

**THE CHALLENGE OF GOVERNANCE  
IN A LARGE BUREAUCRACY  
(DEPARTMENT OF EDUCATION):  
Linking governance to performance in an  
under-performing sector**

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**THE CHALLENGE OF GOVERNANCE IN A LARGE BUREAUCRACY  
(DEPARTMENT OF EDUCATION):  
Linking Governance to Performance in an Under-performing Sector**

By

JUAN MIGUEL LUZ<sup>1</sup>

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**ABSTRACT**

How do you manage governance in a large, unwieldy bureaucracy – the largest in the Philippine governmental structure – that has been under-performing for years? How do you manage quality outcomes in a structure that is largely dispersed, relatively delinked, and of low-level managerial talent? How do you ensure that standards of quality and directions set by policy are uniformly understood and, more importantly, implemented?

The new mantra in the Department of Education (DepED) is “school-based management” (SBM). Yet the way DepED is managed is largely central office-driven, not from the ground-up (i.e. at the school and schools division level). This is a result of decades of compliance with centrally-mandated policy driven by centrally-provided resources. There are three contradictions that need to be worked out given this new thinking.

The first contradiction: *Structural rigidity versus a new mandate*. SBM has shown better results than centrally-mandated policy in specific programs.<sup>2</sup> Yet, there is a structural rigidity in the bureaucracy that maintains central control over processes despite

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<sup>2</sup> Bautista, Bernardo and Ocampo: 2008

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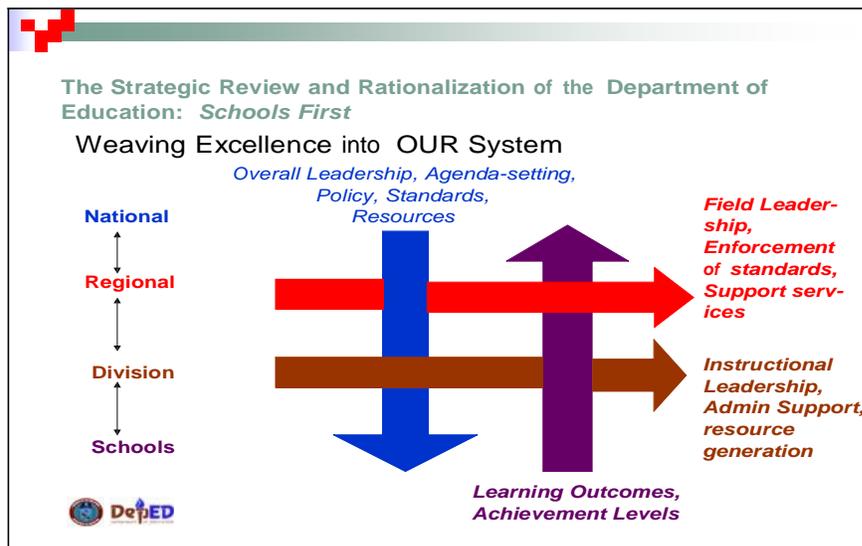
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these findings. This makes SBM more an idea than a fact. On the other hand, there are innovators within the bureaucracy that are working very hard to change this mindset and to introduce a whole new way of thinking and managing. This might be part of a steep learning curve. But it could also be a structural divide that isn't easily overcome.

The second contradiction: *Central control versus decentralization*. Despite almost two decades of decentralization efforts at the national level, central control over education is still very much the norm. The national budget is one manifestation of central control over a highly dispersed education system. The way the national budget is programmed, local innovators have very little room to maneuver and manage day-to-day quality service, much less reforms.

The third contradiction: *The need for field managers to govern a system that has very little managerial talent on the ground*. This is a function of how little focus is given to the training of education managers in the system.

The key to change in the governance structure is embedded in the Basic Education Law but which needs to be internalized by the bureaucracy. This is best laid out in a schema first introduced by the “Schools First Initiative”, the fore-runner of the current Basic Education Sector Reform Agenda (BESRA).



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## I. INTRODUCTION

### *A System in Crisis*

Philippine education is in crisis.<sup>3</sup> This is manifest in performance indicators that reveal high rates of drop-outs across the system, poor performance in national and international achievement tests, poor reading abilities and functional literacy of older students, lack of student preparedness for study in high school and university as revealed in diagnostic tests and entrance exams<sup>4</sup>, and the recognition by the business community of declining abilities of Filipino workers in language proficiency, technical skill and ability to think and solve problems.<sup>5</sup>

Numerous studies of the problems in Philippine education lead to predictable and oft-repeated conclusions: the school system has gotten too large, too unwieldy and too difficult to manage; shortages in classrooms, teachers, textbooks and material resources are at the heart of the problem; teachers are poorly trained despite having passed a licensure examination; there is little or no in-service training to improve teachers once hired; oversized classroom sections, multiple shifting or both undermine student learning to occur. The list goes on and on.

The continuing situation begs the question: Is Philippine education being governed properly or is the system so structured that regardless of reform it cannot change for the better?

Further, can proper governance and leadership improve performance of the system overall as measured by indicators? Or is the opposite true: That the poor performance of Philippine education, as a whole, is a reflection of poor governance (at worst) or of a governance structure (i.e. institutional arrangements) that cannot perform as mandated (at the very least)?

### *Governance Defined*

Governance is the system by which organizations are directed and controlled. The governance structure specifies the distribution of rights and responsibilities among different participants in the organization, such as the board of directors, managers,

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<sup>3</sup> Abad: 2004

<sup>4</sup> De Jesus: 2004

<sup>5</sup> Development Academy of the Philippines: 1999

shareholders and other stakeholders, and spells out the rules and procedures for making decisions on organizational affairs.<sup>6</sup>

The World Bank applies a functional framework in defining governance: “...the balance between economic and social goals and between individual and communal goals. The governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of these resources. The aim is to align as nearly as possible the interests of individuals, organizations and society.”<sup>7</sup>

For individuals, these interests are schooling, employability, careers and family. For organizations, these are about relevance (e.g. beyond survivability) and value-creation (e.g. profit for business corporations; public service for public sector organizations and agencies). For societies in the 21<sup>st</sup> century, the goals are increasingly about global competitiveness, improved quality of life and political stability.

In public education systems, all three goals matter and are related:

- Educated individuals must be able to function as active citizens and contribute to society with positive qualities required of participation;
- The education system must be able to transform young individuals into quality human capital through schooling and education processes; and,
- Society must be competitive and provide that which can contribute to a better quality of life for its people.

One of the factors that ensures the competitiveness of a society is an education system – both public and private – that can continually produce educated individuals and a competent, skilled workforce.

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<sup>6</sup> OECD as cited in Alfonso, Roman and Quiambao: 2005

<sup>7</sup> Ibid

## **WHAT MATTERS IN GOVERNANCE?**

A Framework from an Organizational Development perspective<sup>8</sup>

### ***Shareholder Value***

*What an organization or system creates that is of value for those who invest in, are members of and/or are beneficiaries of the organization or system.*

For the education system, value is in the form of quality graduates who can contribute to society's goals. This is measured by graduation rates and the attainment of degrees or credentials by individuals that would make them productive members of society. For society (at least in functioning democracies), the chance at a better quality of life for individuals is essential if society is to be a stable polity. Education is the key to this transformation of society.

### ***Management Competence***

*Management's capacity to organize and lead the organization towards stated goals beginning with vision, mission and strategy and including delivery or implementation.*

In an education system, this is about system-wide capability to lead and manage a complex system of dispersed actors (e.g. schools) and layers of bureaucracy. Clearly defined roles are essential to define responsibilities and accountabilities within the organization.

### ***Accountability***

*The consequence of policies enacted and decisions made by management with proper assignment of responsibility regardless of outcomes.*

In education systems, there are two levels of accountability that must be properly identified.

First, short-term accountability between the use of resources (e.g. budgets) and the delivery of inputs.

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<sup>8</sup> Alfonso, Roman and Quiambao, AIM: 2005.

Second, longer-term accountability between policy and outputs of the system. The *Education for All* performance indicators of UNESCO provide a framework of comparative analysis of outputs and outcomes informed by world-wide schooling experience.

### ***Responsiveness***

*The link between plans & actions and individual needs & community demands and the ability to make the former conform or address the latter in a timely and relevant manner.*

In education systems, this is the ability to respond to community demand for schooling of young children in a timely manner.

### ***Transparency***

*The ability to make known transactions and decisions of leaders and managers in a manner that can be understood and appreciated by stakeholders (e.g. those affected by decisions) and which can hold up to objective scrutiny by other parties that have stakes in the decisions made and actions taken.*

A corollary of transparency would be *predictability* allowing stakeholders to know in advance what possible outcomes might be for their own benefit as a result of decisions made.

### ***Stakeholder Concerns***

*The inclusion of those other than the ones who have a direct stake in the organization.*

In education, it can be argued that *all* members of society have a stake in well-managed education systems whether they have household or family members in school or not.

## ***A Theory of Organization and Governance (Drucker)***

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### ***The Challenge of Governance in a Large Bureaucracy (Department of Education): Linking Governance to Performance in an Under-performing Sector***

In *The Age of Discontinuity*, Peter Drucker asks fundamental questions of organizations and how they should be governed: How do they/should they function and operate? How do they do their job? “There is not much point in concerning ourselves with any other question about organization,” Drucker writes, “unless we first know what they exist for.”<sup>9</sup>

Drucker addresses three aspects of organization in answering these questions: goals, management and individual performance.

1. ***Ends: Organizations do not exist for their own sake. They are a society’s means in discharging particular social tasks.*** An organization’s goal is not survival; rather, it is about a specific contribution to individuals and society. The test of performance, unlike that of a biological organism, always lies outside of it. Goals are the articulation of how an organization meets this test. Drucker’s key questions: How does an organization mobilize its energies for performance? How does it measure whether it performs? His hypothesis: Governance starts with an understanding of the bottom line or goals of an organization and its role in society’s improvement.

