ECONSTOR
Make Your Publications Visible.

A Service of

ZBW Leibniz-Informationszentrum Wirtschaft
Leibniz Information Centre for Economics

Monsod, Toby C.

Working Paper

Political intervention in the Philippine bureaucracy, 1987 to 2010: How, where and to what effect

UPSE Discussion Paper, No. 2015-17

Provided in Cooperation with:
University of the Philippines School of Economics (UPSE)

Suggested Citation: Monsod, Toby C. (2015) : Political intervention in the Philippine bureaucracy, 1987 to 2010: How, where and to what effect, UPSE Discussion Paper, No. 2015-17, University of the Philippines, School of Economics (UPSE), Quezon City

This Version is available at:
https://hdl.handle.net/10419/162626

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

WWW.ECONSTOR.EU

Mitglied der Leibniz-Gemeinschaft

UP School of Economics
Discussion Papers

Discussion Paper No. 2015-17 December 2015

Political Intervention in the Philippine Bureaucracy, 1987 to 2010: How, where and to what effect

by

Toby C. Monsod

Associate Professor, University of the Philippines (UP) School of Economics

UPSE Discussion Papers are preliminary versions circulated privately to elicit critical comments. They are protected by Republic Act No. 8293 and are not for quotation or reprinting without prior approval.

Political Intervention in the Philippine Bureaucracy, 1987 to 2010: How, where and to what effect

T.C. MONSOD

ABSTRACT

The act of increasing the number and penetration of presidential appointees in the bureaucracy is referred to as politicization. While politicization can be a short-term strategy for improving agency performance, it has been argued that politicization erodes the civil service corps in fundamental ways even when selected appointees are of consistently high quality [Lewis 2008]. Motivated by the continuing discussion on "good governance" and how it can or should be pursued in the Philippines, this essay revisits the theme of political intervention in the bureaucracy by using updated sources of data to understand how politicization occurs, where it occurs and to what effect across five presidential terms from 1987 to 2010.

Political intervention in the Philippine bureaucracy, 1987 to 2010: How, where, and to what effect?

T. C. Monsod *

(Revised 10/2015)

I. Introduction

The act of increasing the number and penetration of presidential or - synonymously for this essay - political appointees in the bureaucracy is referred to as *politicization*.[1] Politicization can be a short-term strategy for improving agency performance. However politicization erodes the civil service corps in fundamental ways even when selected appointees are of consistently high quality [Lewis, 2008]. It hurts agency performance by making it difficult to recruit and retain high quality civil servants, by reducing incentives for careerists to develop expertise, and by increasing management turnover in both the immediate and long term [ibid]. "Increased turnover creates leadership vacuums, sends mixed signals about agency goals and diminishes an agency's commitment to reform, resulting in generally poorer performance" [ibid, p. 145]. The 1997 World Development Report observed that political appointments ran much deeper in the Philippines than in other East Asian countries and that this, combined with poor pay, resulted in lower bureaucratic capability [WB 1997: 93]. The 2008/2009 Philippine Human Development Report detailed how disincentives associated with an outdated compensation structure coupled with increasing political intervention in the bureaucracy may have taken their toll on the quality of the bureaucracy and agency performance [HDN 2009].

This essay revisits the theme of political intervention in the bureaucracy, expounding on previous observations by using updated and new sources of data to examine how politicization occurs, where it occurs, and to what effect across five presidential terms from 1987 to 2010. It is primarily descriptive and is motivated by the continuing discussion on "good governance" and how it can or should be pursued in the Philippines.

The next section explains the President's power to appoint, why presidents exercise this power, and why a high number of political appointees are a concern for agency performance, drawing heavily from Lewis (2008). The third section presents the Philippine civil service and describes the scope and location of presidential appointments in that system. The fourth section describes politicization techniques that have been employed since 1987. The fifth section examines patterns of politicization across line departments and possible effects.

Before proceeding, a word about the data used for this essay. There is no agency which regularly monitors the number and placement of political appointees in the bureaucracy. As such, four data sources were used to piece together a workable picture. First, the *Inventory of Government Personnel* (IGP) published by Civil Service Commissions (CSC). This provides a count of civilian personnel disaggregated by service class and sub-category. Statistics extend back to 1992 and go until 2010 with 6 missing years (1997, 1998,

* University of the Philippines School of Economics, with support from Philippine Center for Economic Development. Thanks are also due to The Asia Foundation which supported an earlier version as well as to the CESB for data access, the HDN for data support, and former CSC Chair Karina Constantino-David and Atty. Raquel Buensalida for indispensable advice. Any flaws in analysis are my own.

[1] More generally, the term can refer to political intervention in other processes of governance and can be a strategy employed by all key political actors, not just the President. For purposes of this this paper however, we define politicization narrowly.

2000-2003). However, detailed and comparable breakdowns by agency are available only for 1996 and 2004, which are actual counts, and 2008, which is an estimate.[2]

Second, *CES Occupancy Statistics Reports* generated by the Career Executive Service Board (CESB). Reports were obtained by year from 1992 to 2014 with a few missing years (2001, 2002, 2006 and 2008). Statistics include the number of Career Executive Service (CES) positions available in line departments and government corporations, the number of CES officers and CES eligibles occupying those positions, the number of non-CES officers/eligibles occupying the positons, and the number of vacant CES positions. Prior to 2011, all managerial and executive positions above division chief regardless of appointing authority were presumed to be CES positions "all of whom are appointed by the President". In November 2010, a Supreme Court decision (G.R. 185766 and 185767) established that CES positions were only those managerial and executive positions whose appointing authority was the President.[3] This decision effectively changed the 'base' making statistics before and after 2011 incomparable.

Third, the *Staffing Summary* of Department of Budget and Management (DBM) published yearly. The report provides a count of "authorized" permanent positions in the national government, disaggregating by position type (i.e. constitutional positions, key executive positions, technical, support to technical and administrative) up to the agency level and by salary grade on the aggregate level. It is not comparable to the CSC IGP however because position types do not correspond exactly with civil service categories. Also only permanent positions are included (excluding some non-career service categories) and positions in local governments and GOCCs are excluded. Summary figures of authorized positions were obtained from DBM OPCRV staff for selected years (1987, 1992, 1998, 2004 and 2010). Electronic reports are available on the DBM website for years 2004 and later; published reports for 2002, 2000, 1998 and 1995 were obtained from different libraries. Reports prior to 1995 are no longer available.

Finally, a *Report on Vacancies in Line Agencies/GOCCs/Office of the President Attached Agencies (OPAA)*, generated in 2011 by the Presidential Management Staff-President's Personnel Group Secretariat (PPGS). The report indicates the number of positions for Presidential appointment, whether CES or non-CES. Statistics are not exactly comparable to CESB statistics for 2010 or 2011 however since the latter covers only CES positions which may or may not have required a Presidential appointment.

DBM, CSC and PPGS data are used in the third section to present the dimensions of the civil service and give an idea of the number and location of presidential appointees. In the fourth section, CSC and DBM data are used to compare populations of civil service classes in 1996 and 2008. In the fifth section, DBM, PPGS and CESB data are assembled into a cross-sectional data set for 21 line agencies for purposes of simple regression analysis.

II. The President's power to appoint and politicization for policy and patronage

On June 30, 2010, in his first official directive, President Benigno C. Aquino issued Memorandum Circular No. 1 (MC1), a one-page document, which declared "all positions occupied by non-Career Executive Service Officer (non CESO) presidential appointees" as vacant and designating the most senior CESO as

[2] The 2010 survey covered less agencies and obtained less information than the 2008 survey. Counts for earlier years are not disaggregated by agency nor cover all service classes.

