

# **Legislating Citizen's Charters**

**Magdalena L. Mendoza**  
**Senior Fellow**  
**Development Academy of the Philippines**

## **Abstract**

Government procedures are in most part dictated by public policies which are designed to protect public interest. Inconsistency in the interpretation of public policies due to absence of service standards and asymmetry of information between the service providers and the citizens oftentimes create the impression of red tape and provide opportunities for corruption. Legislating the Citizen's Charter was adopted as the policy solution to this problem. Aside from creating citizen focus, the Citizen's Charter sought to prevent corruption by breaking monopoly of information and approving power of service providers, circumscribing discretion of service providers and approving authorities and raising accountability through transparency, performance monitoring, sanctions and incentives.

Nonetheless, it was observed that legislating Citizen's Charter, while a necessary step, is not a sufficient condition to establish a citizen-centric government. While there are islands of success in raising transparency and efficiency through the publication of Citizen's Charters, the perception of red tape remains due to fragmentation and uncoordinated delivery of government services. This suggests that citizen-centric service standards cannot be simply prescribed. Complementary measures are needed such as "smart regulation" and "horizontal government", which requires government agencies working seamlessly while complying with the policies and regulations governing their own agency.

## **Introduction**

Citizens throughout the world are demanding governments to deliver better quality and more efficient public services that respond to their needs. As in other developing economies, the high degree of citizen dissatisfaction on the delivery of public services has become a serious concern for the Philippine government. The Filipino Report Card survey in 2000 revealed constraints encountered by citizens in accessing public services particularly in terms of quality, adequacy, affordability and adequacy of services, and the responsiveness of government officials. The business sector, through international ratings such as the World Competitiveness Yearbook and Ease in Doing Business underscored cumbersome government procedures as a critical investment constraint in the country since these slow down delivery of public services and increase transaction costs.

Government procedures are in most part dictated by public policies which are designed to protect public interest. Inconsistency in the interpretation of public policies due to absence of service standards and asymmetry of information between the service providers and the citizens on the procedures, requirements and entitlements oftentimes create the impression of red tape. This does not discount the possibility that some opportunistic providers of public services also abuse their “monopoly power” and discretion by limiting the supply of services through queues or by delaying approvals or withholding services unless “grease money” is given.

Since the 1990s, several measures have been introduced by the Government of the Philippines to enhance the delivery of public services and make policies business-friendly. The Citizen’s Charter is one of the measures adopted by the Government of the Philippines to cut red tape and promote citizen focus in the delivery of public services.

The Citizen's Charter, which was first implemented in the United Kingdom in 1991, has been adopted by many governments as a national program to improve quality of public services. Initiatives to introduce Citizen's Charter in the Philippines began in earnest almost a decade later. In 2006, unique window of opportunity paved the way for the passage of the law: the problem stream was ripe, the policy stream is well developed, and the political stream is open to the reform and willing to risk the change. With strong pressure from the private sector and transparency advocates, the Philippine Congress legislated its adoption through Republic Act No. 9485 known as the Anti-Red Tape Act of 2007 (ARTA). ARTA mandates the establishment of Citizen's Charter to eliminate bureaucratic red tape, avert graft and corrupt practices, and improve efficiency in the delivery of public services. To date, almost 80% of 5,141 government offices nationwide have established their respective Citizen's Charters. In 2010, the first round of Report Card Survey was conducted in priority agencies and pilot local government units. Results of the survey revealed modest gains but also point to several areas for improvement not only in the implementation of the policy but in the design of the policy itself.

To be sure, legitimization of a policy through legislation is a necessary condition since it lays a firm ground for reform. However, legitimization is not a sufficient condition to effect the desired change as illustrated in this paper. The stimulus, structure and execution of policy change brought about by the legitimization of Citizen's Charter are instructive of the arduous, complex, chaotic and protracted policy process which more often than not produces sub-optimal results. To elucidate, the policy process was used in telescoping the experience of the Philippines in legislating the Citizen's Charter - from issue formation and agenda setting, policy formulation and adoption, policy implementation up to policy evaluation.

## **Issue Formation and Agenda Setting: The Perennial Problem of Red Tape**

How did the policy problem emerge? Tracing the causal path of issues which led to the legislation of the Citizen's Charter in the Philippines attests to the ad hoc nature of agenda setting. Nagging issues of excessive regulation, red tape and the associated corruption in the form of bribery and fixing, clamor for transparency and access to information, and complaints of poor quality of public service delivery prompted policy sponsors and policy entrepreneurs alike to put forward anti-red tape proposals.

Time and again, red tape, and the vulnerability to corruption that it breeds, has persisted as a serious concern of business and the general public. More than a moral issue, many Filipinos see corruption as an economic issue since it hurts investments that could have been the source of job opportunities (SWS 2000). Investors complain of uncondusive environment for doing business due to inefficiencies and excessive regulation and the additional cost to go through or avoid red tape.

Anti-red tape proponents at the House of Representatives contends that red tape, which commonly refers to an excessive bureaucracy, has become synonymous with government bureaucracy. A policy frontrunner Representative Dadivas (2001) during the Twelfth Congress argues,

“[O]ne of the major complaints of the public is the delay and inefficiency in the delivery of public services by the government. Among the factors which can be attributed to this problem is the approximate number of signatories required involving transactions with particular government agencies and corporations.”

Representative Villar (2001), another policy proponent, concurs and further claims,

“Red tape has always been synonymous with the government bureaucracy. This is a ready consensus especially among those who, at one time or another, had the sorry plight of having transacted business with or solicited assistance from any of the various government offices or agencies. Even the simplest of

request may take several months before action is taken thereon. On a similar note, investors, both local and foreign, complain about the slow, almost lethargic pace by which their transactions with the government are processed.”

Expectedly, such transaction system could spawn graft and corruption. A common form of graft and corruption that arises is fixing, according to Representatives Ramiro, Jr. (1998) and Cuenco (2001). Anti-fixer bill proponent Representative Ramiro, Jr. during the Eleventh Congress deduces,

“With the difficult ordeals which an ordinary citizen experience in most government offices more often than not they resort to employing “fixers” or giving “grease money” to facilitate the completion or approval of a transaction. While government offices have set-up procedural rules to save time and ensure expeditious actions, these rules have been taken lightly by “fixers” who work in cahoots with certain public officials and employees in consideration of some kind of personal gain.”

The fixing issue was reiterated during the Twelfth Congress. Representative Cuenco (2001), another anti-fixing proponent, raised concern that

“Reports show that illegal fixing is so rampant and occurs at almost every stage of transactions, particularly in the award and implementation of public work projects, in the applications for permits, retirement benefits or compensation and the grant of any privilege, right, award, license, concession, or for modification, renewal or extension, payment or release of money for services rendered, or for supplies and materials delivered, or activities and transactions and other routinary matters.”

