



INNOVATIONS FOR SUCCESSFUL SOCIETIES

LISTENING TO THE PUBLIC: A CITIZEN SCORECARD IN THE PHILIPPINES, 2010-2014

SYNOPSIS

Citizens of the Philippines were used to receiving poor service in government offices. Activities as basic as obtaining a driver's license were slow and complex, and the tortuous processes created opportunities for public employees to solicit bribes for faster service. In an effort to improve service delivery, Congress passed the Anti-Red Tape Act in 2007. But, getting civil servants to comply with the act from civil servants presented a big challenge. In 2010, the Civil Service Commission began to conduct annual social audits to assess both the public's satisfaction with frontline services and the degree to which offices adhered to the Act's provisions. For the audits to succeed, the commission had to both persuade skeptical citizens to cooperate with the survey, and find ways to motivate civil servants to improve in response to poor ratings. Because budget constraints limited the use of financial incentives, the commission linked the results to other oversight programs and used social pressure to prod civil servants to improve the quality and efficiency of their work. During the survey's first four years, the commission oversaw improvement in citizens' ratings of public services but still faced challenges in raising awareness of the law and using it to reshape public expectations.

Maya Gainer drafted this case study based on interviews conducted in Manila in November 2014. Case published April 2015.

INTRODUCTION

"It's high time we listened to our clients," Victoria Esber recalled saying, as her team in the Civil Service Commission's (CSC) Office for Strategy Management prepared to conduct a social audit of government services in 2010. The survey would monitor compliance with the Philippines' Anti-Red Tape Act (ARTA), which sought to make services more efficient and reduce opportunities for corruption. Esber and her colleagues at the CSC hoped the survey would enlist both citizens and civil servants in the task of improving daily interactions between Filipinos and their government.

Using frontline services—those involving direct contact between citizens and civil servants—had long been a source of frustration among citizens in the Philippines. Procedures were typically unnecessarily complex, and even when they were not, few Filipinos knew exactly how to get the services they needed. To get a business permit, a driver's license, or a birth certificate, Filipinos frequently had to wait for hours in cramped, stuffy offices that had inadequate seating. When their numbers finally were called, many learned that their requests required additional approvals or supplementary

documentation from other officials in the agency—or other parts of the government.

In addition to transforming routine interactions into unpleasant experiences, opaque and time-consuming government procedures created opportunities for corruption. Civil servants took bribes to speed up processing or reduce paperwork—either directly or in collusion with middlemen known as *fixers*, who facilitated the payments. In 2007, 32% of citizens¹ and 61% of businesses² reported paying bribes for government services, and the government faced growing pressure to correct the problem.

Civic groups had long lobbied for reform, and increasing activism by the business sector helped drive home the economic arguments for change. Corruption and inefficiency in government were drags on the Philippine economy, which had lagged behind many of its neighbors for decades, earning the nation the nickname “Sick Man of Asia.”³ In addition, President Gloria Macapagal Arroyo’s administration had become highly unpopular because of allegations ranging from bribery to vote buying, so Arroyo had an incentive to take action against corruption in order to increase her administration’s credibility.

In that political climate, a group of senators and representatives introduced the Anti-Red Tape Act. The legislation aimed to reduce opportunities for corruption by requiring frontline government offices to post their procedures in public view and by setting limits on the processing times and number of approvals required for performing services. Lawmakers hoped that increased transparency would enable citizens to push back against demands for extra payments or against irresponsibly slow service and that more-efficient procedures would make bribery less appealing.

Although the law passed in a special session in February 2007 and Arroyo approved it that June, compliance lagged for a year as oversight

agencies finalized regulations governing its implementation. In October 2008, Arroyo issued an administrative order requiring all offices to comply by December 2009.

In the year leading up to the deadline, public servants in each agency that offered frontline services worked to align procedures with the new requirements and create Citizen’s Charters that explained the steps required to use each service. However, in the rush to meet the deadline, few government offices consulted the public about how best to improve services or streamlined processes significantly.

After the December 2009 deadline, the Civil Service Commission, a constitutionally independent agency that set government human resources policies, had responsibility for the monitoring of compliance with ARTA and the assessment of agencies’ performance. The law mandated that the commission carry out a report card survey, but it was up to the CSC to determine the details of conducting the survey.

The survey represented a break from past practice because it created an opportunity for the CSC to seek out the public’s opinions rather than having to rely solely on formal citizen complaints, which typically revealed only a small portion of overall dissatisfaction. “We no longer wait for people to come to us,” said Judith Dongallo-Chicano, a CSC regional director.

Collecting clients’ feedback and using the survey results to improve frontline services presented some big challenges, however. The CSC had to create a system that would monitor ARTA’s implementation by government agencies and ARTA’s impact on citizen services. Further, the commission had to build a new culture that inspired both civil servants and citizens to hold government services to new standards.

The CSC’s ARTA team, led by Esber and Public Information and Assistance Office director Maria Luisa Salonga Agamata, had to decide how best to carry out the mandate for government

offices and for thousands of civil servants spread across the country's 7,107 islands.

THE CHALLENGE

The extent of corruption in the Philippines meant that both civil servants and the public were skeptical of reforms intended to promote integrity. Many of the people who used frontline services—and the officials who delivered them—considered bribery and inefficiency routine, and securing their cooperation required a change in their view of public services.

Corruption had long been the norm in the Philippines, from the presidency down to ground-level public servants. Dictator Ferdinand Marcos was believed to have stolen up to US\$10 billion of state assets; political protests over corruption had toppled the administration of Joseph Estrada in 2001; and allegations of graft had tainted Arroyo's presidency (2001–10).

Widespread corruption at the highest levels signaled to civil servants that they, too, could reap private benefits from their positions. Cleo Calimbahin, executive director of Transparency International Philippines, said, "There's a culture of impunity, and it emboldens people when they see others getting away with it."