[3] See resolution http://www.cesboard.gov.ph/cesbweb%20(old)/Public%20Documents/Resolutions/2011/945.pdf

OIC of these vacated positions until a replacement was found or until the end of July, whichever was earlier. An estimated 2500 executives in government were affected. [4]

The stated rationale of MC1 was "to prevent the unnecessary disruption of government operations and the impairment of all official processes and transactions as well as the delivery of services to the people". The logic of declaring about 75% of all executive positions as vacant in order to ensure the continuity of services was fuzzy at best however. But more importantly, many of those affected by MC1 had already acquired "CES eligibility", meaning, they had passed competitive exams to establish merit and fitness among other qualification standards for their positions and had only to apply for CESO rank. [5]

MC1 is an example of a tool that a President can use to gain control over the continuing bureaucracy. It is possible because of the Philippine President's power to *appoint* which, when viewed alongside a president's power to *control* and continuing authority to reorganize the Executive, can give an incumbent almost complete control over personnel in the Executive branch [Constantino-David and Buensalida 2010, henceforth CBD]. The power to appoint carries with it the power to discipline, reassign, or remove. The power to control the power to reverse or modify the *acts* of an appointee in performance of his duty (i.e. acts involving policy). The continuing authority to reorganize the executive department gives a President the power to create or eliminate positions.[6]

The scope of the President's power to appoint is expressly provided for in the 1987 Constitution:

> *The President shall nominate and, with the consent of the Commission on Appointments, appoint the heads of the executive departments, ambassadors, other public ministers and consuls, or officers of the armed forces from the rank of colonel or naval captain, and other officers whose appointments are vested in him in this Constitution. He shall also appoint all other officers of the Government whose appointments are not otherwise provided for by law, and those whom he may be authorized by law to appoint. The Congress may, by law, vest the appointment of other officers lower in rank in the President alone, in the courts, or in the heads of departments, agencies, commissions, or boards…"* (Article 7, Section 16)

"Other officers" are the Chairmen and Commissioners of the CSC, COMELEC and COA; the regular members of the Judicial and Bar Council; the members of the Supreme Court and judges of lower courts; and the Ombudsman and his/her Deputies. In short, the power to appoint covers just about all the top civilian and military officials in the Executive, the Judiciary and the Constitutional Commissions. Further, the president can appoint officials whose appointing authority are not provided for by law and may also be authorized by specific laws to appoint other officials.

Powers aside, a president would rationally seek to control the bureaucracy for two reasons.[7] First, the bureaucracy is a key part of the policy process; a president who has a specific policy agenda would want to fill key positions in the hierarchy with loyal and qualified people to ensure that a bureaucracy's activities

---

[4] A 'revised' MC 1, also dated June 30, allowed non-CESOs occupying Career Executive Service (CES) positions in all agencies of the Executive Branch to remain in office and continue to perform their duties until July 31, 2010 (later extended to October 31, 2010) unless their resignations were accepted or replacements were designated.

[5] A CES eligible appointed to a CES position may, after compliance with the requirements prescribed by the CESB, qualify for original appointment to a CES rank based on the salary grade corresponding to the position he/she occupies; salary grades 25 to 30 corresponds to CESO rank VI to I (http://www.cesboard.gov.ph/FAQ .html). CES eligible enjoy security of tenure to positions and cannot be separated from the service or forced to resign or be replaced (CSC, 30 July 2010).

[6] Except for agencies with special charters or otherwise provided by law.

[7] This draws heavily from Lewis (2008).

are directed to his/her interests and competently executed. Second, personnel is an important source of political capital: a president will try to place numerous people in agency jobs to reward supporters, fulfill political obligations, and gain congressional or interest group support. Although all appointment decisions ultimately take patronage concerns into account and all appointees can influence policy options, 'filling positions' and 'placing people' are conceptually, if not empirically, distinct personnel goals for presidents.

The policy-patronage dynamic has been evident in the personnel processes and choices of past Presidents. For instance, it can be argued that President Corazon C. Aquino (CCA), who gained power under extraordinary circumstances, politicized primarily for policy – setting out to "systematically de-marcosify society" – drawing from a rather small circle for managerial competence and policy advice. [8] Fidel V. Ramos (FVR), without the same obligations to a party or political class as CCA, and with CCA "having already done the dirty job of taking everyone out", explicitly pursued meritocracy and cast a much wider net. [9] To FVR, who was himself a CESO, "professionalism, honesty and integrity were the primary criteria" and it did not matter which side of the party spectrum one fell. [10,11] Gloria Macapagal-Arroyo (GMA), in contrast, seemed to give more weight to patronage considerations, treating qualifications or merit as a minimum legal or administrative requirement to hurdle. Her general directive to the office which processed presidential appointments was to "make sure they are qualified", that is, candidates had to possess all the qualifications (i.e. minimum standards) and none of the disqualifications for the position. Then, "all things being equal, recommendations mattered. But that was the prerogative of the OP-Search Committee."[12]

Whether for policy or patronage, the concern about political appointees is less to do with the average competence of appointees who occupy agency management positions at any one time, and more to do with the longer term effects of maintaining high numbers of political appointees on the quality of careerist managers and employees in politicized agencies.[13] Politicization makes career civil service jobs less attractive, causing problems in morale, retention and recruitment. When good careerists know that the most fulfilling jobs are not available to them, they will likely tune out or opt out; potential careerists may not bother to join. Politicization also reduces the incentives for careerists to pursue professional

[8] Carino 1990:4. "The same persons or families were being tapped as vacancies arose" [p. 34]. CCA's endorsement of Fidel V. Ramos (FVR), her former AFP Chief of Staff and Defense Secretary, for President, over her own party's nominee, is perhaps the best illustration of policy over patronage.

[9] Interview with President FVR, 9 March 2012. According to FVR, selection was based on merit as well as "a good word from somebody prestigious enough about [their] competence, honesty and dedication."

[10] According to FVR, he was familiar with only about 25 percent of the people he appointed to his cabinet; those who were not known to him before had come well recommended by their 'bosses'. Habito, who was NEDA Secretary for the full 6-year term, confirms this. "It didn't matter, by the way, that many of us that he appointed to his Cabinet were unknown to him prior to his election to the presidency. It didn't even seem to matter if we had even voted for him at all; I was never asked" [Habito, 2010]. The practice also applied to non-cabinet positions, e.g. the PRC: "I didn't know the guy I put there. He just happened to be the best among the number two people."

[11] This is not to say that FVR did not engage in 'placing' people. He endorsed people to "…places like the board of directors of Manila Hotel" using a 'this is my desire' letter to the stakeholders or to the Chairman of the Board". But "… I did not impose. I was very observant of those rules [that the GOCCs boards were internally selected] because corporations had their own sphere of influence."

[12] Interview with former PMS Undersecretary and PPGS head Chari Eligir, 19 October 2011. The President's Personnel Group Secretariat (PPGS) ensured that all supporting requirements and documents for presidential appointments were checked prior to the deliberation by the OP-Search Committee. About 100 items were deliberated by the OP Search Committee every week, or about 300 candidates, each with a profile. PPGS was very conscious about legal impediments and the President would back down if any were found for her recommendees.

[13] Again, this draws heavily from Lewis (2008).

development and acquire more specialized expertise required in key executive positons. And politicization increases management turnover – there is a 'revolving door' of appointees which erodes careerists' interest and appetite for growth and improvement. The net result: difficulty in building capacity, difficulty in keeping capacity, lower performance by agency careerists, poorer agency performance.

This is not to say that political appointments cannot improve the performance of the bureaucracy. Political appointees can (and have been known to) inject energy, vision, and new technology into an agency - and for this purpose, some top positions in an agency are typically reserved for political appointees. However, the system also presumes that careerist-managers are necessary – they bring sector expertise and public management experience to the table – hence the allocation of positions in agencies seeks to maintain or assure a balance between appointees and careerists. Politicization is assumed to disturb that balance with long term effects on agency performance.

III. Overview of the civil service and location of presidential appointees

Government is the biggest and most complex employer in the country. By broad type of agency, positions are classified as 'national' or 'local' and, within national, as part of the Executive, Congress, Judiciary or Constitutional offices. Positions in the Executive are distributed across Line Departments and their attached agencies (NGAs), which include the Offices of the President, Vice President and Other Executive Offices, State Universities and Colleges (SUCs), and Government Owned-or Controlled Corporations (GOCCs). Military Personnel in the AFP are attached to the Department of National Defense.

