

WHISTLEBLOWING IN THE PHILIPPINES: Awareness, Attitudes, and Structures

Basic Project Information

Project Proponent	AIM-Hills Governance Center
Objectives	<p>In general, the research aims to support the policy formulation and constituency building for whistleblowing in the Philippines.</p> <p>Specifically, it aims to:</p> <ol style="list-style-type: none">to conduct a comprehensive review of the theoretical bases, practical aspects, and country and sector experiences that could guide policy formulation and implementation of whistleblowing in the Philippines;to identify key actors and assess their knowledge, interests, positions, alliances, and importance in the policy formulation and institutionalization of whistleblowing in the Philippines;to solicit ideas, opinions and recommendations of the different stakeholders on the various factors that can hinder or promote the practice of whistleblowing in the Philippines;to establish partnerships and promote constituency-building for whistleblowing policy in the Philippines; andto generate necessary baseline information for the development and implementation of strategic communication, advocacy, and negotiation plans for constituency-building, resource mobilization and implementation of whistleblowing in the Philippines.
Components	<ul style="list-style-type: none">• Document research on the principles and practices in whistleblowing• Stakeholder analysis• Focus group discussions and planning workshops for policy formulation and constituency building on whistleblowing• Publication and dissemination of project outputs
Time Frame	4.5 months (Mid-February to End-June 2006)

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A Research Proposal

1 Background

The Medium Term Philippine Development Plan 2004-2010 recognizes that graft and corruption are threats to the sustained growth and development of the country. It admits that initiatives against graft and corruption, which include administrative measures and legislative actions to enhance transparency and effectiveness of sanctions against corrupt behavior, have fallen short of expectation. Based on the Transparency International's Corruption Perception Index (CPI), which score countries in terms of the degree of corruption from 0 (highly corrupt) to 10 (highly clean), corruption in the Philippines worsened from 3.6 in 1999 to 2.5 in 2003. The score marginally improved to 2.6 in 2004.

The slow or lack of progress in the Philippines' anticorruption efforts are attributed to the following issues that need to be address: (a) weak enforcement of corruption laws; (b) the need to reinvigorate the anticorruption agencies and improve their coordination; (c) the low social awareness and high tolerance of corruption; (d) the need to institutionalize government-civil society-business collaboration; and (e) the need to strengthen integrity and accountability in government-business transactions (MTPDP 2004-2010).

Following Hong Kong's successful experience, the Government of the Philippines (GOP) seeks to transform the Office of the Ombudsman into a body similar to the Independent Commission Against Corruption (ICAC), which is credited as the most important factor in the transformation of Hong Kong from the most corrupt to the second least corrupt state in Asia. Also, following the ICAC's lead, the GOP will intensify the lifestyle check program that it has already started to ferret out corruption in the government. The lifestyle check approach provides the simplest way to prosecute the corrupt as it simply requires proving that the wealth of a particular official does not correspond to his declared Statement of Assets and Liabilities (Highlights of the 96th Legislative-Executive Development Advisory Council, downloaded from <http://ledac.neda.gov.ph/Meeting96th.htm>).

To complement the lifestyle check program, the MTPDP 2004-2010 suggests *requiring the attachment of Income Tax Return in Statement of Assets and Liabilities of all public officials and state employees, enacting the Whistleblowers' Protection Act, and requiring the waiver of secrecy of bank deposits of officials charged with corruption after the Ombudsman finds probable cause* (underscoring supplied). There are now pending bills in both houses of the Philippine Congress that seek to enact a whistleblower protection policy. The bill suggests that by exposing wrongdoing in government, whistleblowing serves as a deterrent to graft and corruption, and therefore, should be encouraged by instituting measures that will protect whistleblowers from reprisal and harassment.

The motives for whistleblowing and the lack of whistleblower protection have often lent controversy to whistleblowing. Although whistleblowing has been studied in considerable detail in developed economies and western cultures, there is still a lack of similar studies within the Asian and Philippine contexts. Cultural obstacles notwithstanding, whistleblowing could be a promising anticorruption practice in the Philippines. However,

its adoption and eventual institutionalization requires an in-depth look into the existing political, social, cultural and legal structures that hamper and promote the practice, as well as the level of awareness and attitude towards whistleblowing among direct stakeholders. In addition, any proposed measure towards its adoption should be carefully designed, factoring in inherent pitfalls alongside potential benefits.

2. Purpose and Objectives

The proposed project aims to support the policy formulation and constituency building for whistleblowing in the Philippines. It is posited that policies, laws and regulations influence behavior. However, their effectiveness in inducing the desired behavior would depend on intervening institutional, social and cultural factors.