Indicators corroborate the policy issues. In several international ratings and local surveys, the Philippines, despite its generally outward-orientation, has always been typecast as not a very conducive place to do business. In 2006, the Philippines was ranked 49<sup>th</sup> out of 61 countries in the World Competitiveness Yearbook. At the Senate, the issue was highlighted by Senate Lacson (2007) on the basis of the findings of the World Bank’s *Doing Business in 2007* that,

“[A]n entrepreneur in the Philippines wanting to start a business would have to undergo eleven (11) procedures to be completed at an average of forty-eight (48) days with an estimated cost of 18.7% of income per capita. This should be differentiated from obtaining a [construction] license since such a process requires twenty-three (23) steps, one hundred ninety-seven (197) days, and a

cost of 113.4% of income per capita. The same process of obtaining a license in an Organization for Economic Co-operation and Development (OECD) - member country will only take 14.1 steps, 146.9 days, and costs only 75% of income per capita. The great disparity in terms of the number of procedures, steps, days and percentage cost in our country as compared to OECD countries is indeed despairing.”

Local surveys show that the policy issue is also percolating at the domestic level. The 2006 survey of the Social Weather Stations showed that there has been a net decline on the net sincerity among government institutions in fighting corruption. The *Surveys of Enterprises on Corruption* from 2000 to 2006 reported that companies are commonly bribes when obtaining local government permits, paying income taxes and securing national government permits and licenses. The *Worst Red Tape Survey* conducted by the American Chamber of Commerce amplified the issue. Foreign businesses identified customs, internal revenue, immigration and local government units with the most tedious and costly business transactions (Forbes and Umali 2007).

To be sure, government policies and procedures are designed to protect public interest. But these same policies and procedures may become a source of corruption. Potential benefits from corruption, may encourage officials to create red tape and increase the cost of doing business. As Rose-Ackerman (2006) points out,

“[T]he bureaucratic process itself may be a source of delay and other costs. In that case, incentives for corruption arise as applicants try to get to the head of the queue or otherwise get better service. To further exploit their corrupt opportunities, officials may create or threaten to create red tape as a means of extracting bribes. This strategy is plausible in many real world applications because even honest officials need to take some time and trouble to process applications.”

The perception of inefficiencies and susceptibility to corruption is not only confined in business transactions but even in the delivery of basic public services. The *Filipino Report Card* survey in 2000 probed the experience of ordinary citizens in accessing pro-poor services such health care, elementary education, water supply, housing and distribution of subsidized rice. Unsettling issues were raised particularly

in terms of quality, affordability and adequacy of services, and the responsiveness of government officials to their concerns. Citizens expressed high dissatisfaction with inadequacy of housing, limited access to clean water, and leakages in rice subsidy to the non-poor. Inadequacy of facilities, waiting time and inconvenient schedules characterize the quality of services in government health facilities. Unfortunately, the poor has no choice (World Bank, 2001).

At the policy level, government tries to take positive steps to deliver basic services to the poor. But lack of accountability, as Reinika and Svensson (2006) points out, can breed corruption in service delivery programs because the “exit mechanism” which is operating in a market context, does not work well in the public sector. For most of the poor, or the public in general, there is no available alternative provider of public services except for government.

Yet even if the citizens cannot bring their “custom” elsewhere, market-based programs can inculcate the market principle that “clients, as users of public services, should be treated as valued customers, just as if they were paying customers” (Barrett 2003). It brings to fore the rationale behind the UK Citizen’s Charter initiative that

“All public services are paid for by the individual citizens, either directly or through taxes. Citizens are, therefore, entitled to expect high quality services, responsive to their needs, provided efficiently at a reasonable cost. And where the state is engaged in regulating, taxing or administering justice, these functions too must be carried out fairly, effectively and courteously.” (cited in Barrett 2003)

In other territories such as Canada, the Citizen’s Charter has become an instrument to articulate citizen’s rights and responsibilities. Thus, Mendoza (2006) argues that if the Citizen’s Charter can be used to specify entitlements and legally protect the basic rights and freedoms of citizens, it can arm the poor with vital information to demand their rights and exact accountability from the government. But the poor cannot assert their rights if they don’t know what these are according to

Coronel (2001) and if they are unaware of the laws and procedures for availing themselves of their entitlements or of the mechanisms they can use to remedy their deprivations.

Luckily, the issue on access to information is already in the radar screen of some representatives. During the First Regular Session of the Thirteenth Congress, several members of Congress led by Representative Villanueva proposed to require all government agencies that provide frontline services to provide the public information on how to access such services from their respective offices (Villanueva et al 2004). With reference to the World Bank's (and a government think-tank's)<sup>1</sup> recommendation to combat corruption, a counterpart policy proposal to publicize procedures in obtaining services from government was filed by Senator Pimentel during the Third Regular Session of the Thirteenth Congress. Seemingly, the Constitutional guarantee on the right to information and the canon of public service as enunciated in existing laws notably Republic Act No. 6713 were not effective in curbing corruption and making government officials and employees more responsive.

Amidst the competing formulation of the problem, the principal policy issue that reached the decision agenda in Congress centered on cutting red tape to avert the attendant corruption. The need to expand access to quality public services and promote the market principle of client focus became secondary.

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<sup>1</sup> In its 1999 report on Combating Corruption in the Philippines, the World Bank recommended nine point approach to fight corruption: (1) reducing opportunities for corruption through policy reforms and regulations, (2) reforming campaign financing, (3) increasing public oversight, (4) reforming budget processes, (5) improving meritocracy in civil service, (6) targeting selected departments and agencies, (7) enhancing sanctions against corruption, (8) developing partnerships with the private sector, and (9) supporting judicial reform. On the basis of this, President Estrada directed the Development Academy of the Philippines, a government think-tank to come up with a comprehensive strategy to fight corruption. The 2000 National Anti-Corruption Plan prepared by DAP proposed a Ten-Point Jumpstart Program that includes (1) key appointments watch, (2) random lifestyle checks, (3) fast-tracking of high profile cases, (4) open public documents, (5) mandatory citizen charters, (6) transactions reengineering, (7) report card surveys, (8) civil society watchdogs, (9) integrity pacts, and (10) anticorruption legislative agenda (Gonzalez and Mendoza 2004).

## **Formulating the Policy Solution**

As it is said, the problem definition determines the policy solutions. In this case, the principal issue that eventually reached the policy agenda centered on improving the efficiency in the delivery of government services by cutting red tape. The policy solution in sight is composed of transparency measures, service standards, criminalizing fixers and imposing stiffer penalties.