Table 1 provides a rough idea of the size of the public sector as employer. There were about 1.25 million permanent positions authorized by the DBM at the national level in 2010, covering NGAs, SUCs, Congress, the Judiciary and Constitutional Offices. Another 85,000 and 304,000 permanent positions were found in GOCCs and LGUs respectively, for a total of roughly 1.64 million positions. Civilian positions accounted for about 1.51 million.[14]

Table 1: Authorized and filled positions, civilian and military, in 2010

	Authorized	Filled
National+		
NGA*	1,119,830	1,042,922
SUCs	61,922	60,483
Congress	6,545	5,888
Judiciary	33,294	25,712
Constitutional Offices	24,839	15,274
GOCCs and LWDs ++	85,459	85,459
Local ++	303,951	303,951
Total	1,635,840	1,539,689

Notes: +'Authorized' is from DBM OPCRV Summary; 'Filled' is from DBM Staffing Summary 2012
++ GOCCs and Local are from CSC IGP 2008, excluding casual/contractual personnel. Local Water Districts are counted under GOCCs
*Includes ARMM (28,990|28,561), military personnel (127,218|125,552), and MMDA (132|65)

[14] There were 127,218 positions for military personnel in the AFP. Uniformed personnel of the Philippine National Police, Bureau of Jail Management and Penology, Bureau of Fire Protection, Coast Guard, and NAMRIA are counted as civilian.

Within the civil service, there are two broad 'service classes' - career and non-career. These are defined in the Administrative Code (E.O. 292, Book V, Subsection A) and are differentiated by entrance requirements and tenure. Positions are also classified by 'salary grade': there are 33 salary grades (and 8 steps per grade) with the highest salary grade, SG 33, reserved for the President. Service class and salary grade do not correspond one-to-one.

Merit and fitness are requirements of **both** career and non-career services [CBD 2010]. The **career service** is uniquely characterized by (i) entrance based on competitive examination or on highly technical qualifications; (ii) the opportunities for advancement to higher career positions, and (iii) security of tenure. Basically the career service claims the traditional merit principles: explicit rules and regulations which govern entrance, advancement and tenure so that persons are hired, promoted and fired on the basis of merit and not on any other factor. Subcategories are:

> The *1st level*, positions requiring less than 4 years of collegiate studies such as clerical, trades, and crafts positions. 1st level positions are generally SG 9 and below;
>
> The *2nd level*, professional, technical or scientific positions requiring at least four years of college work, up to Division Chief level. Population-sensitive personnel such as teachers and police are included here. 2nd level positions are generally SG 10 to 24;
>
> The *3rd level* or positions in the **Career Executive Service (CES**), namely, "Undersecretary, Assistant Secretary, Bureau Director, Assistant Bureau Director, Regional Director, Assistant Regional Director, Chief of Department Service and other officers of equivalent rank as may be identified by the Career Executive Service Board, all of whom are appointed by the President" (EO 292, Bk 5, Ch. 2).
>
> 3rd level positions are always SG 25 and up, but not all positions SG 25 and up are considered 3rd level. Also, not all positions with executive or managerial functions are considered 3rd level positions. For instance, permanent executives of GOCCs and LGUs which are SG 25 and up are not required to have 3rd level eligibility but only 2nd level.[15]
>
> N*on-executive career* (NEC) are positions SG 25 and above which are excluded from the CES since they have their own merit systems. NEC include faculty and academic staff of state colleges and universities, scientific and technical positions in scientific or research institutions, foreign service officers, prosecutors, fiscals, labor arbiters, and members of the Judiciary.

In contrast, merit in the **non-career service** is not defined by a competitive entrance examination but by standards in areas such as education and experience, and tenure is of a limited nature [CBD 2010]. Specifically, tenure is either (i) limited by law to a fixed term, (ii) coterminous with, or subject to the pleasure of, the appointing authority or (iii) limited to the duration of a particular project for which purpose employment was originally contracted. *Elected officials* are one type of non-career service positions. The other three types are:

> *Non career executives (NCE)* comprised of Secretaries and other officials of Cabinet rank who hold their positions at the pleasure of the President, and Chairman and members of commissions and boards (of authorities, administrations, GOCCs and the like) with fixed terms of office.

[15] CSC Resolution No. 100623 dated March 29, 2010 and CSC Memorandum Circular No. 7, S. 2010

Coterminous, personnel whose entrance and continuity in the service is also based on the pleasure of the appointing authority, or is limited by the duration of a project or subject to the availability of funds, including personal or confidential staff(s) of NCE and elected officials; and

Contractual/Casual, or seasonal or emergency personnel who are appointed to carry out essential and necessary services when the regular staff is insufficient to carry out the demands of the service. Casual and contractual workers are to be distinguished from what are known as *contract of services/job orders* under which no employer/employee relation is established. [16]

Salary grades among non-career positions can go as low as SG1 or as high as SG 31 (Secretaries or others of Cabinet Rank and Chairmen of Constitutional Commissions) and SG 32 (VP, Senate President, Speaker, Chief Justice).

Tables 2 to 4 illustrate the allocation of personnel across service classes using the CSC 2008 inventory of government personnel. At the national level, the career service accounted for about 95 percent of personnel while the non-career service accounted for 5 percent (Table 2). 2nd level careerists comprised the biggest layer at 77 percent of career personnel and 73 percent of total personnel (Table 3). Casuals/contractuals comprised the largest share of non-career service personnel at the national level (Table 4).

Table 2: Shares of career vs. non-career civil service personnel at the national level, 2008

Sector	Total **	Career		Non-Career	
		Number	Share	number	share
NGA*	715,439	693,743	0.97	21,696	0.03
SUCs	59,329	52,629	0.89	6,700	0.11
GOCCs and LWDs	99,360	82,457	0.83	16,903	0.17
Congress	5,798	2,356	0.41	3,442	0.59
Judiciary	29,661	27,858	0.94	1,803	0.06
Constitutional Offices	20,696	20,245	0.98	451	0.02
Total	930,283	879,288	.95	50,995	.05

Source: 2008 IGP (CSC).

Notes:* excludes AFP uniformed personnel, which DBM puts at 125,282 for 2008.

**Total filled permanent positions in 2008 as reported in the DBM Staffing Summary for 2010, excluding military personnel, was 1,005,460. The comparable figure from the table above is 804,169, which is the Total (930,283) less GOCCs (99,360) and non-GOCC casual/contractual from Table 4 below (26,754). This indicates an underestimation by the CSC.

[16] *Contract of services* are persons, private firms, non-governmental agencies or international organizations who are engaged to undertake specific work requiring special or technical skills not available in the agency, to be accomplished within a specific period not exceeding one year, and with a minimum of direction and supervision from the hiring agency. Consultants are under this category. A *job order* is the hiring of a worker for a piece of work or intermittent job of duration not exceeding six months, and which pay is on a daily or hourly basis.

Table 3: Shares of national-level career personnel to total employed, 2008

Sector	Career				
	Total	1st	2nd	"3rd " **	NEC
NGA*	693,743	107,264	576,338	6,548	3,593
SUCs	52,629	15,133	35,211	917	1,368
GOCCs and LWDs	82,457	33,275	46,173	2,080	929
Congress	2,356	847	1,315	194	-
Judiciary	27,858	19,500	5,886	1,867	605
Constitutional Offices	20,245	5,784	13,681	779	1
Total	**879,288**	**181,803**	**678,604**	**12,385**	**6,496**
Proportion to total career		.21	.77	.01	.01
Proportion to total national		.20	.73	.01	.01

Source: 2008 IGP (CSC).

