convergence of government efforts in addressing the root causes of the insurgency.

Tenth, the development of accurate baseline data on critical AFP functional areas is necessary to readily identify management and operational deficiencies. Accurate baseline data will provide the basis for the assessments that will serve as bases for action plans that will be developed for the AFP to execute. As the DND and the AFP strengthen their capabilities for net assessments, a crucial first step will be the development of accurate baseline data.

Over the next six years, government has committed to provide required funding to ensure the full implementation of the PDR program. The second plan we will implement in the AFP is a six-year capability-upgrade program in which the AFP will define a national military strategy in the conduct of internal-security operations that would feature measurable targets and objectives. Within anticipated financial limits, the AFP will identify the required resources to upgrade its capabilities in areas such as mobility, manpower, communications, force protection, and combat life support. This will enable the organization to more effectively perform its missions. In addition, programs to upgrade the operations and training of land force, maritime force, air force as well as joint command and control shall continue to be enhanced. Over the next six years, a substantial part of the annual budget of the DND and the AFP, supplemented by funds from other sources, will be used to upgrade the capability of the AFP resulting in stronger and mission-capable armed forces.

The DND and the AFP will continue the implementation of the specific recommendations of the FelCom. The commission was created as a response to the grievances ventilated by the Magdalo group during the Oakwood mutiny last July 23, 2003. It aims to address issues such as graft and corruption in the DND, AFP, and personnel concerns. It also aims to address the RSBS problems of providing funding support to modernize the armed forces to improve medical services, to computerize personnel data of soldiers and dependents, and to address various housing problems. Some recommendations of the Feliciano Commission have already been heeded such as the strict implementation of AFP rules and regulations and the anti-squatting law, and reforms in the RSBS (i.e., systems of liquidation and of closing down a facility). It is also being recommended that the government

undertake the design and development of an AFP service insurance system.

Furthermore, the increased level of authorized expenditure for local procurement and established management internal control mechanisms in the procurement system, the regular inventory of weapons and firearms in the different military supply units, and the implementation of the new government Procurement Reform Act are also being undertaken. In the DND, an office for internal control is already operational. An organization for internal audit at different levels, covering all the major services, is already in place to continuously monitor the implementation of our reform agenda and effectively check our systems and procedures. As a matter of fact, we have assigned a general to head the Office for Internal Audit in the GHQ of the AFP. Also included in the recommendations of the Feliciano Commission is the adoption of a single bids and awards committee. In the AFP, we have already reduced several bids and awards committee to a single station at the GHQ. This is intended to facilitate the transparency of the procurement activities of the department. We also plan to invite the private sector and nongovernment organizations (NGOs)—such as the Catholic Bishops Conference of the Philippines, the Bishops-Businessmen Conference for Human Development, the Philippine Institute for Certified Public Accountants, and the Financial Executives Institute of the Philippines—to observe the bidding process as well as the different stages of implementation of the defense acquisition system.

The PDR program is the development for reform of the defense establishment. It manifests the government's political will to institute meaningful reforms that shall be the cutting edge of internal reforms in government. Truly, there is so much more that we plan to do. Step by step, little by little, we are working them out, but we cannot accomplish them alone and in one-fell swoop. We need your help. We need you to help us find more practicable solutions where most can only find fault. We welcome you as our partners in realizing our mission to a transformed national defense establishment capable of responding effectively and efficiently to current and emerging security threats to provide and maintain an environment of security, stability, and peace and order in our nation.



**ARISTON V. DE LOS REYES** (VICE ADMIRAL AND VICE CHIEF OF STAFF, AFP): I shall talk about the office that is responsible for addressing graft and corruption in the AFP, known as the Office of Ethical Standards and Public Accountability (OESPA). Organized more than thirteen years ago, the OESPA was established to investigate graft cases in the entire AFP. It is headed by the vice chief of staff and ably supported by the vice commanders of the army, air force, and navy, and the deputies of other commands as the OESPA chiefs of their respective services and units. The mission of the OESPA is to enhance professionalism, promote honesty and integrity in the military service, instill ethical standards, and inculcate a strong sense of public accountability among military and civilian personnel in the pursuit of a common commitment against graft and corruption in the AFP. The functions of the OESPA are to ensure the implementation of the AFP Code of Ethics; pursue a continuous organizational development process to suit the AFP's ultimate vision to eradicate graft and corruption in the military establishment; conduct continuous educational and information dissemination; collect, analyze, and compile all sworn statements of assets and liabilities; receive complaints/receive reports and investigate corrupt practices; and evaluate, prosecute, and monitor civil, criminal, and administrative cases.