Ideally, the formulation of a policy solution should be based on rationalism. But the political reality in the Philippines dictates the development of policy solutions incrementally. The anti-red tape proposal is a case in point: The policy proposal is a variation of past policies. The enhancement in the existing policy solution was supplied in large part by mandating the Citizen's Charter.

The concept of a Citizen's Charter or its equivalent has been introduced in the country earlier via non-legislative track. In 2000, Mandatory Citizen's Charter along with Transactions Reengineering and Report Card Surveys are among the Ten-Point Jumpstart Anticorruption Programs recommended by the Development Academy of the Philippines, a government think-tank, in response to the World Bank study on Combating Corruption in the Philippines.<sup>2</sup> By feed-forwarding information, Citizen's Charter can correct the asymmetry of information between service providers and the transacting public, which fixers try to take advantage of (Gonzalez and Mendoza 2004).

In 2003, following a directive to cut signatures in government transactions, the Office of the President instructed all offices and instrumentalities of government to

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<sup>2</sup> In 1999, DAP was tasked by then President Estrada to formulate a Comprehensive Framework and Program Strategy to Fight Corruption in response to the World Bank study. In 2001, the plan was endorsed to the succeeding administration. Under President Arroyo, the national anti-corruption program consisted of Integrity Development Action Plans.

publish Service Guides and post Workflow Charts.<sup>3</sup> Interestingly, the Service Guides contain the elements of a Citizen’s Charter (See Table 1).

<b>Table 1. Content of Service Guides and Citizen’s Charter</b>	
<b>Service Guides</b>	<b>Citizen’s Charter</b>
Brief information about the agency, its mandate and functions, services provided	Vision and mission of the agency, identification of frontline services offered and the clientele
Procedure or sequence of steps to be followed	Step-by-step procedure to obtain a particular service; officer or employee responsible for each step
Documents required relative to the service	Documents to be presented by client with clear indication of the relevance of documents required
Amount of fees, if necessary, and the legal bases thereof	Amount of fees, if necessary
Service standard for every particular service of the agency	Maximum time to conclude the process; allowable period of extension due to unusual circumstances
Service pledge of the agency	Prescribed action periods and other service standards Channels to approach for redress
Rights and responsibilities of persons availing of the service	Provision for pregnant women, senior citizens, persons with disabilities
Procedure for filing complaints and providing suggestions and feedback	Procedure for filing complaints, feedback mechanism
Other such information necessary to improve the delivery of services	Public assistance desk, anti-fixer campaign
Sources: Memorandum Circular No. 35, s. 2003; Republic Act No. 9485	

While implementing the directive, two pioneering cities, Naga City and Marikina City, ventured on formulating their own Citizen’s Charter. In 2006, another six cities followed suit.<sup>4</sup> A presidential directive, Executive Order No. 605, s.2007, which aims to institutionalize an ISO-certifiable Government Quality Management Systems also contained a provision to establish the Citizen’s Charter of key

<sup>3</sup> According to the Civil Service Commission, compliance with the MC was low. As of June 2008, only 24.7% have fully complied with the directive in the publication of Service Guides and the posting of Workflow Charts and Service Pledges. The national government has the highest level of compliance (53.9%), followed by local government units (20.6%), government corporations (12.7%) and local water districts (6.18%).

<sup>4</sup> The cities of Laoag, Sorsogon, Bacolod, Dumaguete, Digos and Iligan belong to the pilot LGUs assisted by the Development Academy of the Philippines in formulating their Citizen’s Charters under the project “Improving Public Service Delivery, Transparency and Accountability through the Citizen’s Charter” funded by the British Embassy in Manila.

government services for the transacting public, as government’s manifestation of service guarantee.

Meanwhile in Congress, several bills have been put forward to cut red tape and penalize fixing (See Table 2). A number of proposals sought to mandate public posting of procedures to include transactions being handled by the office and designated time and days such transactions are accepted, the place where these transactions are being handled, and official assigned to handle the transaction. In order to reduce red tape, there were proposals to limit the number of signatories required in government transactions and streamline procedures to attain a smooth flow in the processing of papers and documents.

<b>Table 2. Chronology of Anti-Red Tape and Related Bills Leading to Legislation of Citizen’s Charter</b>	
Eleventh Congress (1998-2001)	
Legislative track	House Bill No. 3409 “An Act Defining Certain Acts or Transactions in Government Offices as “Fixing” and Providing Penalties Therefor” introduced by Rep. Ramiro, Jr. during the 1 <sup>st</sup> Regular Session
Non-legislative track	Estrada Administration adopted the DAP Comprehensive Framework and Program Strategy to Fight Corruption in March 2000 which includes jumpstart programs such as Mandatory Citizen’s Charters, Transactions Reengineering and Report Card Surveys
	The World Bank conducted the Filipino Report Card on Pro-poor Services in 2000; DAP pilot-tested the Report Card Survey in 9 Cities in Metro Manila with funding support from the Asian Development Bank.
Twelfth Congress (2001-2004)	
Legislative track	House Bill No. 3947 “An Act Improving Efficiency in All Government Agencies and Corporations by Limiting the Number of Signatories Required for Their Services and for Other Purposes” introduced by Rep. Dadivas during the 1 <sup>st</sup> Regular Session
	House Bill No. 532 “An Act to Prevent Graft and Corruption and Improve Government Services to the People by Cutting Government Bureaucratic Red Tape” introduced by Rep. Cuenco during the 1 <sup>st</sup> Regular Session
	House Bill No. 766 “An Act Providing for a More Expeditious Action on Letters and Requests from the Public, Amending Section Five, Paragraph (a) of Republic Act No. 6713 and Adding Thereto Subparagraphs (1), (2), (3) and (4) introduced by Rep. Villar during the 1 <sup>st</sup> Regular Session
Non-legislative track	President Arroyo directed Signature Reduction in her 2001 State of the Nation Address. In 2003, the Office of the President issued Memorandum Circular No.23 directing all offices and instrumentalities of government to publish Service Guides and post Workflow Charts. Pursuant to this, Naga City and Marikina City later adopted the concept of Citizen’s Charter.

