

# Reorganization Policy Formulation: A Study of Executive-Legislative Relations

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*This paper shows the relevance of some basic constructs of public administration in analyzing a case study on the formulation of a public policy--that of reorganizing the bureaucracy. The case study illustrates that to intervene in public policy formulation, the following points must be considered: (1) the major stakeholders must be properly identified and prioritized; (2) the contending interests must be resolved; (3) all relevant constraints must be considered; and (4) there is no clear separation between politics and administration. These points are identified in the dynamic interaction between the Executive and Legislative Branch. The case study also shows that the formulation of public policy serves as an arena of struggle among various power blocs but values and ethics nonetheless affect decisionmaking.*

## The Case

In the middle of 1990, the Speaker of the House of Representatives (HOR) noted proliferation of Cabinet-level Secretaries (with or without portfolio), Undersecretaries and Assistant Secretaries. To address this concern, he called for the removal of the fat of the bureaucracy because it is unnecessarily eating up a portion of the budget and exacerbating red tape in the government. His recommendation was to reduce the number of members of the Cabinet from 19 to 12.

The Congressional Planning and Budget Office (CPBO) of the House of Representatives which is the think tank of the Speaker on economic and fiscal policy matters, made an initial study on streamlining the bureaucracy. Due to limited time, such study mainly involved the review of bills related to the mandated functions of the concerned government offices which were filed in the HOR (CPBO 1990). Nonetheless, the CPBO was able to generate tentative recommendations on the manner the agencies, manpower and budget of the central government will be altered by reorganization. (See Table 1.)

The Committee on Government Reorganization subsequently passed House Bill No. 31129 (Appendix 1) last 4 June 1990. It limits the number of executive departments and members of the Cabinet to not more than twelve. It also authorizes the President to merge or abolish such departments and other government agencies as may be necessary for the purpose.

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**Table 1. Initial Summary Report on Reorganization  
Congressional Planning and Budget Office  
House of Representatives: 1990**

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**Agencies**

Total number of agencies studied: 54

- \* 36 for abolition  
(17 for integration with other agencies; 15 whose functions are for transfer to other agencies)
- \* 12 for merging with other agencies
- \* 2 whose functions are for integration
- \* 3 for transfer to mother/lead agencies
- \* 1 for streamlining

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**Manpower**

Total number of personnel affected: 19,531

- \* 18,936 permanent
- \* 595 casual/contractual

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**Budget**

Total amount involved: ₱4.06 Billion  
(in 54 agencies studied)

₱735.52 Million - Personal  
Service

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Note: Above data currently being validated/undergoing in-depth study

The Executive Branch of the government reacted to the approval of HB No. 31129 at the Committee level and the much-publicized reorganization plan of the Lower House. In a letter dated 14 August 1990, Executive Secretary Catalino Macaraig manifested the objections of many heads of line departments, by reminding the Committee of the following:

- (1) the entire government bureaucracy has just recently implemented a reorganization based on specific laws.
- (2) a new reorganization may compromise the security of tenure of career civil servants and the vital programs and projects of the departments. Moreover, it may not be realistically and judiciously undertaken within the prescribed period considering the necessity of addressing certain concerns which require thorough studies and extensive preparatory works (Macaraig 1990).

Only Secretary Jesus Estanislao of the Department of Finance (DOF) fully endorsed the reorganization bill. In his 1 August 1990 letter to the Committee, he said that "trimming down the bureaucracy is one means by which the burden of the dismal deficit can be eased" because 51 percent of the total budget go to personnel services (DOF 1990).

The view of Secretary Estanislao is a reflection of one of the policy thrusts of the National Economic and Development Authority (NEDA) as laid down in its macro-economic framework for 1990-1992. The framework states "that the major efforts will be devoted to structural reforms, countryside agro industrialization and decentralization." Decentralization as a policy thrust includes among its imperatives the streamlining of the central government machinery (NEDA 1990).

Taking into consideration the concerns of the Executive Branch, Congressman Felicito Payumo of Bataan delivered a speech on 5 January 1991 proposing the following as possible alternatives to the reorganization plan: (a) redeployment of most of the government workers to the countryside where they are most useful; (b) encouragement of the early retirement while privatizing most government operations so that the workers can be absorbed by the private sector; (c) freeze on hiring of workers in government--attrition by resignation or retirement would only be replaced if necessary from within; and (d) reduction of the number of Cabinet Members starting with those who are without portfolio, including the Presidential Coordinating Secretaries (Payumo 1991).