The OESPA considers graft merely as the symptom with causes that must also be addressed, with more emphasis on the causes than on the symptom. Thus, the OESPA formulated a three-pronged strategy to fight graft and corruption. This three-pronged strategy was based on the premise that there are three basic causes for graft: attraction, opportunity, and rationalization. *Attraction* refers to the feeling that money and resources are available and can be taken regardless of the morality involved. *Opportunity* refers to the feeling that wrongful taking of money and resources is not "wrong" if one is not caught. On the other hand, *rationalization* refers to the feeling that one wrongfully taking money and resources cannot really be bad because everybody else is doing it.

This analysis led to the adoption of the three-pronged strategy: integrity promotion, graft prevention, and graft prosecution. The first—integrity promotion—is designed to develop the correct attitudes and reasoning in soldiers so that they would give up rationalization that encourages commission of graft. The strategy to implement this is to publish the AFP Code of Ethics to serve as guide to the soldiers. The AFP Code of Ethics reminds the members of the military of their

constitutional mandate to protect the people and the state; the lessons learned from AFP history; the AFP values of honor, loyalty, valor, duty, and solidarity; the AFP stands on basic issues like supremacy of the civilian authority over the military and respect for human rights; military professionalism; and observance of AFP customs and traditions. The code also highlights the general provision on public accountability, penalties, and administrative sanctions for ethical violations.

Graft prevention is designed to remove the opportunity to commit graft by ensuring that OESPA representatives are present in the different units and offices, as well as in boards that screen personnel who will occupy sensitive positions. Their presence in offices serves as a constant reminder to the commanders to abide by the provisions of the AFP Code of Ethics, to respect laws and AFP rules and regulations, and live modest lifestyles. Graft prevention is further achieved through the regular issuance of policies and guidance, which serve as reminders to the soldiers of proper decorum. Examples of these policies include, but are not limited to, the proper accomplishment of the sworn statement of assets and liabilities, prohibition of close relatives from conducting business transactions in the AFP, constant reminder not to receive commission nor to ask favors from AFP suppliers, and policies on proper utilization of funds.

The third is graft prosecution. Erring AFP personnel shall be made to meet the full force of the law. The mandate of the OESPA to investigate corrupt practices has been enhanced further last year with the signing of a Memorandum of Agreement (MOA) with the OMB and COA. The salient features of this MOA are as follows:

1. The Office of the Deputy Ombudsman for the Military and Other Law Enforcement Offices (OMB-MOLEO) has primary jurisdiction to investigate and prosecute cases involving members of the AFP.
2. The OMB-MOLEO shall have the authority to determine what law was violated by respondent personnel including provisions of the articles of war.
3. As deemed necessary, the Ombudsman, AFP, and COA could establish a joint investigative team to look into a specified graft case.

Consequently, the AFP maintains close liaison with the OMB. In recent cases, the OESPA has provided various records and documents

required by the OMB in investigating and prosecuting cases against the military. Some of the cases filed at the OMB and the Sandiganbayan involve senior as well as junior officers, enlisted personnel, and civilian employees. To mention a few, presently at the Sandiganbayan, there are six generals being prosecuted for various graft offenses like failure to truthfully declare in the statement of assets and liabilities the true acquired assets, malversation of public funds, illegal disbursement of funds through ghost deliveries, and unexplained wealth. At the AFP level, we have the general courts martial and the efficiency and separation boards, which try cases of military personnel, while those committed by civilian employees are heard at the Civilian Adjudication Board. In summary, 338 AFP personnel face criminal and administrative cases including sixty-five criminal cases being prosecuted at the Sandiganbayan, 144 cases at the Ombudsman, forty-eight cases at the regional trial courts, thirty-five cases at various general courts martial, thirty-five cases at the efficiency and separation board, and eleven cases at the Civilian Adjudication Board for erring civilian employees.

The fight against graft and corruption in the AFP is being pursued relentlessly so that justice will prevail at all levels in the military. Our efforts to merge our compliance to the recommendations of the Feliciano Commission and the measures undertaken under the Philippine Defense Program will result in a better AFP worthy of public trust and respect. While there is still a lot to be done, we believe that the key policy foundations are already in place, which will serve as authoritative and results-oriented guides to rid the military of corruption and other malpractices. Most important, we believe that there is a genuine sentiment among the men and women of the AFP to cleanse their ranks. We are therefore optimistic that the AFP will succeed in its efforts to become a credible, capable, and professional armed force that is responsive to the national interest and needs of our people.