2. ***Managerial Processes: While each organization serves a different purpose for the community, in the managerial area, organizations are essentially similar.*** They must balance the objectives of the organization against the needs and desires of individuals (e.g. shareholders and stakeholders). Each organization has the task of balancing the need for order against the need for flexibility and individual scope. Each requires a structure determined by its task and its demand. Drucker’s key questions: Should structure, i.e. the constitution of an organization, be absolute and according to principles of organization? Or should it be focused on specific objectives and strategy? What should be the balance between efficiency and effectiveness in management? Drucker’s hypothesis: Governance is about processes that contribute to the end objectives of the organization. Processes must reflect proper management and therefore, good governance.

3. ***Leadership: Executive performance matters.*** Organizations are legal fictions. By themselves they do nothing, decide nothing, plan nothing. Individuals do these. Above all, organizations only ‘act’ insofar as people act whom Drucker calls ‘executives’ – individuals who are expected to make decisions that affect the results and performance of the organization. This means the ability to make decisions that get the right things done. In the knowledge organization of the 21<sup>st</sup> century (and an education system is a knowledge organization), that means everybody has a role to play in decision-making at their level.

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<sup>9</sup> Drucker: 1968. Chapter 9, pages 188-201.

Policy goals and objectives (the desired outcomes of education *as a system*), the management of this system (e.g. critical processes), and executive performance and leadership are therefore critical to the governance of all organizations and are the measures by which we determine if organizations can deliver or will fail.

## II. CRITICAL QUESTIONS FOR THE DEPARTMENT OF EDUCATION

### *A Brief History of Responding to a Growing Interest in Public Education*

The Philippine public school system was formally established in 1901 as a Department of Public Instruction by the Philippine Commission under American colonial rule. While schools had existed throughout the era of Spanish rule, these were run, for the most part, by religious orders and were neither organized as a system of education for the general public nor regulated by a single regime of standards that applied to all schools.

Three weeks after Manila was occupied by American armed forces in 1898, seven public schools were opened, each handled by a soldier assigned to teach English. By 1901, 22 more schools were established in different parts of the country with a total enrolment of over 4,000 students. To teach a growing number of students and a population increasingly interested in educating young children, 1074 American teachers from 47 states of the United States arrived to take up teaching posts all over the country. They became known as “Thomasites” after the US troop carrier, *USS Thomas*, which carried the largest contingent of 509 teachers who arrived on August 23, 1901.<sup>10</sup>

By 1904, the number of enrolled students expanded twelve-fold to over 50,000 with another 23,000 children turned away for lack of space. To meet the growing demand, the Legislature of the Philippine Commission passed legislation to set up more schools. That year, 355,722 students were enrolled throughout the archipelago.<sup>11</sup>

A decade later, the number tripled to over a million children in over 4000 schools. By the start of the 1930s, over 1.2 million elementary school pupils were joined by 17,355 high school students. Yet this number represented only 37% of all school-age children recorded by the census.<sup>12</sup>

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<sup>10</sup> Racelis and Ick: 2001

<sup>11</sup> Encarnacion, in Racelis and Ick: 2001

<sup>12</sup> Perez, in Racelis and Ick: 2001

Today, DepED is the largest government bureaucracy in the country directly operating 37,807 elementary schools and 6,488 high schools nationwide<sup>13</sup> organized into 176 schools divisions (and growing, as more provinces and cities are created) and 17 regional offices.<sup>14</sup> All report to a central office which has full authority and responsibility over all schools and the entire system.

In schoolyear 2007-08, DepED had 356,381 elementary and 138,362 secondary teachers on its payroll with another 65,312 non-teaching personnel, including principals, education and district supervisors, division superintendents, regional directors, school nurses, doctors, dentists, librarians, clerks and central and regional office staff.<sup>15</sup>

DepED is the largest bureaucracy in the country and remains highly centralized in terms of policy, instruction and implementation. Yet, it is also characterized as a system that is highly dispersed (schools are scattered all over the country) with unwieldy channels of accountability and fuzzy lines of communication.

### ***Key Questions***

As an education system, the following questions should guide any discussion on management and good governance:

#### **A Question of Standards**

- *What education (performance) standards matter?*
- *Who sets these standards?*
- *Who and what ensures the enforcement of standards (e.g. quality in the system)?*

The Philippines is signatory to the UNESCO *Education for All (EFA)* framework. Within this framework, education is a right of every child with principal focus on primary level schooling. The Philippine Constitution of 1987 enshrines this right and includes secondary education as the minimum level of basic education that must be offered each Filipino child.

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<sup>13</sup> As of school year (SY) 2007-08.

<sup>14</sup> Excluding the Autonomous Region in Muslim Mindanao (ARMM). The Regional Department of Education is under the ARMM Regional Government and independent of the National DepED.

<sup>15</sup> Basic Education Information System (BEIS), DepED. SY 2007-2008

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The EFA framework provides a set of indicators to measure system performance. How these indicators are arranged as country goals is what is critical to governance.

- (a) Access to Grade 1 (with growing encouragement of pre-schooling);<sup>16</sup>
- (b) Participation of all school-age children in primary (and secondary) schooling;
- (c) Completion (or retention) leading to graduation at the primary (and secondary) levels; and,
- (d) Achievement, as measured by national tests.

In the Philippine experience, access to primary schooling is not an issue (except for very small rural populations, more specifically, indigenous people). Retention is the major concern of the system. The high dropout rates at both the elementary and secondary levels are continuing areas of concern. While the national policy is universal schooling for all, there is difficulty enforcing rules against parents who do not help keep children in school. Further, there are insufficient resources allocated for alternative learning systems for out-of-school (yet school-age) children.

### **What Processes Matter?**

- *How is quality education to be delivered and ensured in the system?*
- *How is delivery of education service to be regulated?*
- *How is quality of education delivery to be measured?*

Processes include curriculum design, classroom teaching, testing, guidance and counseling, extra-curricular programs for students, and the like. While linked to the question of standards, the methodology or delivery mechanisms reflect differing interpretation of standards and the issuance of policy.

In curriculum design, for example, should the Department of Education prescribe a platform of *desired learning competencies* expected of all children or *minimum learning competencies* based on what the average student can achieve? This discussion can be carried out in a policy environment that is objective and informed by good research, or in a political arena with specific (even personal) agenda or subjective precepts, even bias.

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<sup>16</sup> Pre-schooling is not compulsory nor universally available to all Filipino children. DepED provides pre-schools on a selective basis starting with the poorest municipalities in the country or allows communities to set up pre-schools within existing elementary schools. Except in 5<sup>th</sup> and 6<sup>th</sup> class municipalities and on a limited basis, DepED does not fund pre-school teachers. These are paid for by monthly contributions from interested parents.

For DepED, the debate is often shaped by the pressures of growing enrolments that are straining the system, as a whole, and leading to overcrowding of schools, in particular. In the effort to meet the growing demand for education services (more from population pressure than from growing or expanding household demand), DepED tends towards a “one size fits all” rule as the most efficient way to try to address need all over the country. This has tended towards the minimum learning competencies mode.

While processes and methodologies need to be flexible and upgraded over time, the question is whether reforms and changes are driven by demand or by instruction. Are processes being shaped in an objective manner with quality outcomes in mind (i.e. EFA performance indicators) or are they being shaped in a subjective manner with personal goals or a political agenda as the driving factors?

### **The Question of Structure**

- *How do you organize education service delivery so that it is consistently carried out (and followed through) throughout the system?*
- *How do you organize lines of responsibility and accountability?*

In 2001, R. A. 9155 reshaped basic education placing this squarely in the hands of a Department of Education.<sup>17</sup> While the policy statement and intent is to democratize the system by moving towards school-based management and principal (e.g. school heads) empowerment, the law retained the same structure. In the process, changing the system and the getting the appropriate behavior has been difficult without the carrots and sticks provided by external actors (e.g. Third Elementary Education Project<sup>18</sup>; Basic Education Assistance to Mindanao<sup>19</sup>) which may or may not institutionalize change.

The implementing rules and regulations (IRR) of RA 9135 attempted to shift the center of responsibility for education outcomes to the schools division level where critical

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<sup>17</sup> DepED has direct control over all public schools and regulation over all private schools in all regions except the Autonomous Region for Muslim Mindanao (ARMM) which has its own DepED-ARMM. This was the final step in the tri-focalization of education going back to the conclusions of the Congressional Commission on Education Reform in 1992. Prior to 1992, the Department of Education, Culture and Sports (DECS) was the single agency in charge of primary, secondary, tertiary and non-formal education. After 1992, tertiary education was removed and placed under the Commission on Higher Education (CHED) and technical-vocational education was moved to a new body created called the Technical Education System Development Agency (TESDA) under the Department of Labor and Employment. What was retained in the DepED was primary and secondary education (basic education).

<sup>18</sup> Funded by the World Bank, 1999-2006

<sup>19</sup> Funded by the Australian Government (AusAID), -2002-2009

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mass could be assembled and supported.<sup>20</sup> Regional offices, however, continue to try to control situations making operational decisions that are best left to school divisions. Within divisions are district offices which were originally to be phased out by the law on basic education but which were retained after intense lobbying. So the question remains: Can the system effect change when the structure remains basically the same?

The answer will have to be three-fold: (a) Dynamic DepED leadership, both nationally, at the division level, and in the schools; (b) a new set of external players taking on a larger role in local education (e.g. local school boards); and, (c) school communities (i.e. parents) taking a more progressive role in the schools of their children. The last two are stakeholders of education but not organic to the Department of Education.