Thirteenth Congress (2004-2007)	
Legislative track	House Bill No. 3309 “An Act Requiring All Government Agencies that Provide Frontline Services to Provide the Public Information on How to Access Such Services from Their Respective Offices” introduced by Reps. Villanueva, Remulla G., Jaworski, De Guzman, Ermita-Buhain, Zamora M., Umali A.M., Uy R., Umali A.V. and Angara during the 1 <sup>st</sup> Regular Session.
	House Bill No. 3776 “An Act to Improve Efficiency in the delivery of Government Service to the Public by Reducing Bureaucratic Red Tape, Preventing Graft and Corruption, and Providing Penalties Therefor” introduced by Reps. De Venecia, Dadvivas, Barbers, Zialcita, Nepomuceno, Abayon, Olaño, Jala, Chatto, Aquino R., Abad, Bondoc, Villanueva, Silverio, Cajés, Soon-Ruiz, Yapha, Ramiro, Zamora M., Cari, Joson, Magsaysay E., Mangudadatu, Reyes E., Golez, Codilla, Lacson, Amin, Arroyo I., Vargas, Figueroa, Nograles, Nieva, Reyes V., Villar, Bacani, Crisologo, Espinosa E.R., Jaworski, Lopez J., Serapio, Susano, Tulagan, de Guzman, Gullas and Del Mar per Committee Report No. 389 during the 2 <sup>nd</sup> Regular Session
	Senate Bill No. 46 “An Act to Prevent Graft and Corruption and Improve Government Services to the People by Cutting Government Bureaucratic Red Tape” introduced by Senator Flavier during the 1 <sup>st</sup> Regular Session
	Senate Bill No. 1934 “An Act to Prevent Graft and Corruption by Providing Mechanism to Cut Bureaucratic Red Tape in the Delivery of Basic Government Services” introduced by Senator Angara during the 1 <sup>st</sup> Regular Session
	Senate Bill No. 2546 “An Act Requiring All Government Agencies that Provide Frontline Services to Provide Public Information on How to Access Such Services From Their Respective Offices” introduced by Senator Pimentel, Jr. during the 3 <sup>rd</sup> Regular Session
	Senate Bill No. 2561 “An Act To Improve Efficiency in the Delivery of Government Service to the Public by Reducing Bureaucratic Red tape, Preventing Graft and Corruption, and Providing Penalties Therefor” introduced by Senator Lacson during the 3 <sup>rd</sup> Regular Session
	Senate Bill No. 2589 “An Act To Improve Efficiency in the Delivery of Government Service to the Public by Reducing Bureaucratic Red tape, Preventing Graft and Corruption, and Providing Penalties Therefor” introduced by Senator Lacson with Senators Flavier, Angara and Pimentel during the 3 <sup>rd</sup> Regular Session, and proposed for approval by the Senate Committee on Civil Service and Government Reorganization jointly with the Senate Committee on Public Information and Mass Media in substitution of S.B. Nos. 46, 1934, 2546, and 2561, taking into consideration H.B. Nos. 3309 and 3776.
	Republic Act No. 9485 “An Act To Improve Efficiency in the Delivery of Government Service to the Public by Reducing Bureaucratic Red tape, Preventing Graft and Corruption, and Providing Penalties Therefor” was signed into law on June 2, 2007
Non-legislative track	Executive Order No. 605 issued in February 2007 by President Arroyo mandated the Institutionalization of ISO certified Government Quality Management System and directed the publication of Citizen’s Charter as manifestation of service guarantee.
	Late 2005, the DAP through the assistance of British Embassy in Manila piloted Citizen’s Charters in six cities - Laoag, Sorsogon, Bacolod, Dumaguete, Iligan and Digos - and published the book on Making Citizen’s Charter (First Edition) in 2006.

While the spirit might be there, none of the early proposals mentioned the Citizen's Charter. It was only during the Thirteenth Congress when the Citizen's Charter found its way in the consolidated version of the anti-red tape bill prepared by the House of Representatives. Apparently, the House Committee on Civil Service found noteworthy a government think-tank's recommendation<sup>5</sup> to adopt the concept of a Citizen's Charter. As a transparency tool, Citizen's Charter can correct the information asymmetry which creates the public's perception of red tape and consequently, the demand for fixers. A publicized Citizen's Charter is actually a potent weapon to prevent corruption, as will be elaborated in the subsequent section. But more importantly, it creates an outward focus by ensuring that public services meet the needs and expectations of citizens, not the dictates of bureaucrats and politicians. By chance, the counterpart Senate bill mirrored the Lower House's version.

As it is often said, "corruption is an economic crime of calculation" that is, if there are rich opportunities for corruption while the probability of a corrupt act being caught is very low and the penalty if caught is mild, the temptation for corruption will be very high. The potentials of a corrupt benefit increases as a function of monopoly power, amount of discretion and the degree of accountability as represented by Robert Klitgaard's heuristic formula:  $C = M + D - A$  (Klitgaard 2000). Accordingly,

"Corruption (C) equals monopoly power (M) plus discretion by officials (D) minus accountability (A). If someone has monopoly power over a good or service and has the discretion to decide whether someone gets that good or service or how much a person receives, and there is no accountability whereby others can see what that person is deciding, then we will tend to find corruption."

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<sup>5</sup> As part of the panel of experts consulted by the House Committee on Civil Service during the First Regular Session of the Twelfth Congress to deliberate on House Bills No. 532, 3947 and 766, the Development Academy of the Philippines proposed to incorporate Transactions Reengineering, and include a provision on Citizen Charter. Another provision for consideration is the client (citizen) feedback through Report Card Surveys.

Government generally holds monopoly power in the provision of public services. Like private monopolists they can control the supply (including information) of these services. Government agents also possess the discretion to determine who can get when and how much service at what cost since they are the only people with authority to issue a permit, overlook a violation of the law or grant a benefit. They can limit the supply even if a service is available to all who qualify through costly queues or by delaying approvals unless bribes are paid. Even under an honest system, discretion remains high when rules are vague and constantly changing since these can be modified to create additional opportunities for corruption. Agents with discretionary powers are highly susceptible to entities that are willing to pay extra in order to obtain a benefit or avoid cost.

The likelihood of corruption, as Klitgaard's formula suggests, can be minimized by reducing monopoly power, circumscribing discretion and increasing transparency. Further, the agency can intensify monitoring and collect information from external parties to raise the probability of wrongdoings being detected. Processes can also be redesigned or modified to reduce vulnerabilities and avoid risks, for instance by simplifying requirements and minimizing direct interface between agents and clients.

As a policy solution, the Citizen's Charter becomes a tool to cut red tape by reducing monopoly power over information and approving authority, clarifying and limiting discretion in evaluating applications through clear and predictable rules, and raising accountability through transparency, set service standards, performance monitoring, sanctions and incentives. Table 2 illustrates how the elements of the Citizen's Charter can reduce likelihood of corruption associated with red tape.