Thus, to promote whistleblowing as an anticorruption instrument in the Philippines, the study aims:

- a. to conduct a comprehensive review of the theoretical bases, practical aspects, and country and sector experiences that could guide policy formulation and implementation of whistleblowing in the Philippines;
- b. to identify key actors and assess their knowledge, interests, positions, alliances, and importance in the policy formulation and institutionalization of whistleblowing in the Philippines;
- c. to solicit ideas, opinions and recommendations of the different stakeholders on the various factors that can hinder or promote the practice of whistleblowing in the Philippines;
- d. to establish partnerships and promote constituency-building for whistleblowing policy in the Philippines;
- e. to generate necessary baseline information for the development and implementation of strategic communication, advocacy, and negotiation plans for constituency-building, resource mobilization and implementation of whistleblowing in the Philippines.

4 Conceptual Framework and Methodology

Corruption has been analyzed using different models. One of the models often used to analyze corruption is the principal-agent model, which views corruption as a moral hazard problem arising from an information asymmetry between the principal and the agent (Rose-Ackerman, 1999). The principal can be the government or the board of directors, and the agent can be the public servant or the manager or employee of a private firm. The moral hazard problem arises from the fact that the principal cannot perfectly monitor the agent. Thus, the latter has some discretion over his actions, which he may use to pursue his own interests at the expense of the former.

Another popular approach views corruption as a collusive act requiring the participation of two willing partners (e.g. the briber and the recipient of bribe). An agent intending to engage in corruption must look for a willing partner. This search for a corrupt partner is

not without costs. There is the danger that one's intention to commit corruption can be exposed and be penalized, when one approaches a "unsuitable" individual that is not willing to be a partner in crime. The more corrupt individuals, therefore, in the economy, the easier and the less costly it is to find a corrupt partner (Bose and Nabin, 2004). This partly explains differences in the incidence of corruption across different countries.

In these models of corruption, it is easy to spot how whistleblowing can be an effective deterrent to corruption. Instituting whistleblowing could help the principal monitor the action of the agent, thereby reducing the latter's discretion over his action. Likewise, the presence of whistleblowers could make the search for corrupt partners riskier and costlier. However, whistleblowing behavior and the effectiveness of whistleblowing as a deterrent against corruption would depend on the intervening political, institutional, social and cultural factors. Thus, it is important to take these factors into account in the design and implementation of whistleblowing policy.

The proposed study on whistleblowing will consist of: (1) document research on the principles and practices in whistleblowing, (2) stakeholder analysis to identify the key actors and to assess their knowledge, interests, positions, alliances, and importance in relation to whistleblowing policy, (3) focus group discussions and planning workshops for policy formulation and constituency building on whistleblowing.

The information that would be generated from the aforementioned activities would be useful not only for policy formulation, but also in the next phases of the policy process—resource mobilization, implementation design and organizational structuring, and progress/impact monitoring (See Figure 1).