Civil servants were not alone in viewing corruption as the norm. When citizens faced difficulties in using a service, "the solution for some of these people is to take shortcuts, to get what they need in an amount of time they think reasonable," whether by using connections or offering bribes, said Andrew de Castro, a consultant at Deloitte who worked with the CSC on updating the report card survey in 2014.

ARTA sought to reduce corruption in frontline services by increasing transparency and simplifying procedures. The act mandated that simple transactions handled by frontline offices take no longer than 5 days and that services requiring more substantial discretion not take more than 10 days. Plus, no service could require

more than five signatures. The law also required offices to display Citizen's Charters that laid out the steps required for each service, as well as the maximum time to complete the request, the necessary documentation to be submitted, and the amounts of fees. Each office also had to create a mechanism whereby citizens could report complaints.

As the government changed its way of dealing with the public, citizens would have to alter their behaviors too. For the Citizen's Charters and complaint mechanisms to result in accountability, Filipinos had to turn down offers to buy their way to the front of the line, and they had to report inconveniences and delays they had long considered routine. A long-term goal of ARTA, Program Manager Marco de los Reyes said, was "that the Filipino public, as customers of public services, increase their expectations of the level of service they want."

More immediately, the CSC had to work within that difficult environment to enlist citizens to participate in the survey, and civil servants to respond to the results. Without an effective monitoring system, leaders of frontline agencies faced a conundrum: Although ARTA created standards for *lower-level officials* to follow, *leaders* lacked the tools to ensure they did so.

Better information paved the way toward solving the problem. For the CSC or individual agencies to be able to create a system of penalties and incentives to comply with ARTA, leaders first had to determine how offices were performing. That was the role of the report card survey.

The CSC's Office for Strategy Management, headed by Esber at the time, led the survey component of the agency's ARTA program. "I got excited about ARTA," Esber recalled. With her 30 years of experience in civil service, she knew the task ahead would be challenging and that not everyone would share her enthusiasm.

First, Esber and her colleagues had to design the survey by deciding what questions to ask, who

would ask them, and how to sample opinion. The commission had experience in developing performance management systems and conducting spot checks of office performance, but it had not conducted a comparable nationwide social audit before. Success in producing accurate and useful results would hinge on such considerations as how to approach skeptical Filipinos and how to ask relevant questions without intimidation.

The scale of the task also posed a major challenge. “Due to logistics such as budget and staff limitations, we cannot survey the entire Philippine government,” Agamata said. “As much as we want to survey all government offices in the country, we cannot, because all would mean thousands of government agencies, each with as many as hundreds of service offices or branches.” Covering even a significant fraction of Philippine government offices would require substantial amounts of money and staff time, both of which were in short supply at the CSC.

Conducting the survey was only the first step. For the survey to have an effect, the CSC had to use the results to promote compliance and improve the performance of offices that fell short. Resistance was likely. Esber anticipated that “the first impression of the agencies will be ‘Why? Why would they like to know the quality or satisfaction levels of my clients?’ It’s like an affront to them.”

Although ARTA stipulated up to six years of jail time for facilitating bribes and although it mandated suspension or dismissal for other violations, the enforcement structure was slow moving and ineffective. The Office of the Ombudsman, the main anti-corruption agency, was legally mandated to focus mainly on major graft cases; and low-level officials often felt safe in demanding small bribes, which typically went unreported.

The primary responsibility for disciplining ARTA violators lay with the government agencies themselves, although the CSC could step in if an

agency failed to address problems internally, Agamata said. Civil service protections also made it difficult to remove or reassign weak performers. And the CSC lacked the budget to offer substantial financial incentives for compliance.

Instead, the agency had to find ways to coax civil servants to cooperate. Those who benefited from the status quo of side payments and inefficiency could largely block the reform by complying only on paper. Posting a Citizen’s Charter did not mean the office would adhere to the posted procedures. Fixers needed cooperation from civil servants and could continue to operate as long as they had willing collaborators. Even with a monitoring system in place, surveyors could not be everywhere all the time.

Reyes said the changes necessary to reduce corruption were “pretty simple activities” but that civil servants needed “a shift in mind-set” that would prompt them to implement the changes. The survey program aimed to prompt that shift.

FRAMING A RESPONSE

To carry out their mandate, CSC officials had to (1) design a survey that would include both assessments of ARTA compliance and measurements of public satisfaction, (2) find ways to carry out the survey with limited resources, and (3) adopt a strategy that would strongly encourage service improvement without raising the hackles of civil servants at offices and agencies.

While service agencies worked toward compliance, the CSC began to plan the monitoring system, with Esber’s Office for Strategy Management taking the lead. Although the CSC had not attempted this type of large-scale social audit before, the survey design team had some models to draw on.

From 2003 to 2008, the CSC and volunteers from civil society organizations had conducted inspections of service offices under the Public Service Delivery Audit program. Volunteer mystery clients had posed as ordinary citizens and

reported their experiences, focusing on corruption and service quality indicators such as courtesy, timeliness, and offices' physical environments.⁴

Since 1994, the CSC had a system that enabled the public to report poor service or corruption, but the program relied on citizens' initiative, and citizens usually were reluctant to spend the time to file complaints or to involve themselves in finding fault with government. Therefore, because grievances were spotty, effective monitoring was difficult.

In developing the ARTA survey, CSC leaders sought to measure many of the same criteria in a new way. They knew they had to take the initiative to get active public involvement and that a direct citizen survey would generate the credibility the commission needed to get government workers to respond to the findings of the report card survey. Esber said the results would be more meaningful if "it's not the CSC that gives the suggestion . . . it's listening to what the people have said; and we're just used as instruments." Citizen experiences and feedback would be more compelling—and more difficult for officials to dismiss—than a report by a CSC-affiliated inspector.