<b>Table 2. Citizen's Charter Provisions to Reduce Vulnerability to Corruption</b>
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<b>Factor that induce corruption</b>	<b>Strategy to reduce vulnerability</b>	<b>Features of proposed Citizen's Charter</b>
Monopoly power	Rationalize and deconcentrate authority	<ul style="list-style-type: none"> <li>• Limitation in number of signatories</li> <li>• Delegation of alternate signatories</li> </ul>
	Remove information asymmetry/ monopoly of information by service providers	<ul style="list-style-type: none"> <li>• Publication of step-by-step procedures, person responsible, processing time, document requirements, fees, complaints mechanism, availability of service</li> </ul>
Discretion	Circumscribe discretion in evaluation of applications	<ul style="list-style-type: none"> <li>• Written acknowledgement and preliminary assessment upon receipt</li> <li>• Formal notice in case of disapproval, stating the reason</li> <li>• Automatic extension if renewal not acted within prescribed period</li> </ul>
	Clear/Predictable rules	<ul style="list-style-type: none"> <li>• Prescribed action periods</li> <li>• Legal bases of fees and document requirements</li> </ul>
Accountability	Transparency	<ul style="list-style-type: none"> <li>• Publication of procedures, processing times, requirements, fees, etc</li> </ul>
	Setting efficiency standards	<ul style="list-style-type: none"> <li>• Mandatory transactions reengineering</li> <li>• Service pledge/standards</li> </ul>
	Command responsibility	<ul style="list-style-type: none"> <li>• Accountability of head of agency</li> <li>• Identification of authorized persons</li> <li>• Public assistance desk</li> <li>• Periodic review of Citizen's Charter</li> </ul>
	Collecting information about agents' performance	<ul style="list-style-type: none"> <li>• Complaints and feedback mechanisms</li> <li>• Report Card Survey</li> </ul>
	Affirmative action	<ul style="list-style-type: none"> <li>• Special lanes for pregnant women, senior citizens, and persons with disabilities</li> <li>• Consultative formulation</li> <li>• Publication in local dialect</li> </ul>
	Incentives and sanctions	<ul style="list-style-type: none"> <li>• Administrative and criminal sanctions for government personnel</li> <li>• Criminal liability for fixers</li> <li>• Link with performance evaluation</li> </ul>

### **Policy Adoption: Legislating the Citizen's Charter**

A policy can be adopted during a window of opportunity when John Kingdon's streams of problem, politics and policy that flow independent of each suddenly converged (Henry 2007). In 2006, a rare policy window opened. The problem stream is ripe: Another low ranking in the World Competitiveness Yearbook and Ease in Doing Business reached the peak of business intolerance to the pestering

problem of red tape. The public's perception of government's inability to fight corruption has also worsened. The political stream is perfect: No less than the President has declared in Congress red tape reduction as a key reform to ease the cost of doing business and improve competitiveness. The policy stream is ready: A viable policy agenda is already on the table. The Anti-Red Tape bill which carries the Citizen's Charter was approved on third reading in the House of Representatives on July 3, 2006.

Legislating the Citizen's Charter means consolidating support to get the concurrence of Senate. How does one navigate the path? Theory instructs policy entrepreneurs how they can coopt individuals or institutions that have exclusive power over a policy agenda to advance their proposal. The strategy is elaborated in the model of Weingast and Marshall of an idealized legislative committee system (cited in Majone 2006),

“[E]ach congressional committee has jurisdiction over a specific subset of policy issues. Within their jurisdiction, committees possess the monopoly right to bring alternatives to the status quo up for a vote before the legislature; and committee proposals must command a majority of votes against the status quo to become public policy. The agenda power held by committee members implies that successful coalitions must include the members of the relevant committee. Without these members, the bill will not reach the floor for a vote.”

As would be recalled, no anti-red tape bill with Citizen's Charter provision has been filed in the Senate. In order to move their agenda to the floor, prominent business groups lobbied with the Senate Committee on Civil Service and Government Reorganization and urged for the passage of the Anti-Red Tape bill.<sup>6</sup> Providentially,

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<sup>6</sup> In August 2006, the American Chamber of Commerce (AmCham), in cooperation with the Philippine Chamber of Commerce and Industry, held an Anti-Red Tape and Corruption Workshop. Part of the action agenda focused on recommendations related to the Anti-Red Tape bill. As a result of the workshop, AmCham wrote the Chairman of the Senate Committee on Civil Service and Government Reorganization, Senator Panfilo Lacson, to urge for the passage of the Anti-Red Tape bill. In December 2006, Senate Bill No. 2589 (identical to the House consolidated version) was introduced by Senator Lacson (Forbes and Umali 2007).

the Committee was willing to sponsor and soon filed a counterpart bill. Deliberations were held and in a span of few months, two Senate committees, the Committee on Civil Service and Government Reorganization and the Committee on Public Information and Mass Media, endorsed a consolidated version of the proposed bills through Senate Bill No. 2589.<sup>7</sup>

While the bill has number of contentious provisions, the Citizen's Charter was not very controversial. Among the contentious issues were the types of government transactions covered, accountability of the heads of agencies, and stiff penalty for government employees.<sup>8</sup> Nonetheless, since the bill was certified urgent,<sup>9</sup> a consensus among the stakeholders was achieved without much haggling. The political stream went the course of the policy stream as a consequence of the desire of the stakeholders to be "dealt in" on the policy resolution and not to be excluded (Henry 2007). The bill was passed in February 2007. Four months later, Republic Act No. 9495 or the Anti-Red Tape Act of 2007 was signed into law, making it mandatory for all agencies of government with frontline services to establish Citizen's Charter.

### **Policy Implementation: Translating legislation into action**

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<sup>7</sup> Senate Bill No. 2589 is in substitution of Senate Bill Nos. 46, 1934, 2546, and 2561, taking into consideration House Bill Nos. 3309 and 3776.

<sup>8</sup> During the last hearing, the Committee Chair asked if complex transactions include contracts that go as high as the office of the President such as Build-Operate-Transfer would be covered by the limitation on signatories and processing time. The proponents responded that such transactions of that nature are not considered frontline and as such not covered by the bill. (2) In a Cabinet meeting, the President told the Secretaries that the liability can go up to their level. The government personnel balked at this since it is undoable and a bit unfair to the Secretaries. This was not resolved but the bill maintained the provision. (3) The Civil Service Commission pointed out that the penalty of dismissal and perpetual disqualification from office for government employees is too stiff. But proponents would not budge and government employee unions agreed to this. The Citizens Battle Against Corruption, a party-list, pushed for this (Umbac 2011).

<sup>9</sup> The National Competitiveness Council, jointly chaired by the Department of Trade and Industry and private sector, has also endorsed to the Office of the President its anti-red tape agenda which includes the passage of the Anti-Red Tape bill.