### **Stakeholder Participation**

- *Who does the system serve?*
- *Who has a right to demand education service?*

Traditionally, formal education operates like a black box with the school defining the context and key players. School administrators, teachers and students are the main actors in this supply-driven situation with the State being the main provider of education in the country.<sup>21</sup> Worldwide experience, however, is recognizing how a more open school system with parents, community and local government involvement can have dramatic effect on schooling outcomes.

The participation of these new actors may be effective but they also present new challenges to the DepED. In schoolyear 2003, the cities of Marikina and Pasig in the National Capital Region announced that class sizes in public schools would be set at a more desirable ratio of 40-45 students per class. To achieve this ratio, the mayors of both

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<sup>20</sup> This is not a perfect solution as there are school divisions that are too large and unwieldy to be effective managers of school-level outcomes. Among the school divisions that are too large are provincial divisions such as Camarines Sur, Isabela, Iloilo, and Leyte that have over 1000 public schools to manage. These, in the author's opinion, should be split into two or three smaller divisions to attain better spans of control.

<sup>21</sup> Over the past 30 years, close to 95% of all elementary-age pupils attend public elementary school. At the secondary level, however, there has been a huge shift away from private education to public education. In 1983, close to 43% of all high school students were enrolled in private high schools. By 2005, this share had dropped to around 18%. The provision of free secondary schooling and the mushrooming of public high schools nationwide had a lot to do with expanding public high school enrolment. But hard economic times over the last decade starting with the Asian financial crisis in 1997-8 has had a lot to do with the migration from private to public high schools by families finding it more and more difficult to pay for increasing tuition rates in private high schools.

cities announced that public schools in their cities would henceforth be limited to city residents only and that students crossing over from neighboring cities and towns would no longer be able to enroll or would be a second priority, if there were space available.

In a system funded by the national government, can a local government unit make such a unilateral decision even if intended to improve schooling outcomes for students? Because of the constitutional provision for free universal schooling for all children, no child can be turned away from any nationally-funded school. In the end, the local government could not enforce such a local decision because of the national mandate. One way out of this impasse was a proposal that if and when local government units (LGU) take over the funding for schools within their boundaries beyond a certain threshold (e.g. 25% of operating costs for all schools), a case could be made that an LGU had sufficient equity in the system to take over and make strategic decisions as a local school board. Until such time, however, the schools would be managed by the national department and no limits on enrolment could be made by local governments. After initial discussion, the proposal did not prosper and the situation today remains the same.<sup>22</sup>

This raises the stakes within the system and is a dialogue that needs to be continued, refined, changed, and enforced as situations develop over time.

#### **IV. GOVERNANCE 101: GOALS AND PRIORITIES**

##### ***What Outcomes Matter?***

In 2004, DepED studied patterns of cohort survival and completion to determine what drove dropout rates: At what grade levels were dropouts highest and who were dropping out of schools? For cohorts that started in Grade 1 in the early 1990s, the following pattern for the country as a whole was revealed.<sup>23</sup>

- Almost all Filipino children enter Grade 1, whether this be at the age of 6, 7 or 8.<sup>24</sup>

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<sup>22</sup> Secretary Edilberto de Jesus and the DepED team discussed this as a possible policy at that time. No decision was reached and no policy ever enacted.

<sup>23</sup> Secretary Florencio B. Abad: 2005. The data set presented was for the specific cohort that started Grade 1 in SY 1994-95 and completed high school in SY 2003-04.

<sup>24</sup> The official DepED policy is to enroll children in Grade 1 at age 6. In reality, parents tend to enroll their children in Grade 1 at age 7 or 8. Since the early 1990s, the Grade 1 enrolment has approximated the 6 year old population. This has been consistent year to year leading to the conclusion that every Filipino child does make it to Grade 1 whether at the right age (6 years), slightly older (7 years) or overage (8 years or older).

- For every 100 children that enter Grade 1, only 86 move on to Grade 2.<sup>25</sup>
- By the start of Grade 4, only 76 (of the original 100) are still in school.
- 67 will make it to the first day of Grade 6.<sup>26</sup> Of this, 65 will graduate from elementary school (and complete a full elementary cycle).
- Of the 65 that graduate, 58 will transition to high school (in a different school, in many cases, farther away from home).<sup>27</sup>
- Of the 58 that enter high school, only 42 will graduate four years later.

The cohort survival rate for elementary schooling has improved only marginally over the past three decades. In 1975, the Department reported a cohort survival rate for elementary of 45%. By 1985, this had moved up to 55%, reaching 65% by 2005. This represents a very minimal average improvement of less than two-thirds of 1% per year. Compare this with the jump in cohort survival in countries that started at the same levels as the Philippines in the 1950s and one can see that the country's education output is actually falling behind even as the numbers improve in absolute terms.<sup>28</sup>

Achievement is the final output of any education system. In the simplest metrics, this is measured by the following globally-applicable indicators:

- (a) At the end of the primary level (Grade 3, 8-9 years old) - independent reading and numeracy
- (b) At the end of the elementary cycle (Grade 6, 11-12 years old) – reading with comprehension, intermediate reasoning and basic mathematics (to the level of algebra)
- (c) At the end of the secondary cycle ( Grade 10 or HS IV, 16-17 years old) – Proficiency in English, science and mathematics

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<sup>25</sup> There is some degree of repetition of grades as well as children returning back to school after initially leaving. The data suggests that there might be as much as 1.9% of the high school enrolment and 0.77% of the elementary enrolment returning to school after an absence of one or more years. DepED identifies these children as *balik-aral* (“back to school” pupils). The data is not, however, reliable and no strong conclusion about school returnees can be made. (BEIS, SY 2007-08).

<sup>26</sup> Cohort survival rate is measured as the gross enrolment at the start of Grade 6 divided by the gross enrolment for the same group at the start of Grade 1 six years before.

<sup>27</sup> The non-transition rate is a form of dropping out. The non-transition rate from Grade 6 to HS I constitutes the next highest level of dropouts after Grade 1.

<sup>28</sup> In a world that is globalizing, improvement at a lower rate than neighboring countries translates to an actual “falling behind” in terms of competitiveness.

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The Department provides for a system-wide national achievement test (NAT) at the end of the elementary cycle (Grade 6) and the secondary cycle (Grade 10 or HS IV). These tests are administered to the entire public school enrolment at those grade levels but are not considered part of child's final grade.<sup>29</sup>

### *A Tale of Three Tests*<sup>30</sup>

**High School IV National Achievement Test (NAT).** In March 2004, all High School Fourth Year (IV) students were given a National Achievement Test in English, Science and Math as a way of determining their levels of preparation for university or the world of work.

Only 6.8% of the seniors tested passed the English test with a score of at least 75% correct.<sup>31</sup> This was higher for math with 12.9% passing, but was terrible for science with less than 1 in 100 (0.7%) students scoring 75% or better. Overall, only 2.1% of all high school seniors met the passing grade of 75%. If 50% MPS were used as the passing score, one-third (33%) of all seniors would have passed. As a group, the average score for English was 50.1%, for science 36.8% and for mathematics 46.2%, versus the benchmark passing grade of 75%.

**High School Readiness Test (HSRT).** In July 2002 and 2003 and again in May 2004, the Department tested all First Year High School (HS I) freshmen students in the same three subject areas. This HSRT (called the National Diagnostic Test in 2002 and 2003) tested over 1.3 million students aged 12-13 years.

The three years of testing revealed similar results. In the 2004 HSRT, less than one percent (0.52%) managed a score of 75% or better in all three subject areas. If 50% were the passing mark, only 7.4% of the incoming freshmen passed. And in all three test

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<sup>29</sup> The manner and scope of testing has changed over the years, largely driven by Departmental leadership (i.e. the Secretary of Education) and their opinion of the importance of testing. National testing has moved from (a) a test aimed at determining university-readiness (NCEE) to (b) a student-centered achievement test (Gonzalez: NEAT for elementary, NSAT for high school) to (c) a student-based diagnostic test administered to a different grade level (Roco; NDT) back to (d) an achievement test (De Jesus/Abad: NAT) to (e) an aptitude test (Lapus: NCAE). These shifts have occurred over the last 20 years with more frequent change over the past seven years. It is interesting to note that secretaries of Education from an academic background focused on achievement tests, while those from political backgrounds settled on diagnostic or aptitude tests.

<sup>30</sup> Luz: 2004

<sup>31</sup> The Department of Education uses a score of 75% (percent of all questions answered correctly) as the passing mark for determining "mastery" of a subject area. This is referred to as the *mean percentage score* (MPS).

years, the median score was a low 30% (MPS). In the English test, only 18 out of every 100 test-takers passed; in Science (10 out of 100); even less in Math (8 out of 100) at 75% MPS.

What was the passing grade for *at least half of the students* entering HS I? This would be around 34% in English, 25-29% for mathematics and 30-34% for science. It would be 30% MPS for the entire test.

**TIMSS and TIMSS+.** In the one international comparative survey test the Philippines participates in (*Trends in Math and Science Survey*), Filipino school children fared poorly in the 1998 and 2003 tests. Widely quoted, the Philippines was 36 out of 39 countries with a country average significantly lower than the international average in Mathematics and Science.

In 2003, out of 45 countries that participated in TIMSS+, the Philippines ranked 41 based on the average scores of HS II students (14 year olds) that were tested in Math and Science, significantly lower than the international average in both tests.

Test scores reveal levels of learning that will not help children become productive adults. Nor does it allow the country any chance at building a foundation for development, growth and equity to deal with a range of concerns from eradicating poverty to becoming internationally-competitive as an economy.