Notes: * excludes AFP uniformed personnel

** Prior to CSC Memorandum Circular No. 7, S. 2010, any position SG 25 and up may have been classified as 3rd level.

Table 4: Shares of national-level non-career personnel to total employed, 2008

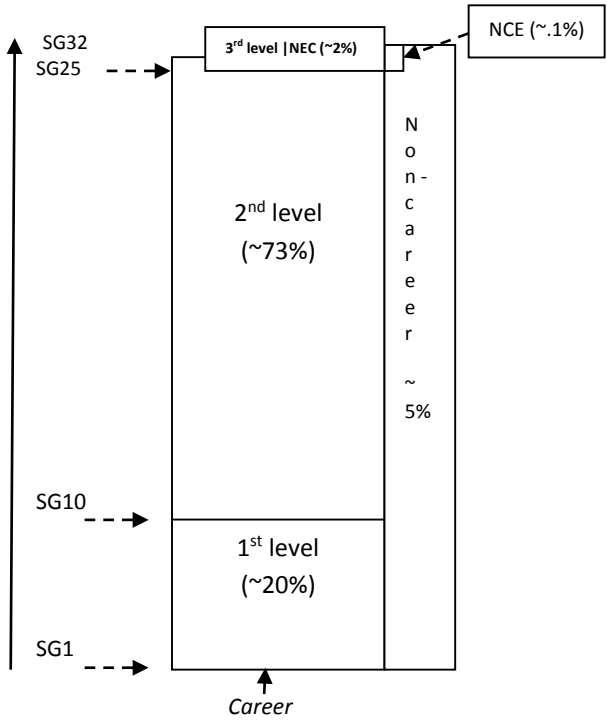
Sector	Non-career				
	Total	NCE	Coterminous	Casual/Contractual	Elective
NGA	21,696	285	2,557	18,823	31
SUCs	6,700	41	387	6,272	-
GOCCs and LWDs	16,903	159	2,843	13,901	-
Congress	3,442	120	2,441	590	291
Judiciary	1,803	487	469	847	-
Constitutional Offices*	451	8	221	222	-
Total	**50,995**	**1,100**	**8.918**	**40,655**	**322**
Proportion to total non-career		.02	.17	.80	.01
Proportion to total national		.001	.01	.04	.0003

Source: 2008 IGP (CSC).

Notes: * Not all NCE positions were filled at the end of 2008.

Figure 1 below presents a schematic, scaled diagram of the civilian personnel system at the national level by service class and salary grade using shares from the preceding tables. Note that 2nd level personnel may have salary grade greater than 25 while 3rd level personnel can never have a salary grade below SG 25. Non-career personnel may find themselves along the entire range of salary grades.

Figure 1: The Civil Service at the National level, by service class and salary grade



Note: Includes NGAs, SUCs, GOCCs, Legislature, Judiciary, and Constitutional Offices; excludes military personnel. Shares are computed from Tables 3 and 4.

Where in this system are the positions which are subject to Presidential prerogative? Primarily among the 3rd level, NCE and NEC. That is, among all executives – career or non-career – in the Executive branch, in the Judiciary and in Constitutional bodies. Within just the Executive (NGA, SUC, GOCCs), the count above indicates an arena of about 15,920 positions. [17]

Table 5 below, a 2011 estimate by the PMS of positions which can be filled by Presidential appointment, confirms that that the figure is upward of 13,169. [18] The PMS count includes positions in GOCCs that are subject to presidential 'nomination', or the practice by Presidents of sending recommendation letters – known as 'desire' letters – to stockholders or board members of government corporations if they have the authority to elect their own board members and Chairs. With 80 or so corporations, each with a board of 5-7 members, a president has between 400-560 positions to fill or influence on top of positions that he/she directly appoints.

[17]For comparison, the number of DBM-authorized national positions in 2006 and 2010, including Judiciary, Constitutional Commissions and the Legislature, with salary grade 25 and higher was 18,105 and 19,841 respectively.
[18] Table 5 excludes Chairs and members of Boards with fixed terms (other than for SUC boards), appointees to Local Water Districts, appointees to the Office of the President, and labor arbiters, among others, whom the President is authorized to appoint thru special laws.

Table 5 Positions in Line Departments, Attached Agencies and GOCCs which may be filled or influenced by the President

	For appointment			For nomination
Sector	CES positions	non-CES (NEC/NCE) positions	Total	
Line Departments and selected attached agencies *	2995	1212	4207	20
OP Attached Agencies	147	404	551	4
GOCCs **	48	397	445	417
Others +				
SUCs		3000	3000	
PAO (1050), OSG (166) Attorneys		1216	1216	
Police Senior Supt and above		850	850	
Foreign Service Officers (FSO), Chiefs of Mission		500	500	
National Prosecution Service (NPS)		2400++	2400	
Total	**3,190*** **	**9,979**	**13,169**	**441**

Base data: PPGS-Presidential Management Staff, 2011
Notes: * Excludes positions in the OP (e.g. Office of the Executive Secretary, PMS),
** Covers 118 GOCCs (including entities typically listed as attached to Line Departments) but excludes LWDs.
*** A November 2011 report of the Career Executive Service Board puts the number of CES presidential positions at 4031
+ Not included in the PPGS-PMS count; appended by the author.
++ Excludes new 1000 prosecutor positions created under R.A. 10071 (April 2010)

Many coterminous positions are also political appointees being personal and confidential staff of presidential appointees. In absolute terms, coterminous positions in NGAs and GOCCs can add another 5,400 positions to the portfolio of 'politicized' positions.

IV. **Politicization techniques**

Presidents have used a variety of techniques to increase the number and penetration of political appointees in the bureaucracy. [19]

Purging and reorganizing

The most drastic technique has been to *purge*, which is the large-scale *replacement* of career personnel perceived to be disloyal or resistant with loyalist-appointees or with more acceptable careerists. A purge was undertaken in 1986 by then-President CCA based on the premise of a revolutionary government. To a large extent, MC 1 mimicked a purge but - 24 years of "democracy" and 4 presidential elections later – without nearly as clear or defensible a premise.

CCA presided over a general overhaul of state institutions. [20] The legislature was disbanded and members of the Supreme Court, the Court of Appeals, and Constitutional bodies as well as local government officials were asked to resign. A reorganization of the Executive was also instituted immediately. A purge was

[19] Most of these techniques are identified in Lewis (2008) in the context of politicization of the US federal civil service.
[20] This account of the CCA period draws heavily from Carino, 1990.

effectively authorized by Proclamation No. 3, the "Freedom Constitution", which removed tenure security from all incumbent officials and employees by the simple provision that all persons not replaced within a year of its promulgation were deemed to have been retained.[21] Early retirement was an option but some cabinet officials, particularly "politician" (pre-martial law) cabinet members, sought courtesy resignations from all ranking personnel and summarily dismissed those who did not pass their evaluation.[22]

Carino (1990) estimated that in the first 15 months of the CCA regime about 27,500 people or 2.12 percent of the 1.3 million personnel complement were either dismissed or separated from the service thru the purge and reorganization, much larger than dismissals which took place during a reorganization in 1972-1975 (which involved not more than 5000). CESOs were hit hard - as much as one-third lost their positions- along with personnel of certain agencies and corporations (e.g. Ministry of Human Settlements, Local Government, Public Works and Highways). The process for identifying which personnel would be removed was unclear and "honest and competent people were removed along with those rumored to be corrupt and obsequious to their superiors...." [ibid, p. 13] But streamlining the bureaucracy was not an objective; new employees were being hired at a rate much faster than the separations [p. 14]

Table 6 shows the rate of accessions and separations per service class. Many from the cause-oriented groups which helped bring CCA to power benefitted from the purge, joining government.

Table 6 Civil service employee accession and separation, Feb 25, 1986 to June 30, 1987

	Separation	Accession	A/S ratio
1st (non-technical	11,043	32,036	2.90
2nd (technical)	15,066	22,862	1.52
3rd (executive)	243	1,505	6.19
non-career	11,533	22,037	1.91

Source: Carino, 1990, Table 2

Layering

A more common technique has been to add executive and other key positions to the plantilla. This has the effect of layering politically-appointed managers on top of existing careerist managers and/or diluting the administrative responsibilities of careerists at the same level. DBM will generally require the collapse of old positions before new positions are created but agency heads are often able to secure the President's approval for these additions prior to DBM's review.

Between 1996 and 2008, the total number of NGA and GOCC personnel in 3rd level, NEC and NCE positions increased by 24.7 percent. NGAs accounted for the increase, driven largely by increases in 3rd level and NEC personnel (Table 7).