**FELIPE B. MIRANDA** (PROFESSOR, DEPARTMENT OF POLITICAL SCIENCE, CSSP, UP-DILIMAN): Corruption in this country is acknowledged by our people and international agencies and in public service. But it is not acknowledged by our political authorities and, many times, the military. If we were to look into corruption, the first thing that we would note is that the word itself conveys a lot of meaning. The fundamental meaning of corruption is that it breaks down whatever the entity or personality—whatever it is that you have in mind—from the Latin *caries*. It breaks down the military when we speak of military

corruption. We spent about a quarter of a million to look into corruption in the military as sensed by our public. If we were only to settle for nominal analysis, this country would be a terrific country to be in right now. By nominal, what I mean obviously is by the simple appellation of the words that are used in describing anything that pertains to this country. When you look at corruption in this country, you would have to bear in mind that there is that which is nominal; there is that which is announced; there is that which is intended; and then there are those what a British political scientist would say as the brutal facts of the situation. You go into substantive analysis then really, the subject matter at hand had been addressed so well by people who have the noblest intentions, by people who have the greatest credibility. We found them in the Davide Commission; we found them in the Feliciano Commission; and I am sure that in the AFP offices—some of which were discussed by our vice admiral here so competently—that there would be similarly good people.

But when we speak of the analysis that these people did, when we speak of the substantive contributions of these agencies, then we get to ask the question, how much of what they have found and what they have suggested must be confronted and dealt with in a particular manner? How much had really been done? If you speak of the Davide Commission, I do not think more than five of the recommendations in that commission had been tried. And when you speak of something sustained, I do not think there is even one that had been sustained across the past decade. I hope that the Feliciano Commission will have a much, much better record because if it does, we will have a much better country to live in. It is not that we lack analysis; it is that we lack implementation and sustained implementation. I think this is what we are being assured of now by Undersecretary Carolina, which will take place through the PDR. Although the PDR, given the kind of concern the public will have and, of course, the authority they also have, as regards military corruption, would it not be good to have an outright item when you speak of the management of military corruption in such a way that you look into the accountability of the people who are in the military, and how they might be dealt with? This must be monitored and the public must therefore be assured that there is such a thing as an effective accountability system within the DND. The DND is our primary organization for managing the military in terms of providing political direction and administrative efficiency. The AFP is no more than a bureau under the DND in much the same manner that

the DND is a bureau under the Department of Interior and Local Government. If we highlighted that, then we will not look into optimization of the defense budget and improvement of management controls as the main items to consider when we speak of military corruption. Also, we might take into serious consideration the comment made by our colleague from the Department of Political Science regarding the urgent need not only for government but also for civil-society organizations to focus on the military; to monitor it until such time our civilian authorities, our DND authorities, our Ombudsman, our Sandiganbayan, our Commission on Audit, and various official commissions are a lot more effective than they had been over time.

Perhaps the more important thing at this point is that you might be interested in hearing what the people think about corruption in the military—the people’s view as regards military corruption three or four months ago through a nationally represented sample. We must speak of much awareness by the public regarding this phenomenon that we call military corruption. The public by 80 percent would say it is true that this phenomenon exists. By above 85 percent, they say that this has been around for a long time, not only recently and not only now. If you say only recently, there would be fifteen out of one hundred.

How much money is involved in this kind of military corruption? By about half would say it runs into the billions at least, and another close to half would say, just about the hundreds of millions too. So between the hundreds of billions and millions, you are talking 92 percent of the public saying this would be the kind of money involved in military corruption.

How about the involvement of military officials? All or most of them, 64 percent, would say so. But what is to be done? I am sure you will be interested on what the public thinks ought to be done: 74 percent would say, “Fire them from the service immediately as soon as they are convicted.” What you have heard is not a public that may be accused of not paying attention to due process. Seventy-two percent would say, “Confiscate all their illegal gains” and 53 percent would say kill them right away. These figures may stun you now but these figures are precisely the ones that landed three Korean military generals in jail. One of them was a counterpart of our dictator, President Ferdinand Marcos.