The challenge in implementation is on how to translate adopted policies into action. To begin with, it is necessary to designate a policy champion. Since the Citizen's Charter covers delivery of frontline services, the Civil Service Commission became the logical choice as lead agency together with the Office of the Ombudsman and the Presidential Anti-Graft Commission, the country's main anti-corruption bodies, and the Development Academy of the Philippines for capacity building.

It is customary in the Philippines to require the formulation of the Implementing Rules and Regulations before a law is implemented. At this stage, some contentious issues were resuscitated and fresh concerns from the change targets surfaced. While the law stipulates that the necessary rules and regulations should be promulgated within ninety days, the IRR was issued a year later to allow for greater consensus.<sup>10</sup>

The policy implementers opted for a phased implementation starting with ten priority agencies<sup>11</sup> while setting one year lead time for the whole of government to comply. At the local level, LGUs in the information technology corridor got the first crack in execution. And since the Citizen's Charter is a very new concept to many, massive trainings were held to capacitate government personnel who will formulate the Citizen's Charter of their agencies.<sup>12</sup> To expand constituency of policy champions, the Department of the Interior and Local Government was brought in to oversee the

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<sup>10</sup> As provided in the law, the Civil Service Commission, Development Academy of the Philippines, Office of the Ombudsman and Presidential Anti-Graft Commission shall promulgate the necessary rules and regulations within ninety days from effectivity of the Act. The Implementing Rules and Regulations was issued on July 24, 2008 and became effective after publication in August 2008.

<sup>11</sup> These include the Bureaus of Custom, Fire Protection, Food and Drugs, Immigration and Internal Revenue, Department of Environment, Laguna Lake Development Authority, Philippine Health Insurance, Social Security System and Government Service Insurance System. Except for GSIS, all agencies are also the target of reforms by the National Competitiveness Council.

<sup>12</sup> To build a pool of people who can assist agencies in formulating their Citizen's Charter, DAP first trained trainers from the Civil Service Commission and then conducted a series of Training/Workshops for core groups organized by agencies for the purpose. DAP also produced a second Manual on Making Citizen's Charters.

implementation of the Citizen’s Charter in local government units.<sup>13</sup> An ARTA Fund was established to secure resources for the reform.<sup>14</sup>

By October 2009 as reported by the Civil Service Commission, about 66% of agencies are already fully compliant. The other 33%, mostly LGUs, are in various stages of implementation. One factor that slowed down the formulation of Citizen’s Charter was the identification of frontline services to be covered and difficulty in categorizing simple versus complex transactions because there are tight requirements for each. Another stumbling block is the reluctance of agencies to publish service standards which may not be realizable given their current level of resources. Moreover, the gentle learning curve did not allow ample time for thorough transactions reengineering of frontline services.

As of March 2011, about 80% (or 4,104) of government agencies including their field offices have already established their Citizen’s Charter. This time, the highest level of compliance was among local government units (See Table 3).

<b>Region</b>	<b>NGAs</b>	<b>LGUs</b>	<b>GOCCs</b>	<b>SUCs</b>	<b>LH/LS</b>	<b>Total</b>
Region I	91.4%	100%	86.4%	100%	100%	94.5%
Region II	83.8%	100%	82.6%	66.8%		90.8%
Region III	92.6%	100%	96.2%	100%		96.8%
Region IV	88.2%	100%	97%	71.4%		96%
Region V	46.1%	96.4	68.7%	62.5%	2.5%	53.7%
Region VI	84.1%	100	73.6%	58.8%	100%	87%

<sup>13</sup> The DILG has set up the Comprehensive and Unified Response to Eliminate (CURE) Red Tape to track and ensure full compliance of LGUs with the major provisions of the Anti-Red Tape Act.

<sup>14</sup> Based on the General Appropriations Act of 2009 (Section 90 of the General Provisions), the ARTA Fund is equivalent to one-half of one percent (1/2 of 1%) of the total Maintenance and Other Operating Expenses (MOOE) of agencies. The amount shall be used exclusively for anti-red tape related programs and projects as approved by the Civil Service Commission. This was a one-time provision, as no budget for the following fiscal years was set aside.

Region VII	73.3%	100%	77.8%	100%	73.7%	88%
Region VIII	100%	100%	100%	100%		100%
Region IX	66.2%	100%	48.8%	10%		70.9%
Region X	70.9%	99%	59.6%	58.3%	100%	78.6%
Region XI	58%	92.4%	75%	100%	40%	70.4%
Region XII	100%	100%	100%	100%	100%	100%
CAR	80.1%	100%	80.8%	66.7%		85.7%
CARAGA	75.8%	97.4%	60%	83%	100%	83.6%
ARMM	33.3%	51.2%	11%	50%	0	39.3%
NCR	97.8%	94.1%	94.7%	100%	50%	96.9%
Total	70%	95.7%	79.4%	75.3%	58%	79.8%
<p>Note: NGAs stand for national government agencies. LGUs refer to local government units. GOCCs are government-owned and -controlled corporations. SUCs mean state universities and colleges. LH/LS refer to local hospitals/local schools set up by LGUs.  Source: Civil Service Commission (report as of March 31, 2011)</p>						

To be sure, one can conclude that the legislation was certainly forceful in raising compliance to make government transactions, procedures and requirements more transparent.<sup>15</sup> The move also spurred installation of citizen-friendly schemes such as 24/7 call center, one-stop shop, transactions online, public assistance desks. Agencies also put up billboards and anti-fixer campaigns.

To ascertain the changes that the policy on Citizen's Charter produced, the oversight agencies set in motion the Report Card Survey after the first year of implementation.<sup>16</sup> Here, the Report Card Survey is employed to obtain feedback on how the agencies are performing with respect to the provisions in the Citizen's Charter and to gather information on hidden costs incurred by citizens in availing frontline services.

<sup>15</sup> It would be recalled that the earlier measure to post Service Guides has a very low compliance rate (24.7%) despite a directive and reminders from the office of the President.

<sup>16</sup> The first phase of the Report Card Survey was initiated in 2010 by the Civil Service Commission in collaboration with the Development Academy of the Philippines. The study covered the 10 priority agencies in the National Capital Region and 30 pilot local government units.

The result of the survey is encouraging. In general, the agencies followed most of the provisions stated in their respective Citizen’s Charter, except for the maximum time to conclude the process. The most noticeable item in the Citizen’s Charter is the step-by-step procedure in availing services, while the least noticeable procedure is the filing of complaints (See Table 4). In terms of service quality, data shows that more respondents are satisfied with the correctness and accuracy of the service being provided by the agencies than the time it took to complete a transaction. In all the areas in measuring the satisfaction of the clients with the frontline service providers, majority of the respondents said they were either satisfied or very satisfied though a few dissatisfactions was also recorded (CSC 2011a).