ARTA also required the CSC to assess compliance with the law's standards. To do so, the team built on the Public Service Delivery Audit program, keeping the idea of mystery inspections. To help avert the risk of offices' putting on a show of good service when the CSC came to survey clients, Esber's team at the Office for Strategy Management decided that researchers should conduct inspections before identifying themselves to the offices or surveying clients.

Reflecting the importance of direct public feedback, the survey design team decided that citizen responses would make up 80% of each office's report card score and that inspection reports would account for the remaining 20%.

In keeping with the requirement to monitor compliance, many of the survey questions hewed

closely to the text of the law, asking citizens whether they observed adherence to specific provisions. However, because CSC chairman Francisco Duque III and other officials viewed the survey as an opportunity to determine how best to improve citizen experiences, the survey design team added questions about clients' satisfaction with different parts of the process. In addition to yes-or-no questions about what they observed and satisfaction ratings on a 1-to-5 scale, citizens could offer additional comments regarding each question. After developing a draft of the questionnaire, CSC leaders sought feedback from independent survey research organization Pulse Asia Research.

Ana Tabunda, research director at Pulse Asia, who reviewed the design of the CSC's survey, advised that it was essential to ask customers about their overall service experience as well their level of satisfaction with specific aspects of it. "We use the overall to determine what components drive satisfaction," Tabunda said, so that the CSC could prioritize the changes that mattered most to clients. She also stressed the importance of allowing customers to comment on issues not raised by the questions.

Tabunda also advised the CSC on sampling methods. She recalled that the CSC, like many other government agencies with budget constraints, wanted to use the smallest possible sample, which statistical analysis indicated was 30 clients per office. The clients would be selected through interval sampling, with researchers asking every 10th client, for example, to participate. The interval was determined based on presurvey counts of an office's daily average number of clients. Tabunda also recommended that the CSC choose offices offering multiple services, and the commission decided to concentrate on offices that offered at least three different services.

Budget and personnel constraints also meant the CSC had to prioritize which offices to survey. To maximize the survey's impact, Esber and her

colleagues decided to focus on high-density and high-impact agencies, which were the ones that served the most clients and received the most complaints under the existing feedback system. Esber said those offices would benefit most from systematic information about what drove customer satisfaction or dissatisfaction.

Arroyo's 2008 administrative order on ARTA compliance had listed 10 agencies as the top priorities for implementation of the law, based on their high numbers of clients. However, the CSC planned to scale up gradually and decided to begin by targeting offices involved in business processes as part of a national push to improve conditions for investment.

Concerns about money and staffing also shaped decisions about how to get agencies to embrace the survey findings. Lacking enough budget to offer hefty rewards for good performance and aiming to avoid punitive actions that could lead to confrontations with weak performers, the CSC decided to use publicity as both carrot and stick. Publishing the ratings, which ranged from "excellent" to "failed," offered recognition for top-performing offices and embarrassment for those that fell short.

CSC leaders anticipated that the name-and-shame aspect of the public report cards would be a powerful motivator for civil servants. According to Agamata, whose office handled publicity aspects of the ARTA program, "A poor performance rating—especially if given by the public as collected by the CSC through the report card survey—is very shameful for offices, driving them to improve."

The CSC created an award system for top-performing offices. Although the commission could afford only modest cash prizes meant to help offices further improve their operations, CSC leaders believed pride itself would additionally motivate civil servants.

The CSC's overall strategy emphasized building positive and productive relationships

with government agencies. Agamata explained, "Our approach is mostly toward confidence building, because the more you put agencies down, the more they become defensive." Although agencies that performed poorly had to fix the problems identified in the survey, the CSC was careful to portray the program as a helpful colleague rather than a stern taskmaster. The ARTA team expected many civil servants to push back and hoped that presenting ARTA and the survey in nonthreatening terms would help minimize resistance.

Members of the team had reason for optimism as they began the survey in May 2010. Benigno Aquino III had recently won the presidency on a platform of fighting corruption, and the new president was moving ahead with an emphasis on transparency and integrity.

GETTING DOWN TO WORK

The CSC piloted the report card survey in 2010, gradually scaling up during the next four years. As the ARTA team members implemented the survey, they had to adjust their methods and strategy to secure the cooperation of citizens and civil servants. Using the survey results, the CSC created its own programs to promote better service and worked with other agencies to incorporate the findings into their own performance management systems.

Tact and trust: Learning from the pilot

In 2010, the CSC tested the survey in 50 offices around the country, focusing on local governments, which played a critical role in issuing business permits. During the pilot, the ARTA team found that most Filipinos had had little experience with social audits, and the researchers had to carefully calibrate their approach to get citizens to participate.

Building trust was a crucial part of the interview process. Esber said receptivity to the survey "would depend really on the approach of

the [researcher] . . . if you are friendly, accommodating, always smiling.” In training sessions for future rounds of the survey, she and the ARTA program managers stressed the importance of friendliness, respectfulness, and conversation to put respondents at ease.

The Office for Strategy Management also made adjustments to the questionnaire to increase people’s willingness to be interviewed. After waiting for a service, the last thing many clients wanted to do was devote additional time to talk about their experience. Based on the results of the pilot, Esber and her staff eliminated unnecessary questions to reduce the average survey time to no more than 15 or 20 minutes. They also increased interviewees’ comfort level by conducting the interviews away from office personnel and asking for optional personal information, such as age and profession, only at the end.