Public confidence regarding the military at this point is problematically low. Can the military leadership be trusted to catch

erring, corrupt military officials? Thirty-eight percent would say, “Yes”; another 35 percent would disagree. And then you have 27 percent who would say, “It is a difficult question. I cannot quite respond to it. May I not answer it?”

The Arroyo administration is unable to discipline corrupt military men. Thirty-six percent would say, “Yes”; 33 percent would disagree; another 30 percent would also say, “Cannot answer.” The military prevails in anything it wants done regardless of the desires of the Arroyo administration: 39 percent would say, “Yes,” the undecided would be 39 percent, and 32 percent would disagree.

When you put all of these figures, what you have is a public that is not exactly unkind, given that they have been bombarded primarily through the media regarding the alleged doings of a Ligot and a Garcia. Then you will not find problematic and unrealistic the attitude of our public regarding the question, “If the military somehow would be unable to discipline themselves, to keep corruption from being such a phenomenon within the military, how about having a civilian to head the DND?” Thirty-one percent would agree; another 31 percent would disagree and 39 percent, undecided. I suppose any good thinking person will feel saddened by the figures that had been generated by this particular survey. It is as if people are asking, was there ever a time that military men, military officials, generals and colonels and, in particular, those who came from the Philippine Military Academy (PMA) were not corrupt? My answer is, of course, there is! As you go through the PMA classes from 1970 to 1972, you will come across faces that would suggest much innocence; faces that would say we must have integrity, courage, and loyalty. But this suspicion now is that a great number of such people, not only a few, might have had their courage deteriorating into simple boldness; their integrity being reduced into something that disintegrates and their loyalty being downgraded to selfishness. When I make these notes, you can take out the term “military.” You can substitute any institution when you speak of corruption. As I said today, the focus happens to be the military.

**EDNA ESTIFANIA A. CO** (ASSOCIATE PROFESSOR, NATIONAL COLLEGE OF PUBLIC ADMINISTRATION AND GOVERNANCE [NCPAG], UP-DILIMAN): I would like to speak on the taxonomy of corruption; second, on the laws and statutes that touch on corruption—whether it is bureaucratic, civilian, or military. Third, I would like to build very briefly on the problematique and the challenges of corruption in general and

corruption particularly in the military. Fourth, I would like to talk about citizenship.

On the first, I would like to refer back to a 1986 study on bureaucratic corruption in Asia, which my college, led by Dr. Ledivina Cariño, has done in the 1980s. From that book, I am putting some kind of classification of corruption. First, there is what we call grand corruption, which occurs at the highest levels of government and involves major government projects and programs. There are corrupt payments in which major contracts and concessions are generally the preserve of large business and high-level officials. These deals are the preserve of top officials and frequently involve multinational corporations operating alone or jointly with local partners. My question is: do you think grand corruption exists in our society, whether in the military or the civilian bureaucracy? There is also kleptocracy, which is the corruption that is organized at the top of government. The goal is personal wealth maximization. It supports interventions that do not increase overall national income because it provides personal benefits for the head of the state in particular or to the leaders in government. The weak kleptocrat is likely to favor a bloated and inefficient state to maximize corrupt possibilities. This happened in Paraguay in 1954 through the 1980s and in the 1950s through the 1980s. Maybe it happened in the Philippines in the 1970s onward. The public sector, in the case of kleptocracy, is considered as personal fief. The third kind of corruption is stationary banditry and the stationary bandit acts like a private monopolist who has control over much of the contracts and much of the decisions with much of the programs and projects. The fourth kind of corruption is bribery. This is the province of low-level officials but not necessarily all low-level. Sometimes, bribery happens in the form of collusion between low- and high-level officials. It can also be a collusion between high-level officials and the rank-and-file within a particular organization or agency. In some cases, the citizens themselves are involved in the process of bribery because it is a transactional thing. This probably distinguishes it from graft. There is a transaction from outside the agency. Given all these, our 1986 study on bureaucratic corruption in Asia summarily points that all these forms of corruption exist in many countries of Asia. Particularly, that study on corruption pointed out that either one of these forms of corruption cannot exist without endorsement from the top, and therefore makes corruption truly systemic. I should say that we should not make a distinction between

civilian and military bureaucracy. And in that sense, if we speak of bureaucratic corruption in the civilian bureaucracy, it may most likely be taking place in the military bureaucracy.