**EVIDENCE OF ABUNDANT AND PERSISTENT LEARNING GAPS<sup>32</sup>**

**1986 – 1988 SOUTELE**

Math scores (Grade 6) – 44.3% mean passing score (MPS) [1986]

Math scores (Grade 6) – 41.9% MPS [1988]

Overall test scores (Grade 6) – 47.5% MPS [1988]

**1989 BEE (Bureau of Elementary Education) - PRODED**

Math is least-learned subject among Grade 6 pupils.

**1991 UPCE (U. P. College of Education) – PRODED**

Overall test scores (Grade 6) – 47.3% MPS

<sup>32</sup> *Schools First Initiative*, DepED: 2005

**1993 – 2004 NEAT (National Elementary Achievement Test)**

Mean passing scores for Math and Science (Grade 6) ranges from 40.4% to 52.7%.

**2004 National High School Readiness Test**

English: 0.81% passing rate at the mastery level (75+% MPS)

Science: 0.85% passing rate at the mastery level

Math: 2.12% passing rate at the mastery level

Total test: 0.64% passing rate at the mastery level

General finding: Less than 1% of incoming high school freshmen have mastered the minimum competencies of elementary education and most are *not* ready to learn the high school curriculum.

One of the more disturbing issues with reference to education performance has to do with the relative decline in the performance of boys versus girls throughout the system, particularly Grades 5 through 10 (HS IV).

- While more boys enter Grade 1 than girls (gender parity = 0.90),<sup>33</sup> less boys complete elementary than girls (gender parity = 1.17)<sup>34</sup>.
- As a whole, there are 2.2 times more boys dropping out of school after Grade 5 than girls.<sup>35</sup>
- By the end of the high school cycle, there is an average of 6% more girls in the graduating class of an average school than there are boy graduates.

In an informal survey done in 2005 of high schools across the country,<sup>36</sup> 58% of girls in the graduating class were interested in going on to university versus 52% of

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<sup>33</sup> Gender parity is measured by the total number of girls divided by the total number of boys. There are more boys than girls entering Grade 1, though girls tend to enter at the right age (i.e. 6 years old) as compared to boys who tend to be older when starting formal schooling.

<sup>34</sup> Basic Education Information System, SY 2005-06 data.

<sup>35</sup> DepED, Basic Education Information System, SY 2005-06. Throughout the cycle, Grades 1 and 5 are the two years with the highest dropout rates for elementary schooling for both boys and girls, though the boys' dropout rate is markedly higher for both years (Grade 1: 2.31 dropout rate for boys versus 1.61 for girls; Grade 5: 1.76 for boys versus 0.86 for girls.)

<sup>36</sup> DepED informal survey, March 2005.

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boys.<sup>37</sup> When simple aggregation is done of the percentage of the share of the graduating class interested in going to university, one can deduce that the freshman intake of all colleges and universities nationwide in recent years could have anywhere from 10-20% more girls than boys. With girls more likely to finish college than boys (as revealed by other data), the next generation will see more women with higher education attainment and better education performance. While this is good for women, the lack of gender parity in the opposite direction is not good for any country as well.

### ***Focusing on inputs at the expense of outcomes***

To respond to the overwhelming evidence of poor performance throughout the system, the tendency of the Department has been to look at shortages as the root of poor performance. Shortages in classrooms range from a few thousand to tens of thousands depending on the assumptions planners use in making their calculations. One such assumption used is that of double-shifting as an appropriate strategy to deal with overcrowding. Teacher shortages could be as low as 9,000 to as high as 30,000 depending on the class size assumed. Textbook shortages vary if you consider it important to provide every student a textbook for music, art and physical education on top of the regular subjects of English, Filipino, mathematics, science and social studies/civics<sup>38</sup>. Furniture (e.g. school desks and chairs) is easier to compute: one desk and chair for every child.

The focus on shortages and not outcomes is the dilemma the Department faces in balancing immediate demand for action (from politicians) versus the long lead times needed for outcomes to become evident. One can hypothesize that addressing shortages could lead to favorable outcomes but one cannot be sure of this without data.

Outcomes require a long-term time horizon, both in terms of planning and implementation. The political demands, however, are immediate and can be strident. Congressional requests and pressure raised by annual budgeting forces the bureaucracy to look at the input-side rather than outputs (much less outcomes). In three years of defending budgets before Congress,<sup>39</sup> not once have the interpellation by congressmen been on education outcomes. Every year, the attempt by the Department to present

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<sup>37</sup> “Interested in university” is defined as either having already taken a college entrance test or signed up to take one at a specific college. The survey was done in March 2005 giving students more than enough time to have done either.

<sup>38</sup> Social studies is called *Makabayan* (nationalism) in the Department nomenclature.

<sup>39</sup> As undersecretary of Education in charge of finance and administration (2002 through 2005).

school outcomes has been cut short by requests of legislators to answer questions on school needs in their own districts.<sup>40</sup>

This form of annual budgeting is a major reason behind the disconnect between goals and priorities. It is a system devoid of accountability with little, if any, connection between targets, budgets and results. Drucker writes: “Because state institutions are typically paid out of budget allocations, they are not paid for by what taxpayers and customers mean by results and performance. Their revenues are allocated from a government revenue stream which is not tied to what they are doing but obtained by tax, levy or tribute.”<sup>41</sup>

There are two reasons why the annual budgeting process does not address the problems of education for the most part.

First, the annual budget allocates funds for identified deliverables but pays no attention to whether deliverables from the previous year(s) have been delivered or not. The period for budget preparation and defense is done well before programs and projects of the previous budget are delivered. The reality: Whether these programs or projects are in fact delivered or not is immaterial to the drafting of the succeeding year’s budget. Therefore, no one is accountable for performance.

Second, the education budget cycle and the national budget cycle do not coincide. The latter is based on the calendar year; the former is based on a school year that starts in June.<sup>42</sup> In truth, the entire budget cycle of DepED is closer to 22 months from budget call to initial release of funds versus a 12 month cycle for the national budget.

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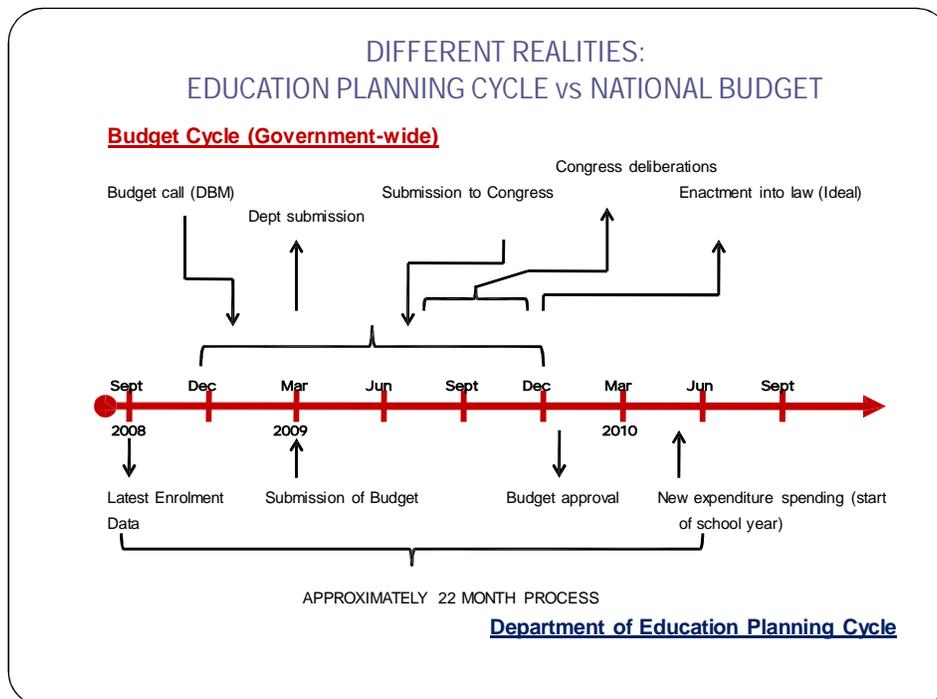
<sup>40</sup> Euphemistically referred to as “parochial” concerns by the congressmen themselves.

<sup>41</sup> Peter Drucker:

<sup>42</sup> There is no logic to starting new programs or initiatives in January which is mid-year through the school year.

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Because of this mismatch between national and departmental budget cycles, it is easier for DepED Leadership to focus on inputs as the measure of performance. The problem? In an input-output equation, if inputs result in poor output, more of the same inputs will create more of the same poor output and miss the real bottom line – quality education – unless there is a radical change in the throughput (e.g. education processes).

***The way out of this dilemma: Multi-year Budgeting***

The way out of this budgeting mismatch dilemma is to engage in multi-year budgeting. In 2004, DepED undertook a multi-year budget simulation study to “condition” colleagues from the Department of Budget and Management (DBM) and the Development Budget Coordinating Committee (DBCC) to allocate higher budget ceilings for DepED moving forward. The study created a number of enrolment scenarios up through the year 2015 as a way of simulating the size of investment required by DepED to deliver on specific scenarios.<sup>43</sup>

Based on that study, the DepED budget should be growing at a rate of 8 to 8.5% per annum from 2005 through 2010 (and 6% from 2011 through 2015) if it is to address

<sup>43</sup> WB/DepED: 2004

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shortages, move towards desired class sizes, retain 10% more pupils and students at every grade level, and keep up with inflation. More importantly, the multi-year budgeting mechanism would allow the DepED leadership to plan and program for the long-term with an eye on outcomes.

On the other hand, the DepED budget would have to grow at a higher 8.5% rate per annum up through 2015 if it were to catch up with the shortages plus add on a programmed two additional years of basic education.

The good news is that starting 2006, the budget ceiling for DepED was increased by over 10% per annum. The caveat on this, however, is the relative lack of capacity of the Department to manage such large annual increases. With such a large budget, even a 1% leakage in fund management (e.g. corruption) is equivalent to over P1.5 Billion – not an insignificant amount.