As expected, questions about corruption were often particularly sensitive because interviewees did not want to implicate themselves in wrongdoing or run the risk of retaliation. Careful attention to question wording helped ease concerns. For instance, Esber said, “Asking whether citizens had ‘been approached’ by fixers [who facilitated payments to speed up services] produced better responses than asking whether they had actually paid the fixers.” Still, Tabunda cautioned that there was likely to be an underreporting bias for instances of corruption. Esber also said that adding a reminder about the confidentiality of the information encouraged participants to open up.

Scaling up, getting help

With a better understanding of what to expect and the best ways to get responses, the CSC expanded the number of offices the report card survey covered. Continuing to prioritize heavily trafficked agencies that had the highest numbers of complaints and those involved in

commerce, the CSC surveyed 491 offices in 2011, gradually increasing the number to 1,023 in 2014.

After the Public Assistance and Information Office established a national complaint hotline in 2012, the CSC shifted the focus to high-complaint agencies by using data from the hotline to target the survey in 2014. According to ARTA program manager Olivia Khane Raza, “We think these agencies are the most in need of monitoring and diagnosis through the report card survey so as to ascertain what their problem areas are and what assistance should be given to them by the CSC.”

To cover the increasing workload as they scaled up in 2011, Esber and her team sought assistance from civil society organizations, many of which had experience in social audits and citizen monitoring. CSC directors in each of the country’s 17 administrative regions reached out to universities and governance groups active in their areas and arranged support from volunteers.

Working with civil society volunteers not only reduced the CSC’s survey costs but also helped produce better results. Because researchers identified themselves as members of their home organization conducting the survey on behalf of the CSC, many interviewees were more at ease. Esber said that clients usually felt more comfortable “when it is not the government asking questions, because they feel, ‘Here is someone who’s not wearing a regulatory hat; here is someone where we can be more open.’” In addition, she said office personnel were less likely to recognize the volunteers as affiliated with the CSC, which helped cut down on the problem of workers’ offering unusually good service when they became aware of a CSC inspection.

As the budget for ARTA implementation increased—from 21 million pesos (US\$473,600) in 2009 to P27 million (US\$609,000) in 2013 and P31.5 million (US\$710,000) in 2015—the ARTA team decided to hire paid staff to conduct the survey.⁵ According to Reyes, regional offices could

supervise hired staff more effectively, and volunteers sometimes did not have the time and availability to handle questions and requests for clarifications during data analysis as the survey broadened. In 2014, CSC regional directors began to use short-term contracts to hire researchers, many of whom had been volunteers.

The CSC had to train the researchers to ensure standard methodology. Before each round of the survey, the ARTA team brought all of the researchers to Manila for training on the requirements of the law, on the survey questionnaire and methods, and on how to write reports for the CSC and each office surveyed.

Raza said practice surveys represented a particularly important part of the training. Researchers might feel confident during discussions, she said, “but when it comes to how they will deliver the questions in the field, they may encounter difficulties, especially with irate clients who are already burdened by the slow process in the office.” Practice sessions in the field helped the researchers prepare for the challenge of persuading reluctant citizens to answer questions.

Surveying hundreds of offices across the archipelago was a logistical challenge. “We travel to these island provinces by boat, and you know the weather in the Philippines,” said regional director Chicano, recalling how typhoons sometimes upended survey schedules. Researchers had to be flexible, but unpredictable weather sometimes delayed completion of the survey.

Raza said that managing survey data was challenging, especially as the program expanded. Researchers collected citizens’ responses on handwritten survey forms and then transferred the information into Microsoft Access database management software. At the CSC central office, the ARTA team manually collated for national-level analysis all of the data into a Microsoft Excel spreadsheet and IBM’s SPSS statistical tool.

Although the process used technology already available at the CSC, the multiple steps

were time-consuming and created opportunities for minor entry errors. Raza said in 2014 that the ARTA team hoped to switch to an online database, which also would make it easy for the CSC to publish more-detailed data if funds were available.

Encouraging improvements

The CSC adopted several strategies to prod surveyed offices to use the results and work to improve their service delivery. Publicity played an important role. “It’s really a carrot-and-stick approach, that we are going to publish,” Reyes said. “Even if you failed, we are going to publish that, and we are going to publish those who excelled. . . . It works both ways.” After completion of the survey each year, the chairman held a press conference to release the results, and the CSC published every office’s rating in national newspapers.

Publicity was an important dimension of another incentive, the Citizen Satisfaction Center Seal of Excellence. Although the cash prize to the winning office was small (P100,000 [US\$2,250]), Chicano stressed that the award was “something they can be proud of, something so that they can tell their clients, ‘We’re really doing more than is expected.’ So I think that’s an incentive in itself.”

All offices that received a rating of “excellent” were eligible for the award, but to determine which office would receive it, CSC staff reviewed the data and visited the office for another unannounced assessment. They also checked the national hotline’s database for any complaints that might disqualify the office.

“It promotes a healthy competition among government agencies, and of course the ones who benefit from that are the public,” said Dovie Saludo, who managed the award program.

Civil servants often responded as Saludo hoped. Assistant Vice President Voltaire P. Pablo III of the Land Bank of the Philippines, a government-owned bank that was one of the

highest-performing agencies, said “most employees perceive that government service is not as appreciated by the public as private work is, so when there are opportunities for the bank to shine, they work doubly hard to get the recognition the bank deserves.”

The CSC also paid special attention to offices at the bottom of the rankings. For offices that received failing grades, the ARTA team managed training programs that explained in detail the changes the offices had to make to pass in the next year. The subject matter and duration of the programs varied depending on the kinds of problems uncovered at each office. “We hand-hold agencies to help them streamline their processes . . . and develop the capabilities of frontline service providers,” Esber said.