At the same time, Cabinet Secretary Aniceto Sobrepeña proposed to create a joint executive-legislative working committee to make an in-depth study and come up with its own proposal for a substitute bill. On 21 September 1991, the Joint Legislative-Executive Working Group on the Bureaucracy (JLEWGB) was created with the head of the Civil Service Commission as Chairperson. The members included representatives of the following agencies: Department of Budget and Management (DBM), Cabinet Assistance System (CAS), Development Academy of the Philippines (DAP), Department of Science and Technology (DOST), Committee on Energizing the Bureaucracy, University of the Philippines College of Public Administration (UPCPA), Supreme Court

(SC), the Congressional Committees on Government Reorganization, Civil Service and NEDA.

In that same meeting, Mario Taguiwalo, Head of the Committee on Energizing the Bureaucracy, presented the Development Administration (DA) Framework as possible input to the substitute bill. The DA framework addresses four major areas of concern, namely: (a) streamlining the administrative machinery; (b) wielding the bureaucracy towards honesty and efficiency; (c) continuing pursuit of local autonomy; and (d) improvement of peace and order, law enforcement and the administration of justice (JLEWGB 1990a).

A subworking group was then formed out of senior technical staff of the JLEWGB members. The group drafted a substitute bill which is acceptable to both the legislative and executive departments and not prejudicial to the government employees.

On 11 October 1990, the subworking group came out with the proposed substitute bill. Its salient features were as follows:

- (1) Streamlining the Bureaucracy by limiting the number of departments and executive positions, and rationalizing agency staffing pattern;
- (2) Eliminating duplication and overlap functions;
- (3) Attuning the bureaucratic setup to foster decentralization and devolution of governmental functions;
- (4) Pursuing the privatization concept, as it applies to government services, in the design of agency structure and staffing;
- (5) Ensuring that the reorganized structure and staffing will jibe with the pertinent provisions of the proposed Local Government Code and Civil Service Code;
- (6) Improving the classification and salary structure of positions in the government; and
- (7) Identifying the body that will be responsible for the reorganization study as well as in monitoring its implementation (JLEWGB 1990b).

The draft substitute bill was initially presented to JLEWGB on 18 October 1990 for their review. However, the Secretary of the Department of Transportation and Communications (DOTC) Oscar Orbos replaced Catalino Macaraig as Executive Secretary. The new Executive Secretary abolished the Office of the Cabinet Secretary and the Presidential Coordinating Secretary positions along with a number of positions with a cabinet rank. He also announced that he would conduct studies on how to streamline the bureaucracy and named the twelve departments which were proposed by the House Committee on Government Reorganization to compose the reorganizational

governmental set-up. Similarity in functions was the main criterion used by the House Committee in the grouping of the departments. These departments were as follows:

- (1) Agriculture/Natural Resources/Agrarian Reform
- (2) Education/Science and Technology
- (3) Finance
- (4) Foreign Affairs/Tourism
- (5) Health/Social Services
- (6) Justice
- (7) Labor
- (8) National Defense
- (9) Trade and Industry
- (10) Public Works/Transportation and Communications
- (11) Energy/Environment
- (12) Housing/Urban Development

The Department of the Interior and Local Government (DILG) was not included because its creation was being discussed then by the Bicameral Conference Committee. It was eventually embodied in RA No. 6975.

After the 18 October 1990 meeting, the JLEWGB never convened again. Mr. Orbos resigned as Executive Secretary in August 1991. The supplemental report prepared by the Committee on Government Reorganization did not reach floor consideration. The proposed reorganization plan is on a standstill.

### **Lessons from the Case**

This case study does not only show the intricacies of formulating a public policy particularly on one as controversial as *reorganization*. It also generated some lessons which may be relevant in any effort to restructure the bureaucracy.

Furthermore, the case study illustrates the use of some basic constructs of public administration in the attempt to understand the process of policy formulation.

First, the case shows that in the formulation of public policy, contending interests must be resolved (Dunn 1981). A reorganization proposal such as the one

discussed in this paper is expected to create waves among those who will be affected by it. Hence, the creation of a joint executive-legislative working committee to firm up the proposal is designed to precisely reach a strong consensus to support such action.

Second, the case indicates that the formulation of public policy represents the ultimate expression of power in a governmental setting (Nigro and Nigro 1989:63). When the HOR Speaker verbalized his desire to look into the fat of the bureaucracy, it signals the use of the legislature of its powers, particularly through its oversight function and budgetary review and approval. This demonstrates that "the person who has power influences policy--and the person who influences policy has the power" (Nigro and Nigro 1989:63).