[21] E.O. 17 in May 28, 1986 was issued to limit the grounds for removal but those grounds were so broad so that employees continued to be dismissed without real cause [Carino, 1990, p. 18]

[22] In contrast, cabinet members who were from the private sector or who were academics and career officials tended to engage in rational and open performance evaluations [Ibid]

Table 7 Number of personnel in 3rd level, NEC and NCE personnel, 1996 and 2008

	"3rd level *			NEC			NCE			Total		
	1996	2008	% change	1996	2008	% change	1996	2008	% change	1996	2008	% change
NGA	4,400	6548	48.8	2,576	3593	39.5	750	285	-62.0	7,726	10,426	34.9
GOCC	2,937	2080	-29.2	129	929	620.2	110	159	44.5	3,176	3,168	-0.3
Total	7,337	8,628	17.6	2,705	4,522	67.2	860	444	-48.4	10,902	13,594	24.7

Source: 1996 and 2008 IGP of the CSC
* Prior to CSC Memorandum Circular No. 7, S. 2010, any position SG 25 and up may have been classified as "3rd level"

Given their technical and managerial qualifications, an increase in the number of 3rd level and NEC personnel could be viewed as a positive thing for the bureaucracy. But *excess* positions may be counterproductive if responsibilities are inefficiently fragmented, transaction costs are compounded, or if additional positions are filled by non-qualified or non-eligible personnel.[23] Between 1994 and 2010 there was a 50 percent increase in the number of top executive positions – from Assistant Secretary to Deputy Executive Secretary - in the national government, or an addition of 68 positions from a base of 136 and beyond the ceiling of 163 (Table 8). The number of 'other key positions' (positions from Division Chief to Director 4) also increased by 27 percent.

Table 8 Number of top 3rd level positions, 1994 to 2010

	1994	1998	2000	2004	2010	Absolute change 1994-2010	% change 1994-2010
Deputy Exec Sec.	1	1	4	4	4	3	300.0
Department Undersecretary	59	62	66	83	83	24	40.7
Dep. Dir. Gen.	3	4	5	7	9	6	200.0
Dep. Press Sec	2	2	4	5	5	3	150.0
Assistant Exec. Sec.	7	7	7	7	8	1	14.3
Assistant Secretary	58	59	66	77	85	27	46.6
Assist Dir. Gen	3	5	5	6	6	3	100.0
Assistant Press Sec	3	3	3	4	4	1	33.3
Total	136	143	160	193	204	68	50.0
Other Key Positions*	18290	20226	20719	21302	23231	4941	27.0

Source: Table 1 of DBM Staffing Summary for 1996, 2000, 2002, 2006, 2012.
* "Key positions" are defined by DBM as executive, managerial, and chief of division or other equivalent positions. Other key positions would be below Assistant Secretary and up to Division Chief, which are 2nd level.

[23] Excess positions are positions beyond what is prescribed by law, i.e. EO 90, 125-A, 133, 129-A, 292, and 297, series of 1986/1987, and RA 7638, 7157, and 6975, as enumerated in CBD 2010.

Appointing 'non-eligibles' to career positions

Apart from layering, a common practice is the appointment of 'non-eligibles' to career positions, in particular, 3rd level positions. The rule in law (P.D. 1) is that only eligibles are to be appointed to CES positions and only in 'exceptional cases' can the President appoint a non-eligible, who is then required to undertake the processes in order to obtain eligibility. Without eligibility, the appointment is, effectively, temporary, with a maximum tenure of 12 months [CBD 2010].

In practice however, because appointments to the 3rd level are issued by the President, these have not been submitted to the CSC for attestation and the OP has gone on to interpret a non-CES eligible occupying a CES position as "a political appointee who serves at the pleasure of the President", without the need for a reappointment [if beyond 12 months]. On this, CBD [2010] comment:

> "This means that every time the President appoints a non-eligible to a career position, in violation of Civil Service law and rules, the appointee is deemed a political appointee who serves at the pleasure of the President. Since he/she is a political appointee, there is no need for reappointment, again in violation of Civil Service law and rules. Non-eligibles holding career positions will continue to proliferate. Such a situation is definitely prone to abuse, to the detriment of the career bureaucracy... "[24]

In 2010, non-eligibles comprised about 59 percent of occupied CES positions (to be shown later).

Adding appointed confidential staff

Politicization also occurs thru the addition of special assistants or confidential staff who are usually coterminous with incoming appointees. Confidential assistants are typically assigned to monitor bureaucratic activity and liaise with employees, stakeholders and other clients [Lewis 2008] - often operating parallel or "backroom" offices for the appointee. Although without formal accountabilities, assistants can gain substantial informal authority as "gatekeepers."

The number of coterminous staff employed in NGAs declined from 1996 to 2008 (Table 9). However, the sharp decrease is almost entirely accounted for by decreases within the Deped and DPWH; other offices registered significant *increases* in coterminous personnel (Table 10).

Table 9 Change in the number coterminous personnel, 1996 vs 2008

	1996	2008	% change 1996-08
NGA	5,717	2557	-55.3
GOCC	2,966	2843	-4.1
Total	8,683	5,400	-37.8

Source: 1996 and 2008 IGP of the CSC

[24] CBD [2010] further note that "*On the other hand, appointees who are eligibles are not assured of protection because it can always be argued by Malacanang that there is nothing in their appointments which indicate that they are permanent… In one case, it has already been argued by Malacanang, in initially terminating but later on reassigning an Undersecretary to another agency, that an official serves coterminous with the President*."

Table 10 Top sources of change in coterminous personnel among NGAs, 1996 vs 2008

Line agency	1996	2008	Change	Comments
OP	134	255	+121	Office of the President proper
DOF	36	106	+70	Attached agency: Privatization & Mgmt office
DTI	36	99	+63	Attached agency: BOT center
DA	37	90	+53	Office of the Secretary Proper
DPWH	1339	731	-608	--
Deped	2021	17	-2004	Reduction of education supervisors

Source: 1996 and 2008 IGP of the CSC

Adding ad-hoc executive offices

Special offices can be created administratively and are often described as consultative or advisory, attending to a locally-funded or foreign assisted project, or in the nature of a task force mandated to 'coordinate' public-private efforts, improve government responsiveness and/or allow greater 'people' participation in government affairs. While better inter-agency and public-private coordination may be needed, the practice could easily have the same disincentive effects as layering, i.e. diluting responsibilities and/or undermining mandates and authorities of statutory agencies, particularly if mandates of special offices are vague, sweeping or open-ended.

There was a steady increase in the number of agencies attached to the OP between 1992 and 1998 (an addition of 70 agencies), a sharp increase between 1999 and 2000 (49 agencies), a sharp reversal between 2001 and 2004, before picking up again in 2005.[25] The period from 1992 to 1998 coincided with the administration of FVR who was well-known for his demand that "… all implications [are] properly analyzed, proper consultations undertaken, and all necessary inter-agency coordination done, to be evidence by transmittals signed and endorsed by all Cabinet members concerned":

> *To President Ramos, inter-agency coordination was a religion. He formed countless coordinative bodies to ensure collegial decision-making on key policy concerns and issues. As such, many of us in his Cabinet lamented (but not complained) that practically all our regular office hours … were spent attending various meetings, especially of inter-agency coordinative bodies like Cabinet clusters, NEDA Board committees, and countless councils, commissions and task forces. At one point, I asked my staff… to count exactly how many such bodies NEDA belonged to, and was told there were 443 – about half of which NEDA chaired… But then as now, I have on balance seen it all as a good thing … never before - and after - had there been as effective teamwork and coordination in government as in the Ramos era*. [Habito 2010]

In contrast, GMA, who preferred fast decision making, was well known not to suffer inter-agency or policy coordination; she abolished 118 of these special offices between 2001 and 2004. However, between 2005 and 2007, coinciding with a political crisis that arose after the 2004 elections, another 51 were created.

Burrowing; *Appointing under 'acting' capacity*

[25] HDN 2009. See Figure 1.6.