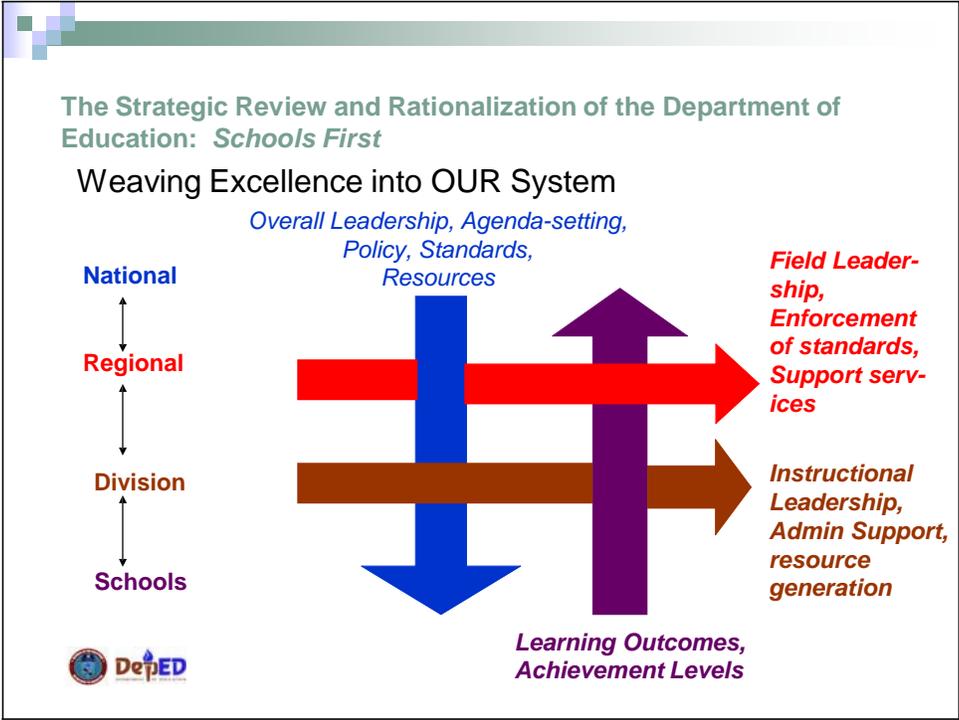
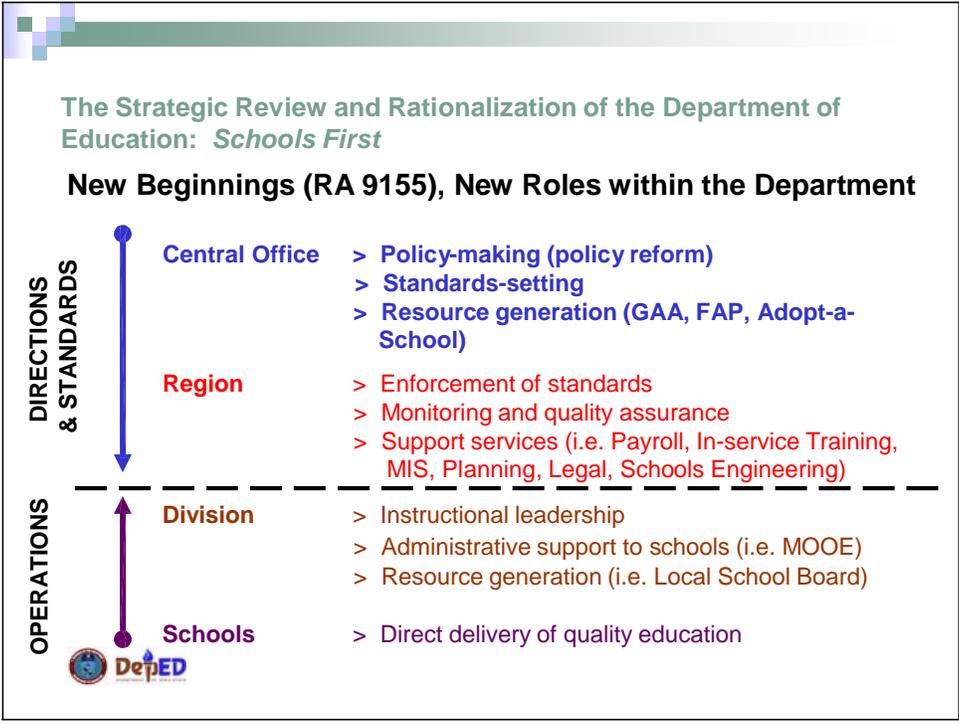
## **V. MANAGEMENT: BUREAUCRACY, PROFESSIONALISM AND RESULTS**

### ***Basic Education Act of 2001***

The Basic Education Act of 2001 makes explicit statements in favor of school-based management and principal empowerment. In summary the new set-up in DepED creates the following set-up.<sup>44</sup>

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<sup>44</sup> Schools First Initiative, Day One conference with the DepED bureaucracy.



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Under the basic concept of the new law, the responsibility for delivering on education services is lodged firmly with school divisions where critical mass with reference to performance indicators (i.e. EFA standards) can be met. Within these divisions, individual schools are the main units of reference. This flattens the line of command in order to attain education objectives. And while there is still mention of district offices, these form part of the division structure where the chief responsibility is education supervision and instructional leadership. The regional office is retained as an administrative set-up and the central office exists to provide policy leadership, standard-setting and direction.

For this to work properly, the system needs (1) Principals who know how to manage resources and schools, (2) Division superintendents who can think strategically, (3) Regional directors who know how to support operations, and (4) a central office that is lean and can provide direction, policy, resources, and standards.

In reality, this is where much work needs to be done to reform the governance structure if it is to deliver on the new mandate of the law. DepED and the public school system is still very much a top-down bureaucracy despite the unwieldy and widely-dispersed school infrastructure.

The standard process emanates from instructions sent down to the field by the central office in the form of Department of Education Memos – the ubiquitous "DepED Memo" – a written set of instructions that may be as important as the announcement of a new direction, policy or program (e.g. on grading and testing, on the new Basic Education Curriculum) to the mundane (e.g. dress code of teachers, qualifications for determining valedictorians of schools) to the purely informational (e.g. announcement of declared holidays, announcement of new events that schools, divisions and teachers may attend and the criteria and rules for attendance) to the reiteration of past and current policies and practices still in effect (e.g. reminders of existing rules on school fees and the manner and timing of these collections). In a given year, as many as 400 DepED or almost two memos a day are released as instructions during the course of a 205-day academic year. Memos are signed by the secretary of education or one of the undersecretaries, in the name of the secretary.

The DepED bureaucracy lives (and dies) by the DepED Memo and this is so ingrained in the system that administrators and school heads will wait for these rather than act on their own. A common joke (but with some degree of truth): A principal will wait for a DepED Memo on "principal empowerment" before he will act on an issue.

If governance is about managers at different levels making decisions that are appropriate and self-propelling, then two things are needed in the system: competent

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managers and a culture of professionalism. Four realities need to be addressed and reformed to make this happen.

**Reality #1 – *Principal empowerment is desired but school principals are sorely deficient in management expertise***

The moment of truth in education is in the classroom and this underscores the importance of the school as the primary unit of operation in the system. For school-based management to work, school-based leadership is important. Yet the vast majority of schools do not have principals or school heads.

Of over 37,806 elementary schools in the system, only 35.76% (13,520) have full-fledged principals<sup>45</sup>. The rest are divided into the following categories:

- 1639 elementary schools are qualified to have principals<sup>46</sup> but are headed by a Head Teacher<sup>47</sup>, a Teacher-in-Charge<sup>48</sup>, or some other position, including a regular teacher = 4.34%
- 3160 elementary schools are qualified to have a Head Teacher<sup>49</sup>, but only 1078 have HTs
- On the other hand, of the elementary schools that should be headed by HTs, 1078 are actually headed by principals. These principals could be better placed in the 1639 schools that are large enough to be headed by a principal but which are not.

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<sup>45</sup> SY 2008-09, Basic Education Information System, DepED.

<sup>46</sup> To qualify for a full principal, a school must have at least ten full-time, regular and nationally-funded teachers. Locally-funded teachers or teachers funded by the local government are not included in the DBM computation.

<sup>47</sup> Head Teacher is a rank with a specific salary grade.

<sup>48</sup> “Teacher-in-Charge” or TIC is a designation, not a rank, given by the division superintendent. It is not an official position or salary grade. This designation is made when there is no available principal position in that school. As TIC, therefore, there is the recognition by the division that the person is a school head, albeit one without the required position. An additional allowance is given to TICs in recognition of their additional duties.

<sup>49</sup> To qualify for a Head Teacher, a school must have from 8-9 teachers.

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- This leaves 811 elementary schools that should be headed by a Head Teacher but is actually managed by a regular teacher only.
- More than half of all elementary schools nationwide are too small to have either a principal or head teacher = 19,487 (51.54%).

At the secondary level, of 6488 high schools, 57.54% (3,733) have principals<sup>50</sup>. The rest are divided into the following categories:

- 590 high schools are qualified to have principals but are headed by a Head Teacher, a Teacher-in-Charge, or some other position, including a regular teacher = 9.09%
- 467 high schools are qualified to have a Head Teacher, only 110 are headed by an HT.
- But again, of the high schools that should be headed by HTs, 173 are headed by principals. These principals could be better placed in the 590 high schools that are large enough to be headed by a principal but which are not.
- This leaves 184 high schools headed by a person who is actually a regular teacher only.
- More than a quarter of all high schools nationwide are too small to have either a principal or head teacher = 1698 (26.17%).