Third, the case suggests that other affected persons such as the ordinary government employees may also play a role in policymaking. The proposal to reduce the number of Secretary, Undersecretary, and Assistant Secretary positions may indeed promote the management value of economy, efficiency and simplicity. At that time, there were 46 Cabinet Secretaries, 87 Undersecretaries, and 117 Assistant Secretaries. The distribution of assistant secretaries and undersecretaries among government offices and departments is seen in Table 2.

The Philippines has one cabinet secretary per 1.3 million population. Its cabinet secretary-population ratio is much lower compared to such advanced countries as the United States (one cabinet secretary per 5.0 million), Japan (one cabinet secretary per 8.5 million), and West Germany (one secretary per 3.8 million). However, limiting the number of executive departments and members of the Cabinet to not more than twelve will hit the ordinary government employees. According to CPBO's initial report, approximately 19,000 personnel will be affected in 54 agencies studied for abolition, merging, integration, streamlining or whose functions were to be transferred to other agencies (CPBO 1990). To a certain extent, this consideration might have derailed the initial push for the reorganization proposal. It, nonetheless, emphasize the need to properly identify and prioritize the major stakeholders in public policy formulation (Dunn 1990).

Fourth, the case pinpoints that timing is a major component in introducing a policy. The plan to reorganize the bureaucracy emerged sometime during the midterm of the Aquino administration. At that time, the civil servants were still adapting to the processes and structures installed by the post-EDSA reorganization. Another reorganization will certainly disrupt the activities and implementation of programs and policies which were being institutionalized. Furthermore, the Local Government Code was still being deliberated in Congress during that period. The Code would devolve considerable powers from central offices to the local units and deconcentrate functions from national agencies to field units (Brillantes 1987). Thus, its implementation would already entail some degree of restrictions in the central bureaucracy. There was also a plan to shift from Presidential to Parliamentary form of government. If such plan would be realized, it would have definite impact on the bureaucratic structure and processes. This illustrates the need to consider all relevant constraints in the formulation of a public policy.

**Table 2. Comparison of the Number of Undersecretary and Assistant Secretary Positions**

Office/Department	1990		1992	
	USec	ASec	USec	ASec
(1) Office of the President	9	6	9	6
(2) Office of the Vice-President	1	1	1	1
(3) Department of Agrarian Reform	2	5	3	3
(4) Department of Agriculture	5	8	3	3
(5) Department of Budget and Management	3	4	3	3
(6) Department of Education, Culture and Sports	5	5	4	4
(7) Department of Environment and Natural Resources	5	8	3	3
(8) Department of Finance	5	6	3	3
(9) Department of Foreign Affairs*	2	7	2	4
(10) Department of Health	5	7	4	4
(11) Department of the Interior and Local Government	3	4	2	3
(12) Department of Justice*	4	3	3	3
(13) Department of Labor and Employment	4	5	3	3
(14) Department of National Defense	4	8	3	3
(15) Department of Public Works and Highways	5	7	4	4
(16) Department of Science and Technology	3	4	3	3
(17) Department of Social Welfare and Development	3	4	3	3 <sup>o</sup>
(18) Department of Tourism	4	1	3	1
(19) Department of Trade and Industry	5	6	3	3
(20) Department of Transportation and Communications	5	9	3	7
(21) National Economic and Development Authority	3	6	3	3
(22) Office of the Press Secretary	2	3	2	3
<b>TOTAL</b>	<b>87</b>	<b>117</b>	<b>70</b>	<b>73</b>

\*Includes a position of Legislative Liaison Officer equivalent to an Assistant Secretary

Source: General Appropriations Act of 1990 and 1992.

Fifth, the case demonstrates that public administration and politics must clearly reckon with popular perception and participation. The Speaker and the House Committee on Government Reorganization were deluged with letters and position papers from various agencies and individuals articulating their suggestions on the plans to reorganize. The reactions of these agencies and individuals were acts of participation in the formulation of public policies and the political process. Because politics is "the process by which power and influence are acquired and exercised," (Nigro and Nigro 1989:8) their efforts to reach out to the legislators are a form of participation in a political exercise.

Sixth, the case illustrates how values and ethics affect decisionmaking in public administration. The objections from the agencies that would have been affected by the reorganization were expected. For instance, the DOST Secretary Ceferino Follosco's letter to the House Committee on 26 June 1990 read as follows:

The imperatives of a responsive government are stability, efficiency of the delivery system, productivity of the economic sector, and law enforcement. Since the bureaucracy is still going through the process of achieving these goals, ample time should be given to the Executive Branch to solve the various problems of public administration, among which is ensuring a stable bureaucracy (DOST 1990).