Is there anything more we can do to get rid, reduce, and prevent corruption whether in the military or civilian bureaucracy? Today we have what we call RA 6713 or the Code of Conduct for Public Officials and Employees, and RA 3019 or the Anti-Graft and Corrupt Practices Act. In addition to these two laws, we have other statutes that really define clearly and sufficiently what public officials must and must not do. In other words, we are not wanting in laws, policies, and statutes that would define what should not be done or what must be done by people in public service whether in civilian or military service. The problem, however, is not really the absence or the weakness of the laws. The question that we should raise is whether these laws are enforced and, if ever, to what extent are they enforced—whether the enforcement of the laws is selective or not enforced at all. If these are selectively enforced—or if these are not enforced at all—it is very likely that it is a result of a financial or a political consideration rather than a problem of legislation and a problem of law. In other words, the Philippines is one of the best crafters of laws. We have everything that we need to define by way of laws and policies, but how seriously and to what extent do we enforce the laws? I think this is the same point that my colleagues are saying.

Let me come to the third point—the problematique and the challenges of corruption. There are a number of things to consider when we go to the problematique of corruption. One is organization—we have problems in the organization whether it is civilian or military. As Professor Hernandez recommended, there are those that pertain to supervisory accountability. Second is the complex procedures and processes that exist within our military, which is an administrative area of reform as well. There are problems with our procedures that are very complicated and procedures that are disjointed, insulated, especially in the case of the military bureaucracy. The nature of the military bureaucracy is such that it insulates itself from the public view relative or compared to the civilian bureaucracy, which is more transparent and accessible to the public. And the more insulated the bureaucracy is, the greater its tendency to be less transparent—to create fiefs, to be less accountable, and to develop units that will serve as enclaves of power and corruption. In other words, we have something to address there by way of our procedures and the relationship between units and



agencies and their corresponding functions. Third, if you look at other countries, we do not have the monopoly of corruption. But what is the difference, for example, between the Philippines and the People's Republic of China? Or what is the difference between the Philippines and Malaysia? The difference is that probably their bureaucracies deliver the goods. Look at the performance, measure the performance, and set the standards of performance. In other words, when we talk of the military, we are not bean counting, about how much gets to whom. At the end of the day, the measurement really is whether the boots of the rank-and-file, for instance, have been purchased. Have the medicines been made available to the soldiers and their families? Have houses been given and awarded to the soldiers and their families? In other words, we cannot keep on tracking the amount of money that goes to the pocket; the other way to look at the agency and the organization is to ask, what did you do with so much responsibility, finances, and resources? I am not saying we tolerate corruption, but let us take a look at our performance, and I think this was one of the issues raised by the Oakwood mutineers. Fourth is the issue of transparency and this is where your e-governance might be helpful and relevant—in accounting, reporting of responsibilities and functions. This has to do with setting and targeting performance, and also with streamlining of the procedures. When we say streamlining the procedures, we probably have to get the integration of the function of procurement, controllership, resource and management, internal audit, and accounting. And how do you integrate those functions such that they do not become insulated units between and among themselves? The integration can be bridged and can be facilitated by a process of transparency. It can also be facilitated and be made more efficient through the adoption of information technology—services can be quicker, biddings and contracts can be more transparent and open and so on. My last point about the organization is that a holistic approach is needed in addressing corruption—from discovery, detection, prosecution, and implementation of management. Again, I think the challenge here is that we are very good, especially the media, in discovery and detection but then you find out that two or three weeks later, nothing is heard of the case. What happens to it? Has the party been prosecuted? If so, has the accused or the guilty been given corresponding punishment?

Let me now go to reform areas, particularly the person. The organization can only be as good as the individual leading the organization. In the case of the reform and the renewal program of the

DND, how are the renewal and reform measures taking place within the leadership and rank-and-file of the military? If you listen to the AFP and the DND, there are programs and there are plans for reform. There is a reform program and if only for that, we should be hopeful. The problem again, however, is whether these reform programs will ever see full implementation and execution. I think that is something we should all be watchful about.

The last point I would like to raise is on citizenship. Take corruption as a citizens' issue. In Hong Kong, they do that and they have one of the most successful anticorruption programs. What triggered and sustained it? And what kept officials on their toes? They made corruption an angry issue of the people, of the public. The people were so angered by corruption, which really triggered the whole Independent Commission Against Corruption (ICAC). In our case, I am not too sure if we, as a people, are really angry enough with corruption. At some point, we are angry but we have a very short memory. When we ask what happened about this corruption issue, Filipinos would just laugh at it. In other words, do we have the passion to be angry about corruption? This is an issue of citizenship. And that is the case of countries that have been successful in their anticorruption campaigns—they have sustained their passion and anger against corruption. Corruption is not just about people in the military or people in the civilian bureaucracy. If you will look at the other side of the equation, it is about people in the business sector who are willing to perpetuate corruption, and that is about citizenship.