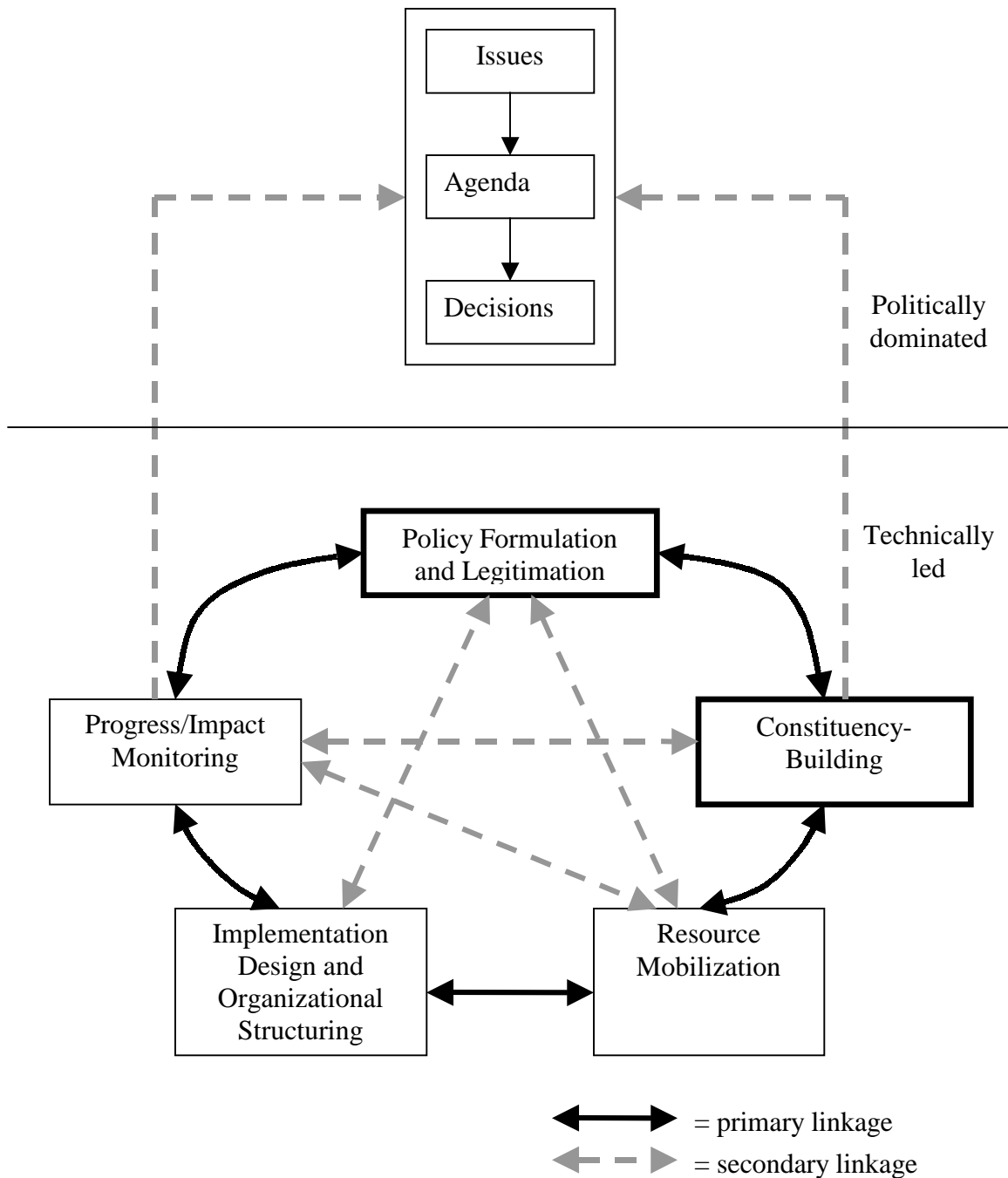
4.1 *Document research on the principles and practices in whistleblowing* Estimated Duration: 1.5 Months (Mid-February 2006 – March 2006)

The research will necessarily start with literature from western and developed economies, where whistleblowing first gained considerable attention. It is, however, desired for the document research to cover sufficient grounds in the Asian and Philippine contexts.

Research questions. This component will tackle the following research questions:

- What are the theoretical and conceptual bases for the practice of whistleblowing? How is whistleblowing defined?
- How is whistleblowing situated in anticorruption programs and strategies? What specific principles does it put into practice?
- What determines an individual's decision to blow the whistle? What kind of work environment promotes or deters whistleblowing?
- What cultural, social, political, legal, and economic factors determine the extent and manner by which whistleblowing is practiced in different countries?
- How has whistleblowing been practiced in the private sector? In the public sector? Cite country examples and statistics.
- What developments in the world economy led to increased focus on whistleblowing?
- Which international conventions and agreements have encouraged or facilitated instituting the practice of whistleblowing in signatory countries?

Figure 1. The Policy Process



Source: Schmeer Kammi, Stakeholder Analysis Guidelines, downloaded from <http://www.lachsr.org/documents/policytoolkitforstrengtheninghealthsectorreformpartii-EN.pdf>

- What factors should be considered in the design of policies that would govern whistleblowing? What prerequisites and caveats should be noted?
- What are the essential elements of a good policy on whistleblowing?

Expected output

The document research component is expected to produce a research monograph entitled, *Principles and Practices in Whistleblowing*. Although it will be primarily a background or input document for subsequent project components, it could nevertheless be a stand-alone reference document to serve the purpose of increasing public awareness of whistleblowing.

4.2 *Individual interviews and focus group discussions of the various stakeholders* Estimated Duration: 3 Months (March 2006 – May 2006)

The stakeholder analysis will involve identifying the key actors and organizations from the government, business, and civil society sectors that have interests in whistleblowing, and could be involved directly or indirectly in the policy formulation and implementation of whistleblowing in the Philippines. A profile (e.g. position and organization, knowledge of whistleblowing, interest, alliances, resources and power) of the different stakeholders will be constructed. Individual interviews using pre-designed questionnaires administered by trained interviewers will be conducted to assess stakeholders' awareness, attitude, and interests toward whistleblowing. The interviews will also solicit ideas, opinions and recommendations regarding the various factors that can hinder or promote the practice of whistleblowing in the Philippines. The individual interviews will be supplemented by focus group discussions, if deemed appropriate.