<b>Item</b>	<b>Noticed the Citizen’s Charter</b>		<b>What is posted is followed</b>		
	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>	<b>Don’t Know</b>
Step-by-step procedure	80.1%	19.9%	97.0%	0.8%	2.3%
Officer/Employee responsible for each step	75.2%	24.8%	97.8%	0.2%	2.0%
Maximum time to conclude the process	68.2%	31.8%	93.4%	2.4%	4.2%
Document/s to be presented by the client	71.7%	28.3%	96.6%	1.3%	2.1%
Amount of fees, if necessary	62.5%	37.5%	95.4%	1.7%	2.9%
Procedure for filing complaints	58.3%	41.7%	83.2%	1.3%	15.5%
Feedback Mechanism	61.3%	38.7%	84.5%	1.2%	14.3%

Source: Civil Service Commission Report of Findings of NCR Priority Agencies, 2011

At the local level, the survey revealed that less than half of the respondents were aware of the Citizen’s Charter of the agencies and most were concerned with the step-by-step procedure, document/s to be presented, and person responsible for each step. The least noticed item is the procedure for filing complaints. It is noted though that majority of the respondents who noticed the Citizen’s Charter validated that service providers follow the information posted (See Table 5).

<b>Item</b>	<b>Noticed the Citizen’s Charter</b>	<b>What is posted is followed</b>
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	Yes	No	Yes	No	Don't Know
Step-by-step procedure	45.6%	54.4%	70.0%	1.8 %	28.3%
Officer/Employee responsible for each step	41.9%	58.1%	70.3%	1.3 %	28.5%
Maximum time to conclude the process	38.2%	61.8%	64.7%	3.7 %	31.6%
Document/s to be presented by the client	42.2%	57.8%	69.6%	1.6 %	28.8%
Amount of fees, if necessary	36.6%	63.4%	70.2%	1.5 %	28.4%
Procedure for filing complaints	30.4%	69.6%	59.0%	2.0 %	39.0%
Feedback Mechanism	34.8%	65.2%	63.8%	1.5 %	34.6%
Source: Civil Service Commission Report of Findings for 30 Pilot LGUs, 2011					

Among the six indicators for measuring the satisfaction with the frontline service providers, the respondents were most satisfied with the adherence of the service providers with the “First come-first served” principle though a few dissatisfaction was also recorded. Moreover, the respondents are more satisfied with the service quality in terms of correctness and accuracy than the time it took to complete a transaction (CSC 2011b).

The law provides that concerned agencies will be provided with the results of the Report Card Survey to guide the improvement, revision, modification, enhancement or amendment of the Citizen’s Charter. The Civil Service Commission gave the Seal of Service Excellence to agencies with high rating based on the survey.

### **Policy Evaluation**

Though it is maybe too early to assess the impact, it is interesting to note whether the Citizen’s Charter as policy solution was able to cut red tape. No formal impact evaluation of the policy has been done to date. But if one were to base it on the change in international rankings such as *Doing Business*, it seems the Citizen’s Charter is still far from target. In the *2011 Doing Business Report*, the overall ranking of the Philippines slid to 148<sup>th</sup> despite improvements in the performance of

the capital city of Manila.<sup>17</sup> It is not totally disappointing though because its *Subnational Report* affirmed Philippine cities for actively reforming regulations concerning business by simplifying procedures and cutting costs to local firms. In fact, 65% of cities benchmarked for the second time demonstrated positive reforms in at least one of the areas measured<sup>18</sup> (See Table 6). These include single assessment of fees for business registration, simplification of requirements and inter-agency approach in issuing construction permit, reduction of fees, and computerization for registration of property.<sup>19</sup>

City	Business permit				Construction permit			
	Procedures (number)		Processing Time (days)		Procedures (number)		Processing Time (days)	
	2008	2011	2008	2011	2008	2011	2008	2011
Batangas	nc	19	nc	34	nc	27	nc	86
Cag. de Oro	nc	17	nc	32	nc	30	nc	92
Caloocan	16	16	28	28	29	31	<b>135</b>	<b>109</b>
Cebu	<b>16</b>	<b>15</b>	<b>32</b>	<b>31</b>	31	36	83	92
Davao	<b>23</b>	<b>17</b>	<b>42</b>	<b>27</b>	<b>28</b>	<b>27</b>	<b>60</b>	<b>57</b>
Gen. Santos	nc	17	nc	22	nc	29	nc	71
Iloilo	nc	20	nc	56	nc	29	nc	109
Lapu-lapu	<b>16</b>	<b>17</b>	<b>33</b>	<b>31</b>	32	34	<b>90</b>	<b>88</b>
Las Pinas	19	21	33	35	25	27	<b>134</b>	<b>102</b>
Makati	18	19	32	33	25	26	<b>125</b>	<b>90</b>
Malabon	19	20	31	32	29	32	<b>155</b>	<b>112</b>
Mandaluyong	18	19	<b>29</b>	<b>28</b>	29	33	<b>155</b>	<b>121</b>
Mandaue	17	18	34	35	33	35	70	72
Manila*	15	15	<b>52</b>	<b>38</b>	24	26	<b>203</b>	<b>169</b>
Marikina	15	16	28	29	25	28	<b>121</b>	<b>91</b>
Muntinlupa	18	20	<b>40</b>	<b>36</b>	30	31	<b>141</b>	<b>108</b>
Navotas	20	21	33	34	27	28	<b>145</b>	<b>107</b>
Paranaque	17	20	33	35	<b>31</b>	<b>30</b>	<b>137</b>	<b>107</b>
Pasay	17	17	<b>35</b>	<b>32</b>	27	31	<b>161</b>	<b>121</b>
Pasig	22	22	35	36	33	36	<b>173</b>	<b>148</b>

<sup>17</sup> Manila is the capital city used in the Doing Business Report. In 2010, Manila reduced its business registration in a two-step process which will take 15 minutes and two-person interface (Manila City Government Press Release, February 2010)

<sup>18</sup> The Philippine Subnational Report covers selected cities, most of which are included in the 2008 and 2011 benchmarking studies.

<sup>19</sup> Among the remarkable are (1) single assessment of all business permit fees at the City Treasurer's Office, instead of going to different agencies, (2) allowing businesses to start operations without waiting for an inspection (these inspections take place after a business is up and running), (3) dispensing separate application for zoning clearance and electrical and mechanical permits. To make it easier to obtain construction permits, some cities have: (1) stationed Fire Officers at city hall to facilitate applications and payments for fire-safety evaluation clearances, (2) changed refund policy on connection costs; (3) inter-agency procedure to secure Mayor's permit coordinated by its City Planning Office. Improvements to simplify registration of property: (1) reduced notary fees and (2) computerization of land titling.