## **OPEN FORUM**

**ESTRELLA D. SOLIDUM** (RETIRED PROFESSOR, DEPARTMENT OF POLITICAL SCIENCE, CSSP, UP-DILIMAN): As I think of the plans and the people who will handle these anticorruption efforts, I have an uneasy feeling that they are also involved in some of the ways that Dr. Co has provided us. Who will really teach values? Your value is different from my value. And if we do not agree, somewhere you will call me corrupt and I will call you corrupt. But I would like to refer us all to a more fundamental teaching which probably started at home, or at the PMA, or continuously in the jungle, or in the barracks, and in the DND—teaching virtue. Virtue is really what the law of nature says every human being needs. The institution that needs this most is government. People do things without thinking of virtue, which then becomes habitual.

**FLORIDA PADILLA:** How can we come up with an anticorruption task force that might somehow wake the people up to anger because of corruption? What parameters can you enumerate as to how we could at least do the same as what the Hong Kong government is doing? What aspects of the ICAC's system can we possibly adopt?

**EDNA ESTIFANIA A. CO:** What we can perhaps learn from the Hong Kong case is that the citizenship against corruption has been institutionalized. And when they say institutionalized, it is not only that they have the structure and the procedures, which is what we do speedily. Putting people, putting their hearts into it, and how the people are part of that institution are elements that are present in their case. In other words, the people serve as watchdogs actively. But it is not just about that institution being composed of people who are angry with the government or the military, but these are people who want to professionalize their work, who want to help define, keep watch, and monitor contracts and biddings. They have representation from a cross-section. It is about all of us as academics, professionals, business persons, students keeping watch, exacting accountability, exacting transparency in the operation. In the Philippines, there are some positive experiences taking place in some of the rural areas. If you go to Abra, for example, there is the group called Concerned Citizens of Abra for Good Government with volunteers who keep watch of, for example, the Department of Public Works and Highways projects. They were so successful to the point that the COA had accredited them to officially become the monitoring unit involved in government projects. At the end of the day, it will come down to how seriously we, as a people, are involved in the campaign against corruption, and how seriously we are angry about corruption.

**FELIPE B. MIRANDA:** When you ask the question why people in this country are not outraged, you have to look into how the people get to be socialized. Part of the socialization process has to be within the schools, but the greater part really is within the family. When you expect people to have the capacity to be outraged, your family, your school, your church, your government will have to show that there is a place for outrage. If you want to know how long a Filipino can normally hold his anger at a president, at any official, even at a friend, data show that anger can be held at best for three months. This is not

a matter of personal speculation. Look into how we have trained our children; there is not a single textbook in the elementary schools that will tell you that there were times when it was proper to be outraged—not only to be angry but to be outraged. You are taught to be honest, respectful, and thoughtful. But people being outraged, people losing their cool, this is not supposed to be a proper thing to do. In other countries that we are talking about—in Korea, Taiwan, Hong Kong, Singapore, Thailand—you have this capacity for outrage. But you cannot contribute in building up a sense of outrage if even among academics, when they do treatises on graft and corruption, they even avoid the terms “graft and corruption” and substitute these with a stupid euphemism like “negative bureaucratic behavior.” How do you encourage outrage that way? Why are people not outraged? The training is not there. Another reason people are not outraged is a very pragmatic one. Most of our people had been disempowered. It is very dangerous for a person who does not have political influence and political power to show his anger. A person who is disempowered most of the time, even if he has the capability for outrage, will cloak his outrage. He will look down and, in so many times, he will laugh. This is part of the reason many people in this country laugh—because they cannot do anything about the situation.

There is another topic that I think is more serious when we look into military-civilian interactions in the context of corruption in the military. It is a common mistake, I think, on the part even of academics to speak of the political neutrality of the military. The military is not supposed to be politically neutral. It is supposed to be nonpartisan. If you have the constitutional provisions that are to be found in the 1987 Constitution, you cannot sensibly speak of a military that is politically neutral. The military is instructed by the constitution to be the protector and guardian of the people, the protector of the state and the duly constituted authorities. All those things are political loyalties and if you are politically loyal, you cannot be neutral. But partisanship is a different thing. This military I have pointed out is better educated than practically any military in the world, with most of your senior officials carrying multiple graduate degrees. These people have been trained not in some ordinary institutions but in some of the best institutions in the country as well as in the world. It is not the smartness, the technical proficiency that we should worry about. People in the military are technically proficient and smart. The

question is really whether they are also civic-spirited, whether they have now absorbed the civic culture.