Being appointed principal, however, is no guarantee that one can manage a school properly. There is no licensure exam for would-be principals. And there is no formal management training for prospective principals and little, if any, in-service management training for currently-appointed principals. Little wonder then that many principals have little clue as to how they should behave as ‘empowered principals’.

The career path to becoming principal is traditionally by seniority and there is no distinction between academic value and managerial talent. Hence, the career path in DepED is skewed towards administration. Many Master Teachers move beyond the classroom (where their real value is) to take on administrative jobs because these are where the promotions are. This is also a reflection of why the management abilities of administrators is wanting.

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<sup>50</sup> SY 2008-09, BEIS, DepED.

The career path of principals is generally one-dimensional. Principals generally rise up from the ranks starting out as classroom teachers moving up to Master Teacher rank then to Head Teacher before assuming a principal position. This progression may take from ten to fifteen years on the short side.<sup>51</sup>

**PUBLIC ELEMENTARY SCHOOLS: SCHOOL HEAD PROFILE (SY 2008-09)**

<b><u>37,806</u></b>	<b><u>Total number of Elementary Schools (ES)</u></b>	<b><u>100.00%</u></b>
10,179	Number of ES that are entitled to Principals (with 10 teachers and above)	26.92%
<b><u>13,520</u></b>	<b><u>Total number of ES with Principals</u></b>	<b><u>35.76%</u></b>
<b><u>1,639</u></b>	<b><u>Number of ES without Principals (but qualified)</u></b>	<b><u>4.34%</u></b>
851	Schools qualified to have principals but are headed by a Head Teacher	2.25%
88	Schools qualified to have principals but are headed by a Master Teacher	0.23%
188	Schools qualified to have principals but are headed by a Officer-in-Charge	0.50%
84	Schools qualified to have principals but are headed by a School-in-Charge	0.22%
54	Schools qualified to have principals but are headed by a Teacher	0.14%
374	Schools qualified to have principals but are headed by a Teacher-in-Charge	0.99%
<b><u>3,160</u></b>	<b><u>Schools qualified to have a Head Teacher (schools with 8-9 teachers)</u></b>	<b><u>8.36%</u></b>
88	Schools qualified to have a Head Teacher but headed by a Master Teacher	0.23%
61	Schools qualified to have a Head Teacher but headed by a Officer-in-Charge	0.16%
1,271	Schools qualified to have a Head Teacher but headed by a Principal	3.36%
88	Schools qualified to have a Head Teacher but headed by a School-in-Charge	0.23%
65	Schools qualified to have a Head Teacher but headed by a Teacher	0.17%
509	Schools qualified to have a Head Teacher but headed by a Teacher-in-Charge	1.35%
1,078	Schools qualified to have a Head Teacher and headed by an HT	2.85%
<b><u>19,487</u></b>	<b><u>School too small to have a Principal or Head Teacher (less than 8 teachers)</u></b>	<b><u>51.54%</u></b>

Source: Department of Education (Basic Education Information System)

<sup>51</sup> No hard data is available since all personnel records are only now being digitized. The figure is from very limited exchanges between the author and principals.

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PUBLIC SECONDARY (HIGH) SCHOOLS: SCHOOL HEAD PROFILE (SY 2008-09)

<b>6,488</b>	<b>Total number of High Schools (HS)</b>	<b>100.00%</b>	
3,687	Number of HS that are entitled to Principals (with 10 teachers and above)	56.83%	
<b>3,733</b>	<b>Total number of HS with Principals</b> (includes 36 schools headed by a Vocational School Administrator. These are schools turned over by DECS to TESDA in the mid-1990s which were returned to DepED in the early 2000s)	<b>57.54%</b>	
<b>590</b>	<b>Number of HS without Principals (but qualified)</b>	<b>9.09%</b>	
212	Schools qualified to have principals but are headed by a Head Teacher	3.27%	
15	Schools qualified to have principals but are headed by a Master Teacher	0.23%	
131	Schools qualified to have principals but are headed by a Officer-in-Charge	2.02%	
31	Schools qualified to have principals but are headed by a School-in-Charge	0.48%	
21	Schools qualified to have principals but are headed by a Teacher	0.32%	
180	Schools qualified to have principals but are headed by a Teacher-in-Charge	2.77%	
<b>467</b>	<b>Schools qualified to have a Head Teacher (schools with 8-9 teachers)</b>	<b>7.20%</b>	
3	Schools qualified to have a Head Teacher but headed by a Master Teacher	0.05%	
26	Schools qualified to have a Head Teacher but headed by a Officer-in-Charge	0.40%	
173	Schools qualified to have a Head Teacher but headed by a Principal	2.67%	
11	Schools qualified to have a Head Teacher but headed by a School-in-Charge	0.17%	
18	Schools qualified to have a Head Teacher but headed by a Teacher	0.28%	
126	Schools qualified to have a Head Teacher but headed by a Teacher-in-Charge	1.94%	
110	Schools qualified to have a Head Teacher and headed by an HT	1.70%	-
<b>1,698</b>	<b>High schools too small to have a Principal or Head Teacher (less than 8 teachers)</b>	<b>26.17%</b>	

Source: Department of Education (Basic Education Information System)

In 1996, as an input to the design of the *Third Elementary Education Project (TEEP)* funded through a World Bank loan, a study was commissioned to determine what were the most important factors for high-performing schools.<sup>52</sup>

The conclusion: High-performing schools were led by high-performing principals where the predictor for high-performance was more about managerial capacity than academics.<sup>53</sup>

<sup>52</sup> Licuanan: 1996. What were the attributes of high performing schools? High attendance levels coupled with low dropout rates and high test scores in district, division and/or national tests.

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- (1) ***High time-on-task.*** High-performing (as opposed to low-performing) principals established a daily presence in their schools and were highly visible in terms of instructional leadership.
- (2) ***Visibility in the community.*** High-performing principals were visible to parents at all times and were looked up to as a community leader.
- (3) ***Ability to raise additional resources.*** High-performing principals were able to translate their visibility into additional much-needed resources to add to DepED-allocated resources, whether the former was in cash or in kind.

High-performing principals (10 of 11 in the study) tapped community resources rather than going to the Department of Education to ask for more funds. This was in contrast to low-performing principals. Less than half went to the community for help (5 of 11); more than half went to the national department instead (6 of 11). High-performing principals tended to talk to their PTAs (parent-teacher associations) or to local government officials when confronted with needs (e.g. inadequate facilities); low-performing principals went immediately to the national department in the hope that they would get additional resources. The most common problems identified by the latter: typhoon and flood damage, peace and order/security problems, vandalism and “stray animals”.

- (4) ***Faculty (human resource) development.*** While school heads and principals of both high-performing and low-performing schools cited “pupil/student development” and “achieving academic targets” as the goal of the school, high-performing principals also included the improvement of faculty relations and the development of faculty skills as fundamental goals which low-performing principals omitted in their list of goals.

For school-based management to work as a governance mechanism, there is the need to identify and hire better principals with better management capabilities to match their academic background. This has to begin with recruitment.

A number of proposals might make a difference:

- (a) A PRC (Philippine Regulatory Commission) licensure exam for principals as a pre-qualification standard prior to appointment (for Principal Grades

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<sup>53</sup> High-performing principals had academic credentials but so did low-performing principals. From the study, what distinguished the former from the latter, however, was not academic credentials. Rather, it was the ability to manage limited resources for better results.

1, 2 and 3) and a second level as qualifying exam for Master Principal appointment (Principal Grades 4 and 5).

- (b) Delink principal rank from school size (a Department of Budget and Management requirement). This would dis-incentivize the establishment of extra-large schools that is the current requirement for a higher principal rank.<sup>54</sup>
- (c) Create an incentive structure to motivate principals to make school-level decisions. This need not be promotion in rank or salary grade. It could include additional school resources for high performance in terms of education indicators and academics.

***Reality #2 – The Schools Division is the front line for organizing education outcomes and attaining critical mass, re performance indicators. Because of traditional roles, superintendents focus on procedural matters, not strategic management.***

The schools division is the level at which critical mass can be assembled. If the school is the unit where individual learning can be developed, it is too small a unit to gather indicator data to determine if the system is performing efficiently and effectively. Here, the schools division can provide enough critical mass in terms of schools, student enrolment, and teachers to determine if the system is attaining its objectives and meeting performance standards and indicators.

It is also at the level of the schools division that resources can be assembled in large but manageable chunks and much more efficiently than if individual schools did their own resource generation. But while school divisions can assemble resources in bulk, it must also spend strategically to be able to meet the individual objectives of each school. Hence, such questions as: Where are new teachers best assigned? Where are libraries or computer labs or science labs or even classrooms best allocated? If certain schools have high dropout rates, what interventions need to be established there and at what cost?

This allocation of resources requires an analytical and strategic way of thinking which is currently alien to the Department of Education organizational culture. The current thinking provides a “one-size-fits-all” model regardless of context and local demands and needs. This leads to a tendency to allocate resources across-the-board even

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<sup>54</sup> The rank of a principal is determined by the number of teachers under the authority of a principal. Thus, a larger enrolment will mean more teachers or a higher principal rank. This is a formula to build mediocrity in the system by creating unmanageable schools in terms of size.

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if (a) it is spread too thinly to make a difference and (b) schools receive resources even when there is no necessity or need for these.

Strategic thinking, on the other hand, requires an ability to make choices that recognize different situations and needs. Hence, some schools will receive what appear to be more resources than others, but which may in fact create more returns on investment if spent wisely. Making such alternative choices is bothersome for many bureaucrats because of the political pressure brought to bear on the allocation of those resources. This is a skill that needs to be developed together with the proper attitude and managerial behavior to see decisions through.