Burrowing is the practice of incumbent political appointees obtaining permanent career positions in the agencies where they work in anticipation of a presidential transition [Lewis 2008]. In the Philippines, it is also manifested in what are popularly known as "midnight appointments" - or appointments which are made at the tail end of an administration – most often to non-career positions with fixed-terms.[26] In the 2010 transition, there were an estimated 977 midnight appointments to fixed terms ranging from 1 to 6 years (i.e. in corporations, authorities and other similar agencies.)

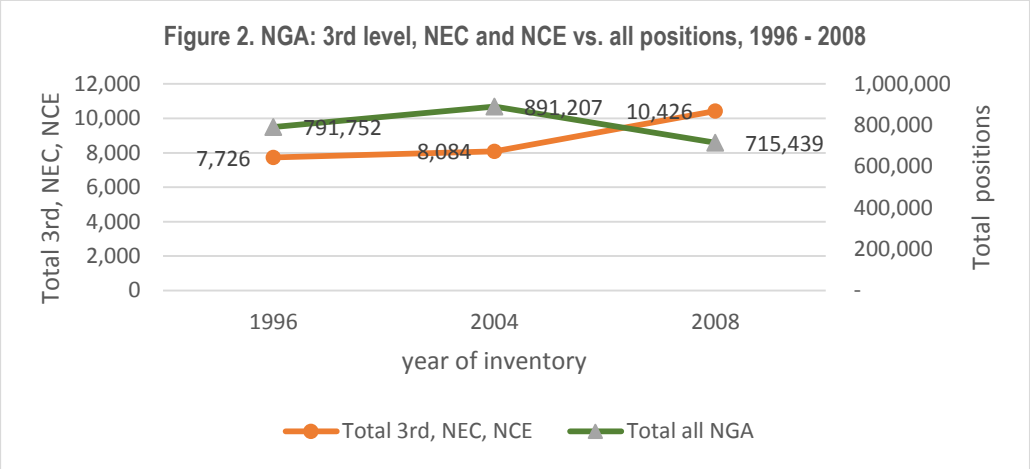
In fact, quite a number of the aforementioned appointees had already served in *acting* capacities since as early as 2004, exceeding the one-year limit for such designations, and were *regularized* for another 6 or so years. [27] This highlights another technique of *repeated* appointments under 'acting' capacity. An acting appointment is one that can be withdrawn anytime without hearing or cause and the President has the power to issue acting appointments subject only to the one year maximum period. But there is no entity monitoring whether 'acting' appointments are complying with the one year rule however [CDB 2010]. By issuing repeated acting appointments rather than regular appointments to fixed-term positions in, say, GOCC boards, the independence contemplated for such Boards is undermined.

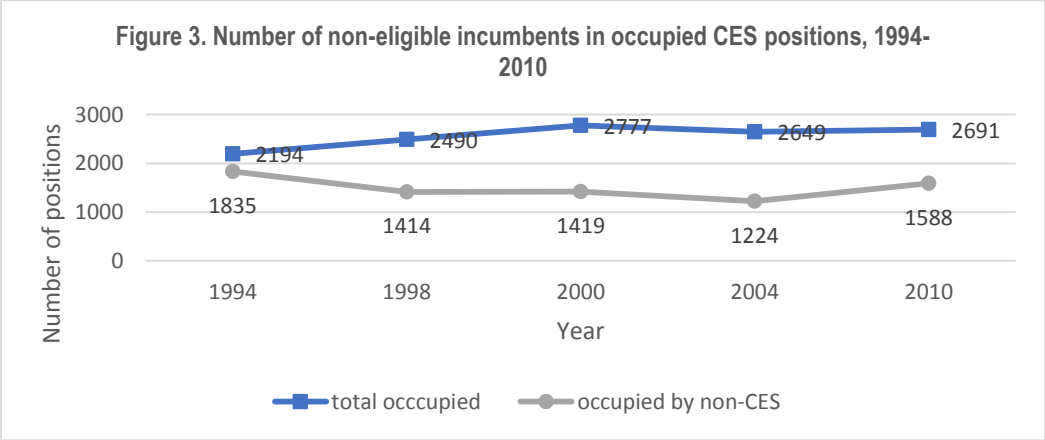
V. Politicization in Line Departments: Patterns and effects

Following from the preceding discussion, politicization in NGAs, at its most simple, may be measured by a thickening of positions and appointees that are covered by presidential prerogative as well as by a thickening of non-careerist, non-eligible appointments in career positions. The former has been observed of the Philippine bureaucracy over the last two decades (e.g. Tables 7 to 10) and is highlighted in Figure 2 which also shows that the thickening is not due to a naturally growing bureaucracy (i.e. the number of relevant positions grew by 34.9 percent but the overall NGA bureaucracy shrunk by 9.6 percent). The latter has also been observed and is shown in Figure 3, which tracks the number of non-eligible incumbents in occupied CES positions between 1994 and 2010. While there was an overall decrease (by about 13.5 percent), there was first a steady decrease up to 2004 and then a sharp increase thereafter.

[26] Historian Manuel L. Quezon III recounts incidents of midnight appointments in an online commentary (http://www.quezon.ph/2010/01/15/midnight-appointments), i.e. "On December 29-30, 1961, President Carlos P. Garcia gave his successor a headache when he made 350 appointments in his last hours as President. These so-called "midnight appointments" were revoked by his successor, Diosdado Macapagal, by means of his Administrative Order No. 2 (December 31, 1961)…. President Macapagal was later upheld by the Supreme Court…"

[27] An "acting" appointment is a temporary appointment, good until a permanent appointment is issued and "in no case shall a temporary designation exceed one (1) year (Section 17, Chapter 5, title I, Book III of EO 292).





These observations invite the questions: Does politicization tend to happen in certain types of line departments? Can patterns or trends be discerned across Presidents?[28] Resource-rich agencies, measured by share in general appropriations or plantilla size, would be natural targets for politicization for instance. We would expect larger agencies to have larger numbers of PAs in absolute terms, cet. par., although not necessarily more as a share of total key (i.e. management) positions (i.e. to achieve the same amount of policy control, smaller agencies would be expected to have a larger share of PAs to key positions. If larger agencies also have larger shares of PAs in key positions, this could indicate more management jobs associated with patronage appointments). Agencies identified with core constituencies would also be natural targets for politicization as would be oversight agencies, which are tasked with housekeeping and fiscal control functions.

To explore these hypotheses, we use data on permanent positions, key positions, presidential appointee positions (PA), and the average annual share of new general appropriations for a cross-section of 22 line departments, reckoned to 2010 (Annex Table 1). Line departments are classified according to orientation

[28] Lewis (2008) demonstrates how the intensity of politicization varies across agencies depending, among others, on the divergence (or not) of policy views between presidents and agencies or between presidents and congress, where 'policy views' are distinguishable across party lines.

– core/basic sectors (DEPED, DOH, DSWD, DOLE, DA, DAR, DENR), business (DTI, DOT, DOE, DOTC), mixed (DFA, DILG, DND, DOJ, DOST, DPWH), and oversight (DBM, DOF, NEDA, OPS, OP). Descriptive statistics are presented in Table 11. [29]

Table 11. Summary statistics by agency orientation, 2010

	Core	Business	Mixed	Oversight
Number of agencies	**7**	**4**	**6**	**4 ***
Permanent positions	95,091	3,853	38,230	7,825
Key positions	711	266	990	381
PA positons	313	123	156	148
PA/Key positions	0.51	0.48	0.26	0.38
Ave annual share in new appropriations 2005-10	0.07	0.01	0.07	0.01

Base data: Annex 1. *OP excluded due to missing data

Controlling for key positions, resource rich agencies have more PAs in absolute terms, cet. par., and more PAs as a proportion of key positions (Table 12). These agencies are probably a target for politicization, especially, patronage politicization. Relative to 'mixed' agencies, 'core' and 'business' oriented agencies are also targets for politicization: they have relatively more PAs in absolute terms and more as a proportion to key positions (e.g. core agencies have ¾ the key positions but double the PAs of mixed agencies while business agencies have ¼ the key positions and ¾ the PAs of mixed agencies). Oversight agencies however have significantly more PAs than mixed agencies after controlling for resources and key positions, but not more or less PAs as a share of key positions. It is possible that politicization in oversight agencies is primarily for policy.

Table 12: Politicization and agency size and orientation, 2010

	Dependent variable	
Independent variables	**PA**	**PA/Key positions**
Ave. share of new appropriations	754.8**	--
Permanent positions	--	9.23e-07 ***
Core	130.9**	0.18**
Business	104.8+	0.20**
Oversight	99.8+	0.10
Key positions	.38***	-.00007*
Key postions^2	-.00001***	--
Constant	-83.6	.30***
N	21	21
R^2	0.78	0.66

Base category: Mixed
*** Significant at the 1% level, ** 5% level; * 10% level; + 15%

[29] Classification by orientation is by the author. "Mixed" means a general orientation or no dominant client. Agencies are also classified by sector for comparison using DBMs classification, i.e. Social, Economic, General Services, and Defense. Results are annexed.

Drilling down further, core and oversight agencies on average claimed relatively larger shares of new executive positions created between 1994 and 2010 (Table 13). Core agencies received significantly greater shares of new director 4- and director 2-level positions (e.g. regional directors, school superintendents, and the like); oversight agencies, significantly larger shares of new undersecretary- and assistant secretary-level positions. This allocation could be consistent with patronage and policy politicization respectively.

Table 13 Correlations: Line departments and share of new executive positions between 1994 and 2010

	Usec-level	Asec-level	Dir 4-level	Dir 3-level	Dir 2-level
Orientation					
Core	-0.30+	-0.22	0.46**	0.14	0.43**
Business	-0.08	-0.03	-0.26	-0.23	-0.12
Mixed	0.00	-0.07	-0.08	0.21	-0.34+
Oversight	0.41*	0.36*	-0.18	-0.16	-0.01
Sector					
Social	-0.25	-0.11	0.69***	0.05	0.50**
Economic	-0.29+	-0.31+	-0.24	-0.13	-0.09
General	0.46**	0.42**	-0.36*	0.16	-0.32
Defense	0.08	-0.05	0.11	-0.17	-0.02

Base Data: Staffing Summary FY 1996 and 2012, DBM. Count is by author.
Notes: Correlation significant at the *** 1% level, ** 5% level, * 10% level, +20% level.

Does politicization matter to agency performance? It was argued earlier that while political appointees may help the agency performance in the short run, there are likely to be longer term negative effects on the quality of careerist managers and employees in politicized agencies and, consequently, on agency performance.

This short run effect may be behind the results in Table 14 which presents the simple correlation between public approval ratings (a proxy of agency performance) and the share of presidential appointees to key management positions (a proxy for quality of bureaucracy) for nine line departments which featured in at least one polling round in 2010 . On average, the correlation is significantly positive. That is, greater politicization is associated with better agency performance as perceived by the public at one point in time.

Table 15 however supports the argument of longer term negative effects. [30] Here, we use two years of panel data on 21 agencies to estimate the tradeoff between increased politicization, proxied by the

[30] Identifying longer term effects are tricky. It is difficult enough to compare agency outcomes within a country over the short or long term; agencies have vastly different mandates and constraints and there is no common measure (nor definition) of what 'good' performance is. But then to link agency outcomes to the dynamics within bureaucracies, i.e. the influence of political appointees versus careerists, is near impossible without new, survey data. For their pioneering work on bureaucratic structures and economic growth, Evans and Rauch (1999) undertook a new cross-national survey of experts. For his analysis on the impact of appointees on federal management performance, Lewis (2008) uses data from a survey of federal employees that includes questions about employee perceptions of agency leadership, a dataset which grades the performance of 614 federal programs, and information

agency share of undersecretary and assistant secretary appointees, and the quality of bureaucracy, now proxied by the share of total agency CES positions occupied by CES officers/CES eligibles (or CESO/E). It is assumed that a greater percentage of CES positons occupied by CESO/E makes for a better cadre of executive careerists and that occupancy improves when there is less politicization. The regression shows that a one percentage point increase in the agency share of undersecretary and assistant secretary appointees reduces occupancy rates of CESO/E by 5.7 percentage points.

Table 14 Correlation: Public approval ratings and share of PAs in key positions, 2010

	Public approval in 2010
PA/key positions	0.53+
N [a]	9

Base data: Annex Table 1
Notes: +Significant at the 15% level.
[a] DA, DAR, DepEd, DILG, DND, DOE, DOH, DOT, DSWD

Table 15 Politicization and quality of bureaucracy, 1994-2010

	Δ CESO/E occupancy
Δ share of Usecs/Asecs	-5.78**
Constant	.16***
N [a]	21
R^2	.18

Base data: CESB, DBM
Notes: *** significant at the 1% level, ** 5% level, * 10% level, +15% level
[a] DFA excluded due to missing data

How occupancy by CESO/E fared during each administration also squares with what is known about the political priorities of each president. For instance, occupancy rates increased strongly during FVRs time mirroring his thrust toward meritocracy (Table 16). During his term, business oriented (and economic service) agencies recorded greater increases in occupancy by CESO/E compared to other agency types (Table 17). Mixed (and defense) agencies also had increases but these were relatively smaller on average.

Table 16 Average change in CESO/E occupancy of CES positions in line agencies, by administration

	FVR (1994-98)	JEE (1998-00)	GMA1 (2000-04)	GMA2 (2004-10)
Change in occupancy rate	0.19	0.05	0.02	-0.11

Base data: Annex Table 2A

on the appointment status and background characteristics of the bureau chiefs who administered those same programs.

Table 17 Correlations: Average change in CESO/E occupancy rates and agency type, by administration

	FVR (1994-98)	JEE (1998-00)	GMA1 (2000-04)	GMA2 (2004-10)
Orientation				
Core	0.27	0.29+	-0.01	-0.26
Business	0.31+	-0.22	0.38*	0.33+
Mixed	-0.59***	-0.002	-0.32+	-0.03
Oversight	0.04	-0.11	-0.004	0.002
Sector				
Social	0.11	0.35*	-0.03	-0.39*
Economic	0.41*	-0.13	0.42**	0.22
General	-0.37*	-0.08	-0.18	0.06
Defense	-0.33+	-0.14	-0.52***	0.05

Base data: Annex Table 2A

Notes: Correlation is significant at the *** 1% level, ** 5% level, * 10% level, +20% level

In contrast, occupancy rates *declined* across all agencies save one (i.e. DOE) during GMAs second term. Decreases were significantly greater among social sector agencies, with DEPED (-024) and DSWD (-0.23) recording the top two decreases (refer to Annex 2). Occupancy rates in DepED were actually rising before taking a sharp turn during GMAs first term; DepED personnel are critically involved in elections and positions for superintendents and regional directors are anecdotally known to be among those most politicized. Occupancy rates in DBM and DILG likewise took a sharp turn downward during that first term. Occupancy rates in business oriented and economic agencies were positive and significantly greater on average during GMA's first term however.

Interestingly, increases in occupancy rates in core and social sector agencies were significantly larger compared to other agencies during JEEs term. This is also consistent with JEE's popular persona, although the administration was so short-lived. Among these agencies, the largest increase in occupancy rates was in DepED (0.22), whose secretary was a non-politician (Bro. Andrew).

VI. Concluding remarks

A president may rationally seek to control the continuing bureaucracy to ensure that a bureaucracy's activities are aligned with a specific agenda. A president may also seek control as a source of political capital, i.e. jobs for supporters and interest groups. But while political appointees have the potential to improve bureaucracy responsiveness and performance in the short term, there is evidence of negative trade-offs in terms of the quality of the career service corps in the longer term. The quality of the corps deteriorates with politicization.

In the Philippines, where the President's power to appoint covers the upward of 13,000 posts in the Executive alone, the questions for further study are: to what extent can this trade-off be tolerated? Is it reasonable for democratically-elected officials to expect 'responsiveness' from the continuing bureaucracy? If so, how is this reconciled with the constitutional mandate of 'merit and fitness' (i.e. can merit and fitness be reasonably assured at the same time?) Where do constitutional checks and balances – namely the Commission on Appointments and the Civil Service Commission – fit in?

Empirically, this essay can also be extended in two ways. First, the analysis could drill down to the bureau level or be widened to include GOCCs. Bureaus, attached agencies, and GOCCs typically operate 'below the radar' but have figured prominently in recent controversies (e.g. PDAF, DAP). Second, the story could be lengthened to 2016. To do this however, the analysis will have to take into account at least two discreet institutional events, e.g. the policies of the GCG (Governance Commission for GOCCs) which was established in 2011, and the November 2010 Supreme Court decision earlier mentioned (clarifying the coverage of the CES). It is not yet clear whether and how these events influence the management of the career service per agency or appointments to the service nor how a comparable analysis can made with previous periods.

References

Carino, Ledevina V. 1990. "An assessment of public administration in the Philippines, 1986-1988", **PIDS Working Paper Series No. 90-03**. Philippine Institute for Development Studies.

Constantino-David, Karina and Racquel DG Buensalida, 2010. "Presidential Powers and Prerogatives. A Study on how the Powers are Abused". Presented at INCITEGov *Forum on the Powers of the Presidency: Preventing Misuse and Abuse,* Asian Institute of Management, 30 January 2010.

Evans, Peter and James E Rauch. 1999. "Bureaucracy and Growth: A Cross-National Analysis of the Effects of "Weberian" State Structures on Economic Growth". American Sociological Review, Vol. 64, No. 5 (Oct., 1999), pp. 748-765 (URL: http://www.jstor.org/stable/26573

Habito, Cielito F. 2010. "Missing Ramos-Style governance (November 9, 2010)" in **No Free Lunch. Economics in Bite-Sized Pieces. Selected Columns from the Philippine Daily Inquirer**. Inquirer Group. Manila 2012.

Human Development Network (HDN). **2008/2009 Philippine Human Development Report**. HDN and the United Nations Development Program (UNDP). Manila.

Lewis, Daniel E. 2008. T**he Politics of Presidential Appointments. Political Control and Bureaucratic Performance**. Princeton University Press, Princeton, New Jersey.

Data

- Civil Service Commission (CSC), Inventory of Government Personnel, 1996, 2004, 2008, 2010
- Career Executive Service Board (CESB), Occupancy reports, 1992 – 2014
- Department of Budget and Management (DBM). Authorized Positions, selected years, and Budget allocations per agency 1992-2010 (personal correspondence)
- DBM, Staffing Summaries, selected years
- President's Personnel Group Secretariat (PPGS). Report on Vacancies in Line Agencies/GOCCs/Office of the President Attached Agencies as of 6 January 2012 (personal correspondence)
- Pulse Asia, Performance Government Agencies 2008-2012 (personal correspondence)

Annex Table 1A Profile of Line Departments, 2010

Dept.	Orientation	Sector	Permanent positions+	Filled permanent positions+	Key Positions+	Positions for Presidential appointment (PA) ++		Share in new general appropriations+++	
						CES	Non CES	2010	Annual average 2005-2010
DA	Core	Econ	12097	9964	395	125	33	0.065	0.073
DAR	Core	Econ	15366	12953	1929	235	233	0.035	0.026
DBM	Oversight	General	899	823	183	92	3	0.002	0.002
DENR	Core	Econ	22204	19559	728	192	17	0.02	0.019
DEPED	Core	Social	574367	548846	606	564	31	0.269	0.293
DFA*	Mixed	General	2533	2008	304	0	63	0.021	0.02
DILG	Mixed	General	167341	166317	750	246	15	0.109	0.12
DND	Mixed	Defense	10488	8514	140	41	8	0.096	0.101
DOE	Business	Econ	776	622	72	31	8	0.001	0.001
DOF	Oversight	General	23145	17677	914	305	15	0.016	0.017
DOH	Core	Social	29667	25881	379	197	19	0.048	0.039
DOJ **	Mixed	General	18581	15246	3931	129	220	0.011	0.013
DOLE	Core	Social	9175	7595	778	144	315	0.011	0.012
DOST	Mixed	Econ	11341	8014	326	108	37	0.009	0.009
DOT	Business	Econ	997	852	79	39	2	0.003	0.003
DOTC	Business	Econ	9976	8832	415	82	20	0.028	0.035
DPWH	Mixed	Econ	19093	15579	488	64	5	0.212	0.184
DSWD	Core	Social	2762	2680	164	67	17	0.026	0.014
DTI	Business	Econ	3663	2396	498	201	108	0.004	0.005
NEDA	Oversight	General	4774	3632	342	119	41	0.007	0.004
OP	Oversight	General	1255	937	163	ND	ND		
OPS	Oversight	General	2483	1873	83	14	2	0.002	0.002

Base data: + DBM Staffing Summary 2012; ++ PPGS 2012; +++ DBM various years

* Excludes ambassadors, consuls, and Foreign Service Officers

** Excludes prosecutors and OSG

Annex Table 1B. Summary statistics by Sector, 2010

	Social	Economic	Defense	General
number of agencies	4	9	1	7*
Permanent positions	153,993	10,613	10,488	31,394
Key positions	482	548	140	930
PA	339	171	49	181
PA/Filled	0.03	0.04	0.01	0.03
PA/Key positions	0.66	0.38	0.35	0.31
Average share in new general appropriations	0.09	0.04	0.10	0.03

Base data: Annex Table 1A

* OP excluded due to missing data

Annex Table 1C: Politicization and department size and sector, 2010

	PA[\a]	**PA/Key positions** [\b]
Average share of new appropriations 2005-10	655.1+	-1.93**
Social	163.8*	0.27***
Economic	22.2	0.13*
Defense	-96.6	0.22
n	21	21
Adjusted R^2	0.45	0.56

Base data: Annex Table 1A

[\a] controlling for number of key positions. Base category: General

[\b] controlling for number of permanent positions.

*** Significant at the 1% level, ** 5% level; * 10% level. +12% level

Annex Table 2A. Change in shares of CESO/E occupying CES positions by agency, by administration

	FVR, 1994-98	JEE, 1998-00	GMA1, 2000-04	GMA2, 2004-10
DA	0.32	0.04	0.02	-0.19
DAR	0.18	0.04	-0.01	-0.04
DBM	0.15	0.19	-0.04	-0.08
DENR	0.27	0.06	0.06	-0.06
DEPED	0.27	0.22	-0.06	-0.24
DFA	-0.03	0.00	0.03	--
DILG	0.04	0.13	-0.02	-0.14
DND	0.03	0.00	-0.11	-0.09
DOE	0.32	0.00	0.11	0.10
DOF	0.24	0.04	0.04	-0.11
DOH	0.18	0.05	0.03	-0.10
DOJ	0.12	0.03	-0.06	-0.04
DOLE	0.18	0.10	0.08	-0.13
DOST	0.24	0.05	0.07	-0.24
DOT	0.21	0.00	0.03	-0.14
DOTC	0.26	0.01	0.05	-0.12
DPWH	0.14	0.09	0.05	-0.07
DSWD	0.23	0.05	0.03	-0.23
DTI	0.27	0.05	0.10	-0.07
NEDA	0.33	-0.16	0.13	-0.21
OP	0.30	0.01	0.01	-0.05
OPS	-0.02	0.08	-0.03	-0.12
Average	**0.19**	**0.05**	**0.02**	**-0.11**

Base data: CESB Occupancy Reports, 1994 – 2010

Annex Table 2B. Average change in shares of CESO/E occupying CES positions by agency type and administration

	Agencies	1994-98	1998-00	2000-04	2004-10
Orientation					
Core	7	0.23	0.08	0.02	-0.14
Business	4	0.26	0.01	0.07	-0.06
Mixed	6	0.09	0.05	-0.01	-0.12*
Oversight	5	0.20	0.03	0.02	-0.11
Sector					
social	4	0.22	0.10	0.02	-0.18
economic	9	0.24	0.04	0.05	-0.09
general	8	0.14	0.04	0.01	-0.11*
defense	1	0.03	0.00	-0.11	-0.09

*Without DFA.