Now, when we speak of smart, competent people trained in Harvard and then you now refer to RSBS and the Armed Forces and Police Savings and Loan Association Inc. (AFPSLAI), you will not speak unless you think that the audience is a rather elementary audience, unsophisticated, trusting. You will not speak of the market as poor; the real estate industry bubble burst. There is a lot more in your RSBS and your AFPSLAI than meets the eye, and I think military people as well as civilian authorities know this. What is to be done? In all seriousness, nothing will be done. After everything you said, hardly anything will be done because you do not have an outraged citizenry. And this, I think, is the most important point of Dr. Co when she ended her presentation with a note on citizenship—that citizenship translates into a basic Greek term, *politis*, as your citizen. But the definition to the Greeks of *politis* is absolutely the person who is concerned about his community, not only about himself.

**ERNESTO CAROLINA:** In other countries, people are so afraid to steal from government, if you are in government. Stealing from the people is something that they dread to do not because of the stiff punishments but because even after you have been imprisoned, you continue to be despised by the people. Here in our country, people generally expect a lot from persons in government, for instance, those coming from the Bureau of Customs or the Bureau of Internal Revenue in terms of providing financial assistance for occasions such as town feasts, weddings, and baptisms. In this country, you are respected when you have money despite the fact that we are aware where this money came from. This is not the case in other countries such as Singapore and Hong Kong. If your wealth is known to be ill-gotten, you are not only disrespected, you are despised because people do not forget. You do not actually need to be outraged that you would want to kill a corrupt person. What we need to learn is not to respect such a person in a country where corrupt people win elections. If we know people who steal from the coffers of the government, we should learn not to respect them or not to vote them in office. However, I do not have answers on how we are going to start this learning process.

**FELIPE B. MIRANDA:** If you talk long term, there is no way you can get the citizenry to be the right kind of citizenry unless you invest in

women who are mothers and mothers-to-be, and how they will be trained to raise responsible citizens. This answers the question: is there such a thing as a long-term educational process? But in the short term, you have to have exemplary leadership. At your level, you have to show that you mean what you say and will do it. And when your underlings do not do what you say ought to be done, then those underlings get to be treated predictably severely. Do not be so severe with the people downstairs—the people who are actually the victims of circumstance. Why would they vote for someone who ought not to be voted into office? Why would they sell their votes? I think that the better thing for you to do is to ask your cardinal, how dare he advise people to take somebody's money, and then vote in accordance with your conscience? When your spiritual leaders as well as your political leaders create ambiguities like this, the kind of virtue has no chance of being passed on to the younger people.

In saying that the people get what they deserve, Senator Jose Diokno said our people deserve so much better. But the leaders have betrayed our people so consistently. In the military, I really believe there is a golden opportunity for the military to be able to do its civic duty. I think there are enough patriotic people in the military at all levels, including the topmost. But I think you have to worry about the kind of integrity that you have among military officials, on whether they can break free from just personal integrity. You have to have institutional integrity too.

**CAROLINA G. HERNANDEZ:** The reason I accepted the challenge to oversee the implementation of the Feliciano Commission recommendations was that I felt outraged. Second, I feel that I owe it to the members of the Feliciano and Davide Commissions, who were so outraged at what they saw, to do something about it. We were so outraged that we put as appendices lists that no other government agency would put publicly. I agree with you on the point regarding socialization. The schools teach this to our students all the time, especially those of us who teach political philosophy. The problem is that no matter how we seriously and passionately teach these virtues, they are not sustained at home. Our children are exposed to a society that is schizophrenic. Parents tell them one thing, yet they witness a different behavior in their parents. The children have problems swimming against the tide. Hence, there is a disjuncture between what we teach and what we actually do.