Expected output

The responses will be structured, analyzed and presented in a report that will be useful in designing a whistleblowing policy for the Philippines, developing strategic communication and advocacy plan for constituency-building, and formulating an implementation program for whistleblowing in the Philippines.

4.3 *Policy planning and mobilization workshops* Estimated Duration: 1 month (June 2006)

The policy planning and mobilization workshops will gather the key major actors to review the different legislative bills pending in Congress in the light of the findings of earlier project components. The workshops will serve as a venue for a consensus building process on the salient and important provisions of a whistleblowing policy in the country. The workshops will also serve to promote a participatory approach to the preparation of action plans for the enactment of a whistleblowing policy, and the design of implementation program.

Separate workshops will be conducted for private corporate sector, the public sector and non-government organizations. Private sector participants will come from financial and non-financial establishments. Public sector participants will come from both the executive branch, particularly officials and staff from the

Office of the Ombudsman, Civil Service Commission, Presidential Anti-Graft Commission, Commission on Audits and legislators, particularly the sponsors, authors and co-authors of existing legislative proposal(s) on whistleblowing. Non-government organizations with strong anti-corruption advocacies such as Transparency International-Philippines, Philippine Center for Investigative Journalism, etc. will also be invited to participate in the workshops.

Expected output

The workshops are expected to produce a basic policy document, an action plan and implementation design, and a public awareness campaign plan. These components are described below:

- The policy document will include a statement of principles, assignment of duties to pertinent agencies, a description of acts that constitute whistleblowing and the circumstances under which its practice is acceptable, provisions for the establishment of supporting structures within individual private firms and public institutions, and provisions for whistleblower incentives and protection.
- At its simplest, the action plan and implementation design will take the form of a timetable of activities leading to the adoption and institution of whistleblowing as an anticorruption measure. It will also map out the key actors and organizations and their role and relationships. The timetable will indicate the players and their responsibilities.
- The public awareness campaign plan will address two concerns, namely, communicating the proposed policy and implementation plan to the pertinent authorities and educating the direct stakeholders and the general public on whistleblowing.

5. Project Timetable

	February			March			April			May			June			
<i>1. Document research</i>																
<i>1.1 Review of literature</i>																
<i>1.2 Review of existing and proposed policy measures in the Philippines</i>																
2. Stakeholder Analysis																
2.1 Identification of stakeholders																
2.2 Develop test the interview questionnaire																
2.3 Conduct individual interviews																
2.4 Conduct focus group discussions (if necessary)																
2.5 Analyze interview responses																
2.6 Prepare report																

	February				March				April				May				June			
3. Policy planning and mobilization workshops																				
3.1 Government sector workshop																				
3.2 Private business sector workshop																				
3.3 Non-government organization sector workshop																				
4. Preparation/submission of project completion reports																				

6. Management Description

The Asian Institute of Management Scientific Research Foundation–Ramon V. del Rosario Sr. Center for Corporate Responsibility–Hills Program on Governance will serve as the Project Management Team.

The RVR-Hills Program on Governance was launched in September 2003. It seeks to promote good governance across the private, public and civic sectors by addressing institutional sources of corruption, and promoting transparency and accountability within and among these sectors.

The RVR-Hills Program on Governance studies governance issues and norms in the corporate and public sectors. It examines the links between corporate governance and national governance, and the causes and consequences of poor governance. It facilitates dialogues to help build coalitions and formulate anti-corruption and governance reform agendas, including the development of benchmarks, monitoring and evaluation systems.

In all of its endeavors, the Program aims to: (a) Nurture mutually reinforcing working relationships with professional associations, governments, civil society organizations, and research institutions dedicated to supporting and promoting good governance; (b) Build partnerships to ensure full involvement of major stakeholders, and identify strategic entry points for intervention and collaboration; (c) Help create an enabling environment for building consensus, coordinating and sharing expertise, and facilitating further policy dialogue on good governance; and (d) Disseminate best practices and raise awareness among stakeholders.

6 Project Staff

Consultants	Duties and Responsibilities
Project Coordinator Mid-February to End-June 2006	To serve as the overall coordinator of the project To be responsible for all the project's components (technical, administrative, and financial aspect) To designate and supervise the project staff
Research Associate Mid-February to End-June 2006	To develop and write the research reports To develop interview questionnaires and FGD design, To analyze interview and FGD results To integrate outputs of the policy planning workshop
Research Assistants (3) Mid-February to End-June 2006	To assist in data gathering To do conduct the interviews To assist in the preparation of the research reports To transcribe and document proceedings of the interviews, FGDs and policy workshops