In 2011, as both a spot check on performance and a bid for favorable publicity, Agamata’s Public Assistance and Information Office introduced its year-round ARTA Watch program. CSC chairman Duque and other high-level officials such as regional directors conducted surprise visits to service offices and inspected them for compliance, often at midday to catch violators of a policy requiring offices to remain open during the lunch hour. Besides providing fodder for local media coverage, the visits provided an opportunity for civil service leaders to meet with staff and customers to promote ARTA programs, encourage feedback, and answer questions. The visits helped verify the results of the report card survey and provided offices additional ideas for improvement.

Building the findings into other programs

The Aquino administration initiated several other reforms that shared ARTA’s goals of promoting transparency and improving services. Two of those programs—the Seal of Good Housekeeping and the performance-based bonus system—offered new opportunities for the CSC to make ARTA relevant for civil servants.

In 2012, the CSC entered into a partnership with the Department of the Interior and Local Government, which oversaw and provided administrative support for elected municipal, city, and provincial governments. Secretary Jesse Robredo, a well-known reformer who led the department until his death in a plane crash in 2012, had introduced the Seal of Good Housekeeping, which rewarded local governments for increasing transparency. To attain the minimum level of the three-tier award, local governments had to adhere to financial disclosure requirements and have no adverse findings from the Commission on Audit, a national agency that reviewed the financial documents of all levels of government in the Philippines. Earning the second level required that governments also attain a rating of “excellent” or “good” on the CSC’s report card survey. The top level added several other criteria focused on participatory governance.⁶

Unlike the CSC’s awards, the Seal of Good Housekeeping came with substantial monetary incentives. Depending on whether the local government served a municipality, city, or province, winners of the seal could obtain grants of up to P7 million (US\$175,000) from the department’s Performance Challenge Fund.

The Seal of Good Housekeeping also was a requirement before local governments could obtain loans from the Land Bank of the Philippines.⁷ In 2012, the Department of the Interior and Local Government provided staff and resources to conduct the survey at local government units and carried it out jointly with the CSC. Working together enabled the department to incorporate client satisfaction into the Seal of Good Housekeeping and helped the CSC cover more offices without straining its resources.

The close collaboration was short-lived, however. In 2013, the department began to revise the award program and stiffen the requirements,

according to Bureau of Local Government Supervision director Manuel Gotis. When the department introduced the new version of the award in 2014, called the Seal of Good Local Governance, it replaced the ARTA report card survey ratings with the amount of time and number of steps required to obtain a business permit or renewal. Girlie Zara, the division chief who managed the program, said that although the new award did not include ARTA directly, the use of processing times provided a measure of the law's impact.

In 2012, ARTA implementation received a lift from another reform: the Aquino administration's introduction of performance-based bonuses. The system allocated bonuses based on a combination of individual and officewide rankings. An office's overall performance established the range of bonuses the office's employees could receive, and individual evaluations determined the precise amount each worker received within the range. In addition, offices had to meet a set of "good governance conditions" selected by the Department of Budget and Management.

Esber recalled that she and her CSC colleagues strongly advocated for the inclusion of ARTA compliance in the criteria for performance bonuses. Because the CSC did not survey all government agencies and because the bonus structure had to be consistent across offices, the final good-governance conditions included the posting of a Citizen's Charter—or an equivalent for offices not covered by ARTA.⁸

Magdalena Mendoza, senior vice president of the Development Academy of the Philippines, a government training institution that helped agencies create Citizen's Charters before the 2009 deadline, said that by 2011, the ARTA program had reached some sort of plateau in terms of compliance" with the charter requirement.

The inclusion of Citizen's Charters as a condition for performance bonuses added a

valuable financial incentive to the CSC's original measures and led to a jump in compliance in 2012, Mendoza said. Agencies then could set their own criteria to rank offices and individuals, and the ARTA team encouraged those covered by the report card survey to include the ratings in office-level evaluations. Several agencies, such as the Social Security System, adopted the recommendation, and the Land Bank of the Philippines made the ratings one of its criteria for promotions.

Refining the survey

In 2014, the CSC partnered with the U.S. Agency for International Development to strengthen the report card survey under the umbrella of the Integrity for Investments Initiative, which sought to improve the Philippine business climate by supporting anti-corruption programs. The project funded a team from the Ateneo School of Government in Manila and Deloitte Consulting to evaluate the survey and recommend improvements.

According to Andrew de Castro, who led Deloitte's work with the CSC, the survey placed too much emphasis on compliance with superficial aspects of ARTA, such as whether offices displayed a Citizen's Charter and posters condemning fixing. He said that the revised survey should focus on more-substantive indicators of the quality of services. One major recommendation was to incorporate a component measuring how long transactions took, which would be more objective than clients' ratings of the timeliness of the service they received.

Raza agreed with the recommendation, adding that the satisfaction ratings given by interviewees "may not always reflect what is really happening at the office . . . We cannot change interviewees' responses that employees met the standards for maximum time to complete a transaction and that they are very satisfied with the timeliness, even if researchers observed that

the service took longer than the standard.” However, she added that including a measure of actual transaction times would help address the problem.

The study also recommended more-consistent targeting of agencies, because such targeting had varied while the CSC was deciding how to prioritize. Although the CSC had surveyed several agencies over multiple years, some agencies had been included in some years and not in others, which meant the CSC could not track changes in performance. Individual offices that failed the survey were automatically included in the next year’s survey, but the CSC needed a more systematic way to measure agencywide improvement.

OVERCOMING OBSTACLES

Throughout the survey program, the ARTA team found that changing the behavior of both civil servants and the general public was an uphill battle.

Strengthening relationships with frontline agencies

Agencies sometimes tried to wriggle out of being surveyed by arguing they were not ready for evaluation—perhaps because they feared receiving a low rating, Esber recalled. (At the beginning of each year’s survey period, the CSC notified the agencies that would be covered, although it did not give specific dates for individual offices.) Some of those surveyed were reluctant to respond to the results. Because CSC researchers visited additional offices each year, persuading civil servants to accept the survey was a recurring challenge.