Another thing that should be pointed out is the system of promotion in the military. When elevated to the ranks of second and third lieutenants, and captain, they do not need a *padrino* (patron, usually a higher-ranking official). In the case of the members of the Magdalo group, to be promoted to first lieutenant, they need the assessment of their superiors and this causes them to get eaten up by the system. I do not know how we can insulate our soldiers from this sad thing. One top leader of the AFP told me that one indication a classmate has been corrupted is when you no longer get invited to his house. And then changes in behavior and lifestyle can be observed. However, he will not tell on his *mistah* (classmate). So something must be done with this *pakikisama* (loosely translated, to please the group; places value on being accommodating), with this class thing. Some of the more proactive and more nontraditional officers in the armed forces are saying that the “ruling class” idea is not good because it does not have any mechanism for check and balance. Second is the matter on comptrollership. While this has been abolished, there is still what we call the revolving-door policy. When you become chief of staff, you spend your first month introducing yourself to the troops; you do not touch the J-Staff anymore because you do not have time to do this. You will not be able to check whether irregularities are being committed. The person is as important as the institution. The institution is shaped by the personal integrity of the person, especially when the system is not yet institutionalized.

Finally, regarding the ICAC of Hong Kong, our government is using this as a model. A lot of seminars have been conducted and we were even provided with ODA to enable us to replicate the Hong Kong model. But we cannot operate in the same way. First, ICAC has vast resources and personnel relative to the population of Hong Kong.

**ARISTON V. DE LOS REYES:** Are the laws enforced? I learned from the National Defense College of the Philippines that if you want to institute change, then you have to enforce existing policies, rules, and regulations. In the case of the AFP, we have our own mechanism as far as seeking to rectify or investigate and prosecute graft and corruption is concerned, but that is administrative. It is subordinate to the judicial system of the Philippines, which handles the graft and corruption cases. Here, I mentioned that we have sixty-five military personnel with cases already at the Sandiganbayan. But what I did not mention is the fact that we also have forty-six personnel who were acquitted by the

Sandiganbayan—not one was found guilty. I read a few of them and I feel that they were blunt violations of the Ethics Act and RA 3019. A few of them, I found, were technical in nature. They were found not guilty because of technicalities. I think this holds true even in other government agencies. We have so many cases now pending in the Sandiganbayan and we seldom hear cases of government personnel being found guilty. And this would be the bottom line—we have to send corrupt people to prison. In the case of the armed forces, notwithstanding the data that we have about many being acquitted due on a technicality, we do not lose hope. Within our means, we continue investigating our personnel whether they are generals or colonels or of the lower ranks. We still believe that we are a government of laws and not of men. Even if they have already been acquitted in the Sandiganbayan, we will continue to investigate, submit cases to the Ombudsman and the judicial process goes on. We will continue investigating and running after our comrades who were alleged to have violated the Ethics Act and RA 3019.

**ERNESTO CAROLINA:** You heard it from Vice Chief of Staff de los Reyes—having the political will and the challenge of sustaining it. Since the first time we heard that reforms are being initiated not only in the AFP but in many instrumentalities of government—as a matter of fact, after 1986—there has been an outpour of calls for reforms. But sustaining it is another thing, and that is what the PDR aims to do. Hence the word “institutional.” The AFP right now, as a matter of strategy, is handling the short-term and medium-term phases. In the AFP, it is very easy to identify where the money is—in the comptroller and in the procurement. The institutional aspect is getting things right, and that is what PDR is all about. We know that, for example, if we have a good defense acquisition planning, it will no longer be a case of having a list of equipment to purchase funded by the modernization fund with some items inserted by congressmen. Instead, there is a defense acquisition guideline in which the intention of the defense secretary on how the capability of the armed forces will be developed is clearly planned and clearly stated; and that there is an institutional defense resource management system that would ensure that the resources would be spent properly, and things in the logistics procurement would be done right. That is what the PDR aims to do. But that is not enough. We know that apart from that, it has to work on the virtue side, to enrich the so-called Code of Ethics. And instead



of having only five virtues in the code, there should be seven—to include respect for human rights and willing subordination to civilian authority, which is provided in the constitution. Lastly, Cadet Golez, who is a member of the Class of 1970 together with Cadet Ligot, is the one prosecuting the case of the latter in aid of legislation. He heads the committee that exposed the questionable assets of General Ligot. Maybe, this is a good paradigm shift on what we observe that the mistah would not go against his mistah.

**EDNA ESTIFANIA A. CO:** Given all these discussions, I think the war against corruption is about doing things right. But, on the other hand, it is more than that. It is also about doing the right things. So it is about institutions; it is about systems and procedures, and about the persons and the values—the virtues that we need to put in place.

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