DOST's opinion was echoed by the Department of Trade and Industry's (DTI) reaction. In a 3 July 1990 letter, the DTI Secretary indicated the impracticability of another reorganization because "the President's term is winding up, and any reorganization at this point will only confuse the people, breakdown established systems and working relationship, and derail on-going programs" (DTI 1990).

On the same vein, Secretary Benjamin T. Leong of the Department of Agrarian Reform (DAR) in his letter dated 6 July 1990 said:

The government has barely settled after the post-EDSA reorganization of the bureaucracy and some departments even continue to suffer instability from frequent leadership changes. Another round of reorganization in such a magnitude as contemplated in the proposed bill will only create further instability and breakdown in the delivery of basic government services due to the ensuing confusion, anxiety and demoralization of personnel. While such adverse effects may only be temporary, they will undoubtedly slow down or even stall the present Administration's efforts to hasten the delivery of the basic services to the people. We believe that a reorganization in the scale called for by the proposed bill is more proper at the beginning of another presidential term. On account of the special position of the DAR among the executive departments as the primary agency charged by law with the implementation of the Comprehensive Agrarian Reform Program, DAR must not be abolished, merged with, nor subsumed under any department as a result of a Cabinet/Executive Branch reorganization (DAR 1990).

They might have valid reasons but we cannot also discount the possibility that heads of the affected agencies were bent on protecting their own turf. They will not give something away even if it will mean attaining a greater objective, i. e., making the government more responsive to benefit a greater number of people.



On one hand, DOF's endorsement of the reorganization could have been motivated by its desire to increase our finances through savings that can be generated as a result of bureaucratic streamlining. Would DOF have the same stand had it been affected also by the reorganization? Reorganization is a political process. Hence, there will always be struggle between the desire to retain the political power being enjoyed by an agency and the promotion of the objectives of development administration. Goal displacement which connotes the "tendency of the different subgroups in an organization to make the most of their own parochial values, regardless of the impact on the organization as a whole" was very pronounced in this case (Nigro and Nigro 1989:45). The case presented here clearly pointed out that a reorganization move can lose steam not only due to the lack of political will but also to the unwillingness to "compromise certain values for the sake of others" (Nigro and Nigro 1989:38).

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1990 NEDA Macro Economic Framework Paper submitted to the Department of Budget and Management (8 October).

**Nigro and Nigro**

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**Payumo, Felicitio**

1991 Reaction to the Reported Department Mergers by Cong. Felicitio Payumo during the Session of the House of Representatives (5 January).

**Position Papers of the following agencies:**

- 1990
- (a) Office of the President
  - (b) Department of Social Welfare and Development
  - (c) Department of Agriculture
  - (d) Department of Environment and Natural Resources
  - (e) Department of Foreign Affairs
  - (f) Department of Public Works and Highways
  - (g) Civil Service Commission
  - (h) Department of the Interior and Local Government

**Roño, Jose and Rodolfo Albano**

1990 Statements made by Cong. Jose Roño and Cong. Rodolfo Albano during the Session of the House of Representatives (11 October).

## Appendix A

**Republic of the Philippines**  
**HOUSE OF REPRESENTATIVES**  
Quezon City, Metro Manila

Third Regular Session .

HOUSE BILL NO. 31129

Introduced by the Committee on Government Reorganization

AN ACT LIMITING THE NUMBER OF THE MEMBERS OF THE CABINET TO NOT MORE THAN TWELVE AND AUTHORIZING THE PRESIDENT TO MERGE OR ABOLISH SUCH DEPARTMENTS AND OTHER GOVERNMENT AGENCIES AS MAY BE NECESSARY FOR THE PURPOSE

*Be it enacted by the Senate and the House of Representatives of the Philippines in Congress Assembled:*

SECTION 1. The number of members of the Cabinet is hereby limited to not more than twelve (12).

SEC. 2. The President shall, within ninety (90) days from the approval of this Act, cause the absorption or merger of such offices and/or the creation of new ones necessary to attain the purposes of this Act, taking into consideration the nature and objectives of the respective departments, and the promotion of the efficiency and effectiveness of government service.

SEC. 3. The Civil Service Commission shall issue rules and regulations as may be necessary to ensure the protection of the right to security of tenure of government personnel in the agencies affected by the reorganization under Section 2 hereof.

SEC. 4. Any action taken by the President pursuant to the provisions of this Act shall be immediately reported to congress and shall be valid and subsisting until Congress shall provide otherwise.

SEC. 5. All laws, decrees, orders, rules and regulations and other issuances, or parts thereof, inconsistent herewith, are hereby repealed or modified accordingly.

SEC. 6. This Act shall take effect fifteen (15) days after the lapse of its publication in two national newspapers of general circulation.

Approved.