Quezon	<b>17</b>	<b>16</b>	37	36	28	33	<b>141</b>	<b>120</b>
San Juan	21	21	<b>39</b>	<b>29</b>	31	33	<b>175</b>	<b>144</b>
Taguig	15	16	27	28	23	25	<b>121</b>	<b>85</b>
Tanauan	22	nc	36	nc	29	nc	58	nc
Valenzuela	<b>22</b>	<b>16</b>	<b>37</b>	<b>32</b>	25	28	<b>123</b>	<b>91</b>
Zamboanga	nc	20	nc	28	nc	32	nc	46
Sources: Doing Business in the Philippines Subnational Reports, 2008 and 2011 nc – city was not or no longer covered in the study								

Many of these reforms are done through reengineering rather than amendment of the laws. This can be attributed in part to the Citizen’s Charter that mandated transactions reengineering as the prerequisite to simplify procedures before they are published.

But how come there is no change in overall ranking despite remarkable reforms at the local level? One observation is that some policies at the national level do not support the cities’ improve efforts. For instance, while the local governments are trying to speed-up and simplify processing of construction permits, a recent policy change to conform to international safety standards contained provisions that imposed additional burden which was unintended.<sup>20</sup> Such counterproductive policies happen because government offices and levels operate in silos.

Theoretically, if the Citizen’s Charter were taken seriously, uncoordinated procedures and policies can be checked because of its citizen orientation. Rather than supplying what agencies think the citizens need, the Citizen’s Charter creates citizen focus by ensuring that services respond to public demands, not to the dictates of politicians and bureaucrats. As envisioned, the Citizen’s Charter could improve efficiency in delivery of government services through transparency of transactions,

<sup>20</sup> For instance, the new Fire Code mandates any new business to secure a Fire Safety Inspection Certificate as a prerequisite to a business permit, even when the new business is leasing space in a building that has a certificate. It also imposes additional requirements to obtain construction permits and mandates payments related to fire clearances to the Bureau of Fire Protection instead of the Office of the Building Official.

simplification of procedures, establishment of service standards and sanctions on lousy service and fixing.

But obviously, legislating Citizen's Charter, while a necessary step, is not a sufficient condition to establish a citizen-centric government. While there are islands of success in raising efficiency through the publication of Citizen's Charters, the perception of red tape remains due to fragmentation in the delivery of public services. To be really citizen-centric, "government [ought] to focus downwards, toward citizens, rather than upward toward elected officials; and look outside government for outcomes rather than within government processes" (Don Kettl cited in Daniels 2010).

Citizen-centric service standards cannot be simply prescribed. As can be seen in Table 7, a businessman has to go through 15 procedures and deal with at least six agencies to start up a business in Manila. The whole process takes almost 52 days.<sup>21</sup> Because of segregation of functions and jurisdictions, a businessman would have to deal with these agencies of government separately. While each agency may have already complied with the established the Citizen's Charter and service standards for procedures in their own jurisdictions, one can see that the overall process from the point of view of transacting clients is still burdensome. A cursory look at the processing times for each step except for Mayor's permit suggests that the agencies concerned already meet prescribed action times for simple transactions (maximum of 5 days) and complex transactions (maximum of 10 days). But from the point of view of the business, the entire process is still unsatisfactory because of the total time entailed. In 2010, Manila City drastically cut the processing time for Mayor's permit to two days. Considering improvements in other procedures, the 2011 total is down to

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<sup>21</sup> Compared to the Top 1/3, the process generally takes only 7 to 8 steps over 14 to 16 days (Doing Business 2009).

38 days. This figure is still less than satisfactory since the process takes only half the time or even less in other territories.

<b>Table 7. Steps Involved When Starting a Business in Manila</b>		
<b>Procedure</b>	<b>Time to complete</b>	<b>Agency concerned</b>
1. Obtain bank clearance of deposit of the paid-in capital	1 day	
2. Verify the availability of the company name with the Securities and Exchange Commission (SEC)	1 day	SEC
3. Register incorporation with the Securities and Exchange Commission	3 days	SEC
4. Obtain Community Tax Certificate (CTC)	1 day	Barangay (local district)
5. Apply for barangay (district) clearance	2 days	Barangay (local district)
6. Obtain mayor's permit/municipal license to operate at the Licensing Section of the Mayor's Office	11 days	City government
7. Receive inspection from the Mayor's Office	5 days	City government
8. Buy special books of account at bookstore	1 day	
9. Register for VAT	2 days	BIR
10. Payment of documentary stamp taxes	1 day	SEC
11. Obtain the authority to print receipt/invoices with the Bureau of Internal Revenue	(included in step 9)	BIR
12. Print receipts and invoices at the print shops accredited by the BIR	14 days	
13. Submit receipts and invoices to the BIR for approval, have receipts/invoices and book of accounts stamped by BIR	1 day	BIR
14. Register with the Social Security System (SSS)	1 week	SSS
15. Register with the Philippine Health Insurance Company (PHIC)	1 day	PHIC
Total processing time	52 days	
Source: Doing Business 2009		

As it is, there is a limit to what efficiency improvements agencies can do on their own, despite the mandated Citizen's Charter. As in the case of starting a business in the Philippines, an integrated whole-of-government solution would be necessary to promote a simple, speedy and seamless procedure.

Deepening the rigor of transactions reengineering might do well to further streamline the government processes. Citizen's Charters of agencies must be evaluated on basis of how it made transacting with government a pleasant experience.

But as long as government offices operate in silos, little breakthrough in citizen satisfaction can be achieved because the citizens would still feel the effects of uncoordinated government policies and procedures. To further the vision of a citizen-centric government, the Citizen's Charter should be complemented with smart regulation and "horizontal government", that is, government agencies working efficiently and seamlessly while complying with the policies and regulations governing their own agency. According to Guy Peters (1998), "horizontal government" (or "coordination") refers to the need to ensure that the various organizations – public and private – charged with delivering public policy work together and do not produce either redundancy or gaps in services. Accordingly, there is a level of coordination could be range from minimalist to maximalist. The minimal level is that at which organizations simply are cognizant of each other's activities and make an honest effort not to duplicate or interfere. The maximal level would require tighter control over activities of organizations and some means of enforcing jurisdictional controls over disputed turf, or of demanding that the gaps in the services be remedied or even requiring substantial uniformity in the standards of treatment across a country.

This is seems to be the logical next step as a consequence of legislating the Citizen's Charter. Departmental barriers can be overcome and effective coordination can be achieved by putting the citizen at the center of all government activities.

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