Schools division superintendents tend to rise from the ranks from teacher to principal to district supervisor to assistant superintendent.<sup>55</sup> Given this career path, the current thinking is reinforced rather than challenged and this shows in the manner of decision-making by division superintendents.

In line with civil service rules and requirements, Schools Division Superintendents (SDS) and Assistant SDS positions require a CESO (Career Executive Service Officer) rank, a Civil Service Commission requirement to ensure professionalism of the position. In recent years, SDS and ASDS positions have been filled by individuals without CESO rank. In October 2004, to correct this oversight, the Department requested the CSC through the Career Executive Service Board to conduct a special MATB (Management Aptitude Test Battery) for DepED as a qualifying examination for the superintendent exam (also known as the Educational Management Test).

The results reflect the general lack of management capacity of individuals *already in the DepED system*. Of 1654 examinees that took the test, only 21 (1.21%) passed at the 80% prescribed passing rate. The CESB analyzed the test results of 537 examinees (32.5%) who scored at least 50% (total passing rate) in the three-part examination.<sup>56 57</sup>

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<sup>55</sup> Of 180 schools division superintendents (SDS) in the system, only a handful come from outside the Department. Yet, in the recent superintendent's exam (Education Management Test administered by DepED), outsiders have topped the tests. In the recent exam (2005), an English teacher from the Philippine Science High School had the highest rating. In 2008, he was assigned as ASDS in a city division in Region VI (Western Visayas).

<sup>56</sup> Sub-test 1 – Verbal test (reading comprehension, information and error recognition; 30%); Sub-test 2 – Analytical and Quantitative test (data interpretation, logical reasoning, quantitative reasoning; 30%); Sub-test 3 – Management (management concepts and problems; 40%)

<sup>57</sup> While the above is a report of a single test, CESB reported to DepED that from January 2002 to December 2004, 2592 DepED personnel took the regular MATB tests together with other government agencies. The passing rate of the Department for all four tests given during the period was 1.27% or 33 out of the 2592 DepED test takers.

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<b>POSITION LEVEL</b>	<b>No. (%)* of Examinees</b>	<b>No. (%)** of Passers</b>
Assistant Schools Division Superintendent	8 (1.5 %)	0
Public Schools District Supervisors	41 (7.6 %)	0
Education Supervisors	145 (27.0 %)	8 (5.5 %)
Elementary School Principals	142 (26.4 %)	4 (2.8 %)
Secondary School Principals	101 (18.8 %)	5 (5.0 %)
Master Teacher, Head Teacher, Teacher-in-Charge	65 (12.1 %)	1 (1.5 %)
Other, in public sector	30 (5.6 %)	1 (3.6 %)
Other, in private sector	12 (2.2 %)	2 (16.7 %)

\* Out of 537 examinees or the total number of examinees with a score of at least 50% or above in the combined test.

\*\* Out of the total number of examinees per position level with passing rate of 80% or above (the established CESB cut-off rate).

Considering that over 92% of the examinees analyzed were already in the DepED system, the conclusions speak of the low level of management preparedness of field managers.<sup>58</sup>

➤ *Most examinees scored poorly in reading comprehension and quantitative and logical reasoning.*

“The poor performance of the examinees in reading comprehension, quantitative reasoning and logical reasoning in the MATB may also be indicative of their performance as educators, particularly the classroom teachers. The data is disturbing because it is contrary to the general expectation that teachers should be proficient in these areas for them to effectively transfer the skills to their students. There may be a need to adopt measures that will strengthen the teachers’ capability in said areas

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<sup>58</sup> CESB: 2004.

so we can realistically expect their students to be adept with the reasoning and mental processes involved in fully understanding texts, solving quantitative problems and logically deducing from a set of assumptions.”

➤ ***Most examinees have no working knowledge of management.***

“Examinees generally have inadequate working knowledge of management concepts and their practical application.”

➤ ***Lower level position-holders (usually a younger cohort) were better prepared than older, higher-level position-holders, though not by much.***

“Since the MATB is a predictor of one’s potential as a manager...the results speak of the quality of existing managerial quality in our school system. There are Education Supervisors and Principals who possess the managerial wherewithal as against those next to the Superintendent level but are not tapped for higher responsibilities.”

➤ ***Too much politics in appointments may be at the core of the problem.***

“The political considerations on the appointments of ASDS and other senior positions in the division may also be a reason for the low passing rate. Quality may have suffered since political clout is given more weight rather than merit and fitness.”

Thus, the new law on basic education and the desire for school-based management highlight the lack of managerial talent at the field level that would manage such a decentralized system.

There is need to aggressively work on reforming this situation. Among the areas to be reformed are the following recommended by the Civil Service Commission:<sup>59</sup>

- (a) Reevaluate and rewrite the appropriate qualification standards for schools division superintendents.
- (b) Rethink SDS recruitment and selection and expand the universe for selection outside of the Department.

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<sup>59</sup> Ibid.

- (c) Identify “high flyers” from within and outside the Department (e.g. in the private school system) through appropriate and deep selection processes and do intensive training and career development.

All of this takes on a sense of urgency because within a five year period (up through 2014), over 40% of all superintendents and assistant superintendents (43.2%) are eligible for retirement.<sup>60</sup> Within a shorter 3 year period,<sup>61</sup> over a quarter (25.2%) will retire.

This is already a current problem. Of 180 schools divisions nationwide, only 143 are led by schools division superintendents. That means the rest are headed by assistant superintendents in an acting capacity. This reflects the lack of field managers in the system at a crucial level – the school division.

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<sup>60</sup> The Philippine civil service rules places mandatory retirement at 65 years of age.

<sup>61</sup> Up through 31 December 2011.

**DATA ON SCHOOLS DIVISION SUPERINTENDENTS**  
as of March 2009

REGIONS	INCUMBENT		CES eligibles				AGE BRACKET						RETIRING until 12/31/2011
	SDS	ASDS	SDS	%	ASDS	%	35-40	41-45	46-50	51-55	56-60	61-65	
Region I	12	9	10	83.3 %	2	22.2 %	1	3	1	1	9	6	4
Region II	6	9	6	100.0 %	2	22.2 %	0	0	4	0	7	4	4
Region III	15	13	12	80.0 %	1	7.7 %	1	3	4	5	7	8	5
Region IV-A	11	8	11	100.0 %	1	12.5 %	0	1	0	0	5	13	9
Region IV-B	4	5	3	75.0 %	2	40.0 %	0	1	2	1	1	4	3
Region V	11	11	4	36.4 %	4	36.4 %	1	1	2	4	4	10	5
Region VI	13	19	12	92.3 %	2	10.5 %	1	1	3	1	11	15	7
Region VII	7	10	4	57.1 %	0	0.0 %	4	0	2	2	3	6	2
Region VIII	10	6	9	90.0 %	4	66.7 %	3	3	0	1	2	7	5
Region IX	6	6	2	33.3 %	3	50.0 %	0	0	1	3	3	5	4
Region X	9	8	8	88.9 %	2	25.0 %	0	1	0	2	5	9	5
Region XI	7	5	6	85.7 %	0	0.0 %	0	1	3	0	2	6	3
Region XII	8	5	7	87.5 %	3	60.0 %	2	1	0	2	2	6	2
Region XIII	5	6	4	80.0 %	2	33.3 %	0	1	0	1	5	4	3
CAR	7	1	5	71.4 %	0	0.0 %	0	0	2	0	3	3	1
NCR	12	14	10	83.3 %	2	14.3 %	0	0	0	4	8	14	8
<b>SUB-TOTAL</b>	<b>143</b>	<b>135</b>	<b>113</b>	<b>79.02</b>	<b>30</b>	<b>22.22</b>	<b>13</b>	<b>17</b>	<b>24</b>	<b>27</b>	<b>77</b>	<b>120</b>	<b>70</b>

<b>TOTALS</b>	<b>278</b>						<b>PERCENT</b>	<b>4.7%</b>	<b>6.1%</b>	<b>8.6%</b>	<b>9.7%</b>	<b>27.7%</b>	<b>43.2%</b>	<b>25.2%</b>
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Source: Department of Education

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**Reality #3 – Regions unwilling to give up operational concerns in favor of an instructional support role to divisions**

Philippine public administration created the regional office as an administrative arrangement to help central offices manage the bureaucracy. The shift in importance of the regional office appears to have come about when the Regional Development Councils were given the additional mandate of reviewing and approving regional budgets of line agencies.

Within the DepED structure, regional offices have jurisdiction over appointments, instructional matters, and until recent years (up through 2005), finance and the handling of funds intended for divisions and schools within the region. The regional office, for many, is the ultimate goal as it was perceived to have authority over regional matters. The regional director post was considered the most important position outside of the national office top positions.<sup>62</sup>

Because of this arrangement, the regional offices have become the repository of management expertise in the region. A number of realities in recent years must be brought out, however.

- (1) The regional office is too far removed from local schools to be able to act quickly or effectively.
- (2) The academic complement of the regional office (e.g. education supervisors) are too few (8-10 on average) to have a direct impact on school achievement and learning.
- (3) The orientation of the regional director is more likely upwards to the central office than it is downwards to divisions and schools. (This can be gleaned from the inordinate amount of time regional directors spend in the central office during the course of the year.)<sup>63</sup>

In the new reality brought about by R. A. 9155, the regional office is intended to be a support unit to school divisions which are identified as the key units responsible for

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<sup>62</sup> A monthly Management Committee meeting involves all regional directors with national officers from the Secretary to bureau directors. As a practice, regions host meetings on a rotating basis.

<sup>63</sup> This is not the practice nor orientation of all regional directors, however. There are regional directors who are wholly focused on their regions and come to the central office only when summoned or when scheduled. There is no continuing instruction from the top for RDs to spend time in the national office. The amount of time is really a reflection of the thinking of the respective RD.

