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Opinion

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Anti-corruption efforts in agencies

Too many economists and businessmen unthinkingly bewail P-Noy government's "overly strong" anti-corruption thrust. Being one of only a few businessmen who headed a government department publicly deemed a corrupt organization, I believe myself qualified to disagree and to explain why based on personal experience.

Map Insights
By Vicente T.
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In July 1979, I accepted Marcos's appointment as head of the Ministry of Public Highways (MPH) on the condition he permits me to leave the post and his cabinet after one year of service. Media had exposed the MPH head's ghost road project costing P70 million; Marcos wanted a cleanup of the MPH image. My replacement was appointed after 16 months of my tenure; I left Marcos cabinet that day, Nov. 11, 1980.



The first task was to convince the MPH organization I was serious in wanting to end corruption. After flag ceremony on my second Monday in office, ballots were passed around asking each employee to list the three officials most guilty for the bad MPH reputation. On a thousand or so ballots: 73% pointed to Director A, 62% to Finance Officer B, 52% to Director C. Learning #1 -- the headquarters employees know who are the most corrupt among them. Common sentiment in head office was so strong against them that management could compel these most corrupt to leave without having to resort to a corrosive process of investigation and administrative sanctions.

The second task was to reinforce the common sentiment in head office throughout the country where more employees work in engineering districts. My field visits encouraged simple living, discouraged ostentation, exhibited norms of behavior -- no leis, garlands or beauties to greet arrival, simple office lunches -- no *lechons* (probably supplied by willing contractors), short field trips to inspect key projects, briefings at the field visits to review district progress.

The process to convince staff of the head man's desire for honesty and integrity in the entire Ministry took more than six months. Eventually traces of *modus operandi* surfaced on partitioning of loot. On purchases of equipment and materials overprice was 30%, systematically apportioned to each step of the purchase ladder, from requisitioning warehouse person (a bit under 1%) through the order approval system, culminating at 10% for the Minister (I could not discover who shared his loot). After about four

months, a meeting with suppliers informed them the Minister's 10% cut had disappeared, so their prices should reduce by at least 10%.

Approval of new projects was suspended except those foreign-financed, presumably vetted by their financiers, until we could separate solid projects from the chaff. This took more than six months; winnowing had to be done by West Point graduate Joey Syjuco, newly appointed Assistant Secretary for Finance.

Small infrastructure projects had been submitted by Batasang Pambansa members. To curry legislators' support, the former Minister approved many of those without prior review and endorsement by the District Engineers concerned. These projects were reviewed for validity and costing before their implementation could proceed.

I should like to now warn new heads of suspected corrupt infrastructure offices about approving implementation of projects without effort to validate them. Such a step would give a clear sign that business of the office proceeds as usual. He should also bear in mind that not all corruption is internally generated. Graft attempts can emanate from legislators, external government offices like CoA and others during a corrupt Malacañang, influential media personalities, persons favored by Malacañang and other high officials. A Department head also has to be cautious in disapproving the projects they have sponsored and make sure there is adequate evidence before incurring their displeasure. A head of office has to anticipate the political mine fields and tread with caution but also with firmness as he asserts the need and his desire for honest government and good governance.

So, colleagues, please bear the foregoing in mind as you express impatience with slowness of implementing infrastructure projects. The pace of new infrastructure implementation will gather momentum as and when mine fields laid by past corrupt practices are sufficiently identified and defused. Reducing corruption is a process for changing employee minds of employees that were conditioned through years of bad governance. The process will not succeed through sermons but by patient example from new management.

Lastly, I would ask economists and businessmen to seriously interpret government spending comparisons with previous years. With the possibility (or probability) that reported infrastructure spending during Arroyo regime contained significant/substantial amounts of graft (not excluded in summing up GDP), loud criticism of present day under-spending could be tantamount to validating the corruption perpetrated during the recent Arroyo years. Salient examples of corruption were perpetrated or attempted on infrastructure -- IMPSA, Macapagal Highway, Northrail, National Broadband Project, some legislators' infrastructure projects, etc.

(The article reflects the personal opinion of the author and does not reflect the official stand of the Management Association of the Philippines. The author is Chair of Philippine Seven Corp. and member of the MAP National Issues Committee. Feedback at map@globelines.com.ph. For previous articles, please visit map.org.ph)