Although the CSC concentrated its efforts on the best- and worst-performing offices, commission officials at both the central and regional levels found that discussing the results with the agencies they surveyed helped encourage staffers to respond to the findings. In addition to issuing a formal report card, CSC researchers

wrote reports pinpointing each office’s strengths and weaknesses and including citizens’ comments. Staff from the CSC’s regional offices then met with the head of each service office to go over the findings, and how to improve the office’s score next year.

When facility problems or long wait times were the reasons for low scores, the heads of offices frequently pushed back, saying they lacked the budget to upgrade their offices or hire additional staff. Esber, who left the Office for Strategy Management in early 2014 to become a regional director, said that when she encountered such arguments, she tried to present the survey as a help rather than a hindrance: offices could use the findings, especially the shortcomings raised by the public, to seek higher budgets. (After Esber’s move, Agamata took over supervision of the survey.)

The CSC took care to recognize offices that had made significant improvements. In addition to presenting awards to top-performing offices, Agamata’s team at the Public Assistance and Information Office worked to promote favorable publicity. According to Reyes, the goal was to send a clear message to civil servants: “We are not doing this just to look at you on a survey but to help you project yourself, your office, and the good things you are doing.”

In 2014, the CSC stepped up its direct communication with agencies. Until then, most discussion of the survey results had been between the commission’s regional or field offices and the heads of individual frontline offices. Because of the lack of significant contact with agency leaders, there had been little coordination to help them take an active role in promoting ARTA compliance. Reyes recalled that the impetus for the shift in communications had come from the agencies, which had contacted the CSC in early 2014—after publication of the 2013 survey—to request more information.

Agamata said that by talking with agency heads and senior officials at the central offices, commission leaders were able to “get the support of top and middle management in advocating for excellence in frontline service delivery.” Before the 2014 survey, Duque met with agency heads to communicate expectations and explain the process, and he planned another meeting to go over potential improvements after the results were in. In 2014, the CSC also created for the first time certain awards for the highest-performing agencies, aiming to encourage more emphasis on ARTA from the top down.

Over time, Reyes said, “We’ve shifted the way we communicate the [report card survey] to the government agencies, because we don’t want to look like we’re looming over them but more like we’re helping them improve their services.”

Engaging the public

Although changing citizens’ expectations of government services and encouraging them to demand better quality were long-term goals of the CSC, the commission struggled to build a relationship with the public. In 2014, seven years after ARTA became law, public awareness levels remained low.

The CSC relied on posted information to educate citizens about ARTA, but just because the information was on the walls of government offices didn’t mean that people paid attention to it. Citizen’s Charters typically took the form of large display boards near office entrances. Most offices also used posters to present information about resisting fixers and filing complaints. Chicano said the CSC and service offices had to find ways “to make the public aware that we have these Citizen’s Charters—please read them.”

Kidjie Saguin, who helped local governments comply with ARTA at the Development Academy of the Philippines, noted that some offices had adopted more-personal ways to communicate with their clients. “Sometimes

[local] governments distribute papers or flyers that have the same information as the Citizen’s Charter, and that helps build trust. If a person hands you a paper, you feel like you can hold [him or her] accountable.”

In 2013, the founders of Bantay.ph, a nongovernmental organization (NGO) that engaged in monitoring and advocacy regarding ARTA, approached the CSC to form a partnership. Happy Feraren, head of the organization, said that she and a cofounder recognized the need to increase awareness of ARTA by brightening the message and communicating through more channels. “We wanted to make it more accessible, to make it fun,” she said. Bantay.ph targeted young Filipinos by promoting the law online with graphics designed to make the law easier to understand. The organization also designed eye-catching posters that the CSC distributed to frontline offices.

To draw additional attention to the law, the commission’s Public Assistance and Information Office built relationships with media organizations to encourage coverage of ARTA implementation. The publication of the survey results drew some media attention, as did the surprise ARTA Watch inspections by top CSC officials. Introducing new components to the program, such as the agency-level awards, also helped increase publicity.

However, the challenge went beyond simply creating awareness of ARTA. For the law to achieve its goal of citizen-led accountability, Filipinos not only had to know the provisions of the act but also had to hold civil servants accountable by confronting problems directly or filing complaints.

Esber said the commission had to communicate more effectively to encourage public activism. “It is not enough that we get their feedback,” she said. “The important thing is to make them feel, and to let them know, that we are

doing something with the feedback we gathered.” Raza added that publicizing an office’s response to public comments and complaints—from both the report card survey and the national contact center—not only recognized the accomplishments of the specific office but also demonstrated to citizens that their feedback had a significant impact.

Bantay.ph worked to address the issue through educational anti-corruption programs in several schools and universities around the country. Feraren also incorporated monitoring of government offices into the NGO’s education programs, so that as the offices responded, students would learn that their feedback could have a concrete impact.

For Reyes, the engagement of young people was an important part of achieving long-term change. Over their lifetimes, he said, “they will transact with government, and it’s widening their expectation. So they will be part of the public pool that will readily say, for instance, if they see fixers.”

ASSESSING RESULTS

According to the CSC’s primary metric—the results of its report card survey—the offices surveyed improved collectively during the audit’s first four years. From 2011 to 2014, the percentage of failing grades dropped from 27% to 4%, and “acceptable” ratings fell from 42% to 8%, whereas ratings of “excellent” increased from 4% to 26%, and “good” ratings rose from 27% to 62%.⁹ Independent research organizations did not conduct comparable surveys on the quality of frontline services.

Other government agencies began to use the CSC’s ARTA programs. Commission officials pointed to the inclusion of ARTA metrics in the performance-based bonus system as an indication that other agencies valued the program and that it would be sustained. After the Department of Budget and Management made Citizen’s Charters

one of the conditions for offices to be eligible for performance bonuses, compliance jumped from 70% of national government agencies in 2011 to 96% in 2013, according to the Development Academy of the Philippines. The Social Security System, and the Government Services Insurance System also included the survey ratings in their internally set performance indicators, which Reyes considered “a step ahead of the good-governance conditions.”

Despite the efforts of the CSC and NGOs like Bantay.ph, many Filipinos had little or no knowledge of what ARTA was all about. During the annual report card survey, researchers found that respondents frequently did not know about the law and did not rely on Citizen’s Charters as their source of information about procedures. During 2011–13, the Philippines included Citizen’s Charters in its Open Government Partnership commitments, a set of benchmarks created by the government as part of an international transparency initiative. A review of the Philippines’ progress during that period found that Citizen’s Charters had little impact—citing low levels of awareness—and called for greater public participation in setting the standards for service delivery.¹⁰ Raza acknowledged that the charters had initially been crafted with little public input and said the CSC planned to actively involve citizens in periodically updating agencies’ charters.

The CSC’s national hotline received little feedback related to ARTA. From its opening in September 2012 through August 2014, the contact center received more than 85,000 text messages, calls, and e-mails, according to data provided by CSC hotline staff. However, most were requests for simple information, such as the date of the next civil service exam. Only 7,057 led to formal efforts by frontline agencies and the CSC to resolve complaints, and of those, only about half were considered ARTA related.¹¹

Although broad indicators of corruption in the Philippines showed a clearly positive trend, ARTA's contribution to the bigger picture was unclear. From 2007 to 2014, the country's Corruption Perceptions Index score rose from 24 (2.4 on the older scale) to 38. Executive Director Calimbahin of Transparency International Philippines said the score was "a marked improvement," although still low on a scale of 1 to 100. She considered ARTA one of many factors that had helped increase the score but said the high-level shifts under the Aquino administration had a greater impact.

A survey of business leaders conducted by Social Weather Stations, an independent survey organization, reported a drop in the percentage of businesses that reported being solicited for bribes when accessing government services—from 61% in 2007 to a record low of 44% in 2013.¹²

Other metrics showed limited impact in the business sector. For instance, the World Bank's *Doing Business* report found some improvement in the amount of time required to start a business—which took 48 days in 2007 and 35 in 2014—but the number of procedures required rose from 11 to 15. Although the Philippines' overall *Doing Business* ranking, which compares 189 global economies, rose from 126th to 108th from 2007 to 2014, the streamlining mandated by ARTA played a small role in comparison to other reforms introduced in the same period.

REFLECTIONS

The implementation of the Anti-Red Tape Act (ARTA) benefited from an overall emphasis on anti-corruption and service quality after President Benigno Aquino III took office in 2010. The emphasis on reform at the top and Aquino's appointments of receptive agency leaders set a tone that helped the ARTA program gain traction.

Still, openness to the survey results and willingness to make changes varied substantially

across agencies. Most observers within and outside government said corporations owned or controlled by the government performed especially well and were most receptive to feedback. Some corporations even requested additional surveys from the Civil Service Commission (CSC).

Director Victoria Esber, who oversaw the survey program until 2014, said corporations typically had more resources available than other agencies had, and so they could make changes more easily—particularly when clients urged them to upgrade their facilities or hire additional staff. Andrew de Castro, who led Deloitte's work with the CSC, added that the companies had clear incentives to respond quickly to their customers' feedback.

In less responsive agencies, the CSC aimed to win the support of civil servants to help create a new institutional culture of quality public service. According to Esber, "It's one thing when people comply because that's what the law says, but it's a different thing when people comply because they feel they have a hand in it."

However, changing the attitudes of many civil servants was a difficult and gradual process. "People didn't want to leave their comfort zones, so at first there was resistance," said Judith Dongallo-Chicano, a regional director at the CSC. "But slowly, slowly we have made people aware that this is what's expected from all of us." However, monitoring remained essential to ensure the sustainability of service improvements.

Over the long term, a more engaged citizenry could stand in for the CSC's monitoring, serving as watchdogs in their daily interactions with government. However, that, too, required a long-term shift in societal norms regarding governance. After decades of poor frontline services, Esber said, "when Filipinos were given services, they would be very happy with an inch, because they do not know that they deserve a meter." She viewed the CSC's report card survey as a way to

encourage citizens to demand the quality they deserved.

In 2014, some evidence was indicating that ARTA had begun to affect public norms. Marco de los Reyes, a CSC ARTA program manager, said citizens' responses to questions on service satisfaction and researchers' assessments of service quality were moving toward closer alignment, indicating a rise in public expectations regarding service delivery. Earlier data had shown high levels of satisfaction that had little correlation with the observed quality of services, suggesting that citizens had low expectations when they visited government offices.

David Balague of the Coalition Against Corruption, an advocacy group affiliated with the business community, also said the law had started to shift public perceptions. "People used to be at the mercy of government officials to get services, and that's why ARTA was a law we really needed," he said. "Now more Filipinos are starting to realize it's their right."

Asking citizens for their feedback—and using it publicly to shame or reward agencies—helped the CSC signal that public opinion mattered. However, the commission's decision to concentrate on cooperation rather than confrontation meant that enforcement efforts appeared weak. Indeed, the ARTA enforcement

process produced only a handful of administrative cases against low-ranking civil servants. Kidjie Saguin of the Development Academy of the Philippines said, "People don't trust the judicial process, so they don't complain."

Bolstering Filipinos' faith in government remained a challenge for the CSC in 2014. Even implemented perfectly, ARTA would not solve the problem alone. "It's limited to what the law defines as red tape," de Castro said, which covered only certain practices in frontline offices. Addressing everyday corruption was essential to shifting citizens' attitudes, but worries about corruption and political abuses at the national level also influenced the perceptions of many Filipinos despite the Aquino administration's high priority on improving governance.

Still, small changes in service offices and procedures, from providing adequate seating to eliminating the need for overlapping approvals, represented an important step toward improving citizens' confidence in their government. Happy Feraren, cofounder of nongovernmental organization Bantay.ph, said improving citizens' routine interactions with their government laid a foundation for greater trust and participation. Although the idea might seem simple, she said, "This is everyday governance."

References

- ¹ Transparency International, "Report on the Transparency International Global Corruption Barometer 2007," 6 December 2007, 21.
- ² Social Weather Stations, "The 2006–2007 SWS Surveys of Enterprises on Corruption," July 2007, 10; <http://www.sws.org.ph/2006-2007%20SWS%20Surveys%20of%20Enterprises%20on%20Corruption.pdf>.
- ³ Peter Hirschberg and Clarissa Batino, "Aquino Hunts 'Big Fish' to Bury Philippines' Sick-Man Tag," *Bloomberg Business*, 9 May 2013; <http://www.bloomberg.com/news/2013-05-08/aquino-hunts-big-fish-to-bury-philippines-sick-man-tag.html>.
- ⁴ Civil Service Commission, *Breakthrough: Game Changers in Frontline Service Delivery*, 2014, 16.
- ⁵ "Civil Service Commission," Republic Act No. 9524: General Appropriations Act Fiscal Year 2009; <http://www.dbm.gov.ph/wp-content/uploads/GAA/GAA2009//CSC/A.pdf>. "Civil Service Commission," Republic Act No. 10352: General Appropriations Act Fiscal Year 2013; <http://www.dbm.gov.ph/wp-content/uploads/GAA/GAA2013/CSC/A.pdf>. "Civil Service Commission," Republic Act No. 10651, Republic Act No. 10352: General Appropriations Act Fiscal Year 2015, <http://www.dbm.gov.ph/wp-content/uploads/GAA/GAA2015/GAA%202015%20Volume%20II%20A-B/CSC/A.pdf>.

⁶ “Memorandum Circular No. 2012-78: Scaled-Up Seal of Good Housekeeping,” Department of the Interior and Local Government, 25 April 2012; http://www.dilg.gov.ph/PDF_File/issuances/memo_circulars/DILG-Memo_Circular-2012514-8166434f5e.pdf.

⁷ “Promoting Good Local Governance through Performance-Based Grants,” Open Government Partnership, 26 October 2013; <http://www.opengovpartnership.org/sites/default/files/Inspiring%20Story%20-%20Philippines.pdf>.

⁸ “Executive Order No. 80: Directing the Adoption of a Performance-Based Incentive System for Government Employees,” 20 July 2012; <http://www.pcoo.gov.ph/issuances/issuances-co/EO-80.pdf>.

⁹ Civil Service Commission, *Breakthrough: Game Changers in Frontline Service Delivery*, 2014, 18-19.

¹⁰ Malou Mangahas, “Independent Reporting Mechanism: Philippines Progress Report 2011–2013”; <http://www.opengovpartnership.org/country/philippines/progress-report/progress-reports>.

¹¹ Civil Service Commission, “Contact Center ng Bayan: Updates as of August 2014.”

¹² Social Weather Stations, “The 2013 SWS Survey of Enterprises on Corruption: The fight against public sector corruption has mixed findings,” 15 January 2014; <http://www.sws.org.ph/pr20140115b.htm>.

Innovations for Successful Societies makes its case studies and other publications available to all at no cost, under the guidelines of the Terms of Use listed below. The ISS Web repository is intended to serve as an idea bank, enabling practitioners and scholars to evaluate the pros and cons of different reform strategies and weigh the effects of context. ISS welcomes readers' feedback, including suggestions of additional topics and questions to be considered, corrections, and how case studies are being used: iss@princeton.edu.

Terms of Use

Before using any materials downloaded from the Innovations for Successful Societies website, users must read and accept the terms on which we make these items available. The terms constitute a legal agreement between any person who seeks to use information available at successfulsocieties.princeton.edu and Princeton University.

In downloading or otherwise employing this information, users indicate that:

- a. They understand that the materials downloaded from the website are protected under United States Copyright Law (Title 17, United States Code). This work is licensed under the [Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International License](https://creativecommons.org/licenses/by-nc-nd/4.0/). To view a copy of this license, visit <http://creativecommons.org/licenses/by-nc-nd/4.0/>.
- b. They will use the material only for educational, scholarly, and other noncommercial purposes.
- c. They will not sell, transfer, assign, license, lease, or otherwise convey any portion of this information to any third party. Republication or display on a third party's website requires the express written permission of the Princeton University Innovations for Successful Societies program or the Princeton University Library.
- d. They understand that the quotes used in the case study reflect the interviewees' personal points of view. Although all efforts have been made to ensure the accuracy of the information collected, Princeton University does not warrant the accuracy, completeness, timeliness, or other characteristics of any material available online.
- e. They acknowledge that the content and/or format of the archive and the site may be revised, updated or otherwise modified from time to time.
- f. They accept that access to and use of the archive are at their own risk. They shall not hold Princeton University liable for any loss or damages resulting from the use of information in the archive. Princeton University assumes no liability for any errors or omissions with respect to the functioning of the archive.
- g. In all publications, presentations or other communications that incorporate or otherwise rely on information from this archive, they will acknowledge that such information was obtained through the Innovations for Successful Societies website. Our status (and that of any identified contributors) as the authors of material must always be acknowledged and a full credit given as follows:

Author(s) or Editor(s) if listed, Full title, Year of publication, Innovations for Successful Societies, Princeton University, <http://successfulsocieties.princeton.edu/>