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direct education delivery. To bolster this new role, DepED and the DBM made the following changes:

- (a) Transferred all payroll servicing to the regions<sup>64</sup>
- (b) Transferred all responsibility for the DepED Provident Fund administration to the regions

In addition, the following support services were envisioned to be lodged in the regional offices per the rationalization program of the national government.<sup>65</sup>

- (c) Physical facilities and schools engineering
- (d) Legal services (to provide legal protection for teachers as well as deal with school land titling concerns)
- (e) Regional branch of the National Educators Academy of the Philippines (NEAP) using the facilities of the defunct Regional Education Learning Centers (RELC)

While the regional offices are supposed to play a support role to divisions, there is still much resistance from giving up managerial control over divisions and schools. Because of the frequent turnover of department secretaries<sup>66</sup> and the prevalence of the monthly Management Committee meetings which involve regional directors, RDs remain on the radar of the secretary and hence, continue to retain management control even when the new law says otherwise.

#### ***Reality #4 – Central office still involved in direct project management and operations***

If the regional offices are far removed from school realities, the central office is even more isolated. Yet, the central office has mechanisms that allow it to be directly involved in project management and operations.

This is true from procurement to curricular affairs to health & nutrition programming to actual project management, notably of foreign-funded projects. The following are examples of central office control over specific processes that can and should be devolved to the divisions.

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<sup>64</sup> This includes the administration of the private lending program to teachers using the automatic payroll deduction system (APDS).

<sup>65</sup> The rationalization program of the national government. The government-wide process was triggered by Executive Order 366 in October 2004. Departments were to complete the rationalization process by mid-2005. As of February 2009, more than four years later, the effort is still unfinished for DepED.

<sup>66</sup> See Section VI

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(1) Procurement

- All types of procurement except textbooks (e.g. classroom construction, furniture, materials, equipment)<sup>67</sup>
- Retain control over standards and process flow but not actual bidding and awarding

(2) Health and Nutrition

- Retain control over health and nutrition standards but devolve school feeding and the procurement of school feeding commodities to the divisions.

(3) Project Management

- Retain oversight and monitoring & evaluation over foreign-funded projects but devolve project management to a sub-national level closer to divisions and schools.

The model for project management in DepED is BEAM (Basic Education Assistance to Mindanao) funded by AusAID (Australian Government). The project is focused on Mindanao and the project management office is in Davao City making it accessible to school divisions in Regions XI, XII and ARMM. Among the tangible and most valuable results of BEAM has been its role in building up the capacity of the divisions in the Davao and Cotabato regions to deliver school-based education services<sup>68</sup> and of the regional offices to serve as support centers for school divisions.<sup>69</sup>

In contrast, the new BESRA (Basic Education Sector Reform Agenda) program is being managed by EDPITAF (Education Project Implementation Task Force), a task

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<sup>67</sup> Ironically, in 1998, textbook procurement was decentralized to schools. The result was the proliferation of fly-by-night publishers who enticed school principals to buy poor quality textbooks by offering commissions. In 2002, the practice was stopped after numerous complaints of corruption and poor quality. The central office retained textbook procurement in order to evaluate and approve textbook content. It took three years to rationalize multiple titles for the same subjects, same grade in public schools.

<sup>68</sup> The first phase of BEAM was focused on these two regions. The subsequent phase includes the Autonomous Region in Muslim Mindanao (ARMM) which has a separate Regional Department of Education (DepED-ARMM).

<sup>69</sup> The two regions have produced workbooks and learning materials for schools and are the venues for teacher and principal/administrator in-service training.

force set up to manage the original PRODED program in the mid-1970s. Over the years, EDPITAF has continued to create a role for itself, whether justified or not, and has operated as an elite group within the central office. Known to be the training ground of the ‘best-and-the-brightest’ in the national office, there has been a tendency from time to time to try to build a separate organization within the DepED organization which only serves to distinguish the group from the rest of the central office.<sup>70</sup>

(4) Physical Facilities and Schools Engineering

- Retain engineering and facilities standards and designs but devolve the actual school facilities monitoring and construction supervision responsibilities to the regions.

The role of the central office should be focused squarely on leadership, policy, standards-setting and modeling. It should be a lean organization that can innovate and look out for ‘system-wide’ solutions to context-specific problems in the country’s public schools. Instead, too much of its time is involved with direct operations which are far-removed from school-based realities and take too long to deliver. The most counter-productive aspect of this: It perpetuates field thinking that divisions and schools must look to the central office for resources and actions on things they could do on their own if given the opportunities. In short, it runs counter to devolving decision-making and developing a culture of professional behavior in the ranks.

***Creating a corporate culture for professionalism in the bureaucracy***

How do you create a corporate culture for professionalism in the bureaucracy?

One of the reasons the bureaucracy stays as rigid as it is lies with the incentive structure of Government. The Philippine civil service system is extremely credentials-driven at the expense of merit and performance. For the position of school principal upwards, the Civil Service Commission (CSC) and the Department of Budget and Management (DBM) rules require a graduate school credential as a prerequisite for promotion to supervisory positions.<sup>71</sup> This, despite the problem of a lack of quality graduate schools in the provinces.

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<sup>70</sup> At one time, EDPITAF had its own procurement, human resource, accounting, budgeting and administrative services departments (including a small motorpool operation) even though these services were all present and could be provided in the central office. During the rationalization exercise, there were attempts to try to determine a scaled-down EDPITAF as a coordinating office for foreign-assisted projects but not a PMO. There is no change in the set-up except EDPITAF no longer has its own separate bureaucracy.

<sup>71</sup> The requirement holds for all supervisory positions in government agencies starting with division head.

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Because the requirement is strictly administered, it is pursued relentlessly by those interested in moving up the public education ladder. Elementary school principals feel they have to pursue graduate studies up to the doctoral level in order to obtain the highest principal rank possible (Principal IV). District and education supervisors and assistant and schools division supervisors have to find time to do part-time doctorates at provincial schools no matter how dubious these credentials are. On the other hand, the Department of Education, CSC and DBM spend little time, if any, ascertaining the quality of the credential much less whether these were attained with proper study or not.

Not only does this pursuit of credentials take education administrators away from their task at hand, it can also breed petty corruption in the attainment of graduate degrees.<sup>72</sup> In both cases, it undermines professionalism as a corporate culture within the bureaucracy.

Nowhere is this lack of professional culture more evident than during the transition between department secretaries. Regardless of the credentials and position of education managers in the system, most, if not all, play a “wait-and-see” attitude during every leadership change. Why do they have to “wait-and-see”? (e.g. What do they have to wait for?) Two reasons: For instructions and for survival.

One, administrators wait for “new instructions and policy directions” notwithstanding the fact that the school year, the curriculum or the school-going of children cannot be stopped nor changed during or even before a school year starts.<sup>73</sup> During the transition period, education administrators go into some form of cruise control waiting to see if the new secretary of Education has new priorities to announce.

Two, administrators take a “wait-and-see” position to determine if the new secretary will continue programs of the outgoing secretary or draw up a new agenda for all schools and administrators to follow. Secretary-appointees from political backgrounds have been known to cancel or ignore current programs in place of new ones. Nowhere has this been more evident than in testing and curriculum.

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<sup>72</sup> Stories abound of senior administrators up to the rank of undersecretary who have doctoral degrees from provincial institutions whose dissertations were ghost-written by junior staff. The quality of the institutions identified raise serious doubts about the credentials attained. Yet, because appointments were made years ago, there are guidelines that make revocation of appointments moot and academic.

<sup>73</sup> During the turnover from Secretary de Jesus to then incoming Secretary Florencio B. Abad in August 2004, the author was present when a few thousand superintendents, supervisors and even principals made their way to the central office to “greet” the new secretary of Education. The cost of the trip to national office was, of course, charged to official business notwithstanding the fact there was nothing officially transacted during this visit to attend the formal turnover.

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When the incentive structure is top-down and not merit-based, administrators not following a new secretary's instructions (or caught continuing an outgoing secretary's programs) can be disciplined accordingly or "frozen" in positions with no chance for promotion, at least during the incumbent's stay.

Thus, within the Department of Education (and the government civil service structure, in general) there is little room to build a culture of professionalism without changing the structure. Attempts at reforming professional behavior is undermined by credentialism (at the expense of meritocracy) and political agenda (versus professional standards).

This is generational reform that must be enforced regardless of department leadership. The next session speaks directly to these problems as related to executive leadership and the impact it has on governance reform.

### **III. EXECUTIVE EFFECTIVENESS, LEADERSHIP AND CONTINUITY (OR DISCONTINUITY) OF POLICY**

#### ***Short-term Leadership versus Long-term System Requirements***

The dilemma of leadership at the Department of Education is framed by two conflicting realities: the long-term requirements of the system versus the short-term appointments of department leaders.

The basic education cycle is 10 years, excluding pre-schooling or kindergarten.<sup>74</sup> Since 1986,<sup>75</sup> the average term of office of department secretaries has been 20 months with the greatest turnover in the past eight years (4 department secretaries and 1 acting secretary).

Ordinarily, this is not a problem if the bureaucracy were self-functioning with the secretary as a steward of the system for the current administration. The lack of a professional managerial culture within DepED reveals the fragility of the system brought about by frequent change in leadership and a less-than-professional managerial corps. The result: a department that is on cruise control at a level of maintenance and not performance.

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<sup>74</sup> Some private elite schools provide an additional year – Grade 7 at the elementary level – adding up to 11 years of basic education.

<sup>75</sup> The end of the Marcos martial law regime and the re-emergence of the Philippines as a democracy.

The situation is compounded by a budget cycle which runs counter to a secretary's desire to leave a legacy within their short term of office. As stated above, the DepED budget cycle is typically 22 months from planning to release of funds. