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## Corruption: An Improved Perception Rating, But People's Experiences Show Otherwise

Aquino III officials are all ecstatic over the latest Transparency International (TI) report showing a slight improvement in the Philippines' corruption perception index (CPI) from 129<sup>th</sup> last year to 105<sup>th</sup> out of 176 countries this year. The country is still one of the most corrupt countries in the world - it scored 34 on a scale of zero (highly corrupt) to 100 (very clean) and in relative terms moved up from No. 7 out of 10 to No. 5 in Southeast Asia overtaking Indonesia (118<sup>th</sup>) and Vietnam (124<sup>th</sup>).

TI's CPI is based on public perceptions and assessments by experts and not on empirical data or surveys. Clearly, as one reaction would put it, the improved ranking was influenced by the impeachment of former Supreme Court Chief Justice Renato Corona, the filing of charges against former President Gloria M. Arroyo, and the issue on Statement of Assets, Liabilities, and Net Worth (SALN) of public officials. Without showing how these specific incidents would have a positive impact on governance, transparency, and accountability these somehow generated perceptions regarding serious efforts by the Aquino III administration on anti-corruption.

Objectively, however, whatever reports went into the making of the CPI on the Philippines overlooked the fact about how pork barrel - a major source of patronage corruption - was not only retained under Aquino III but was increased budget-wise from PhP6.9B in 2010 to PhP22.3B or by 223 percent in 2011. It went up to

PhP24.89B in 2012 and was expected to reach PhP30B in 2013. Congressmen reportedly rake in up to 40 percent commissions from the pork barrel or Philippine development assistance fund (PDAF). There were as well recent cases of corruption involving the high and mighty in officialdom.

TI's report as released by its headquarters in Berlin - because it is based on a chosen panel of elite evaluators - neglected the pervasiveness of corruption on the ground and across the country. The 2012 Good Local Governance Survey released by Social Weather Stations (SWS) last October showed corruption is more widespread now than in previous years. Sixty-eight (68) percent of Filipinos said local governments are corrupt - higher than 64 percent recorded in 2011 and 58 percent in 2009. Thirty-three percent of those surveyed said corruption is more widespread now.

Do experts' opinions have greater weight over people's direct experiences and exposure to corruption as consolidated through nationwide surveys?

If indeed there has been a results-based reform in corruption indicating a reduction, isn't it about time to test Mr. Aquino's much-touted campaign creed, i.e., less corruption, less poverty (*"kung walang korap, walang mahirap"*). Here's one test:

A recent UN report says the Philippines is years behind in eradicating extreme poverty and will not meet the 2015 Millennium Development Goals (MDG) deadline. The UN report, "Asia Pacific Regional MDG Report: Accelerating Equitable Achievement of the MDGs," gives the Philippines failing grades not only in poverty reduction but also in education, reducing child mortality, and maternal health.

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## Party-list System: Marginalizing Further People's Representation

If the country's elite and traditional politicians had their way, the Party-list system is an easier route to take to increase their dominance in the House of Representatives. In the present 15<sup>th</sup> Congress, 51 of the Party-list congressmen are millionaires or multi-millionaires while more than 10 percent come from political clans. Since the first 1998 elections for Party-list, this "social justice tool" which was envisioned to ensure the representation in Congress of marginalized sectors has been increasingly taken over by the elite. The elite's bogus party-list groups claim to represent labor, farmers, indigenous peoples, vendors or drivers when in fact they come from big business, are operators of exclusive universities, landlords, emerging religious empires, and other business enterprises. Many of them are backed by incumbent administrations, have blood relatives among the powers that be in government, or were themselves former members of Congress or local officials.

Conflicting interpretations of the Party-list accreditation process between the Commission on Elections (Comelec) and the Supreme Court (SC) have also allowed the entry of unqualified groups into the system. Allegations of corruption in the election accreditation have also been exposed. For the 2013 mid-term elections, the Comelec has accredited 79 Party-list groups. Including the 33 that were given reprieve (or status quo ante / SQA) by the Supreme Court but which were earlier disqualified for being fake Party-lists, the total number of those running in the 2013 elections is 112. Contrary to the poll body's claims of purging those unqualified, the list actually includes 23 that should have been disqualified with eight of them still in the 15<sup>th</sup> Congress. Including the 33 groups who were granted

reprieve by the high court, the number of non-marginalized groups in running is 56 or 50 percent of the total. Among the 33 groups the SC wanted to run in the 2013 elections are Bantay of human rights fugitive, former Army Gen. Jovito Palparan, the military-backed anti-communist vigilante Anad, and Kakusa of the Jalosjos dynasty in Mindanao.

These elite, non-marginalized groups enjoy the advantage of dynastic connections, money, and government-military support thus threatening the legitimate representation of the genuine Party-list groups. Claiming to be a Party-list group, Akbayan was allowed to run again when its leaders, as leftist groups charged, now enjoy Cabinet-level positions and access to government coffers. With a decreasing mass constituency, Akbayan ran in 2010 with the support of a presidential sister-turned-TV host who, along with some businessmen, reportedly shelled out more than P100 million of campaign kitty, according to Comelec official reports on campaign financing.

Aside from the logistical advantage of elite Party-list groups, genuine PL formations face the hurdle of how to win at least one seat through the 2 percent voting threshold. And that's because of the built-in inaccuracy of Smartmatic's precinct count optical scan (PCOS) voting machines. When tested in a Congress mock election last July 24-25, the voting machines registered a 2.6 percent discrepancy or 97.7 percent accuracy rating as against the required 99.995 percent and a high rejection rate of ballots at 4 percent. The 2.6 percent discrepancy is more than the 2 percent threshold required to win one Party-list seat and will trigger anarchy from the sheer impossibility of determining the winners.

## Election Automation: Defects and Unconscionable Expenditures

Political parties, candidates, and other election stakeholders worried at how credible the 2013 mid-term polls will be should take a second look at the preparations being made. Many of them will be surprised to know – or perhaps not at all – at the way election preparations are being botched by Smartmatic and how the whole exercise has become yet again a money-making business.

Comelec is treading on legal danger zones for insisting on using Smartmatic's PCOS machines despite the termination by the U.S.-based Dominion Voting Systems (DVS) of its licensing agreement with Smartmatic last May 23. The licensing agreement (2009) allowed Smartmatic, a Venezuelan marketing company, to sub-license for Comelec the DVS-owned election technology only for the 2010 automated polls. Its termination closes Smartmatic's access to the program system as a result of which it is unable to correct program bugs and errors that it finally admitted in 2011 but which the company is under obligation to remedy under a purchase agreement involving some 80,000 PCOS machines. A lawsuit is now pending between Smartmatic and DVS at the Delaware chancery court (U.S.) which could further mess up the coming elections in the Philippines.

There are thus glaring problems in the coming May 2013 mid-term elections, particularly: First, Comelec will be using not only a pirated technology but a system that is full of programming errors and other defects. Second, the non-compliance with the election modernization law (RA 9369) that was 2010 that is largely ignored by Congress will be repeated in 2013 so that the minimum system requirements (such as voter verifiability, source code review, digital signature) for a transparent, secure, and

accurate technology will remain disabled. And third, are counting discrepancies and other inaccuracies as explained earlier.

This week, Congress through the Joint Congressional Oversight Committee (JCOC) on the automated election system was asked by the citizens' election watchdog AES Watch to probe into reports of “unconscionable” expenditures or excessive overpricing in the bidding procedures of Comelec. (“Unconscionable,” according to the Commission on Audit, is “overpricing in significant amounts exceeding 100% of the current and prevailing market value.”) One case, as cited by former Comelec lawyer and whistleblower Melchor Magdamo, is the alleged overpricing in election paraphernalia deployment amounting to PhP2.3 billion. In 2010, Magdamo reports, deployment cost PhP1 billion and was directly awarded to Smartmatic without bidding. Other unconscionable expenditures involve warehouse lease (PhP400M) and ballot plastic package (PhP291.6M compared with PhP175M in 2010), the lawyer said.

The only IT Comelec commissioner, Gus Lagman, with the support of the poll body's IT department succeeded in developing a consolidated and canvassing system (CCS) for the 2013 elections. The project cost PhP600,000 compared with Smartmatic's CCS at PhP58M (2010). Lagman's output will never be used and, worse, he was never reappointed by Malacanang.

Has poll automation become a mere money-making business and not a system designed by law to enhance election modernization? Has the country's sovereign electoral exercise been privatized to satisfy corporate greed and others out to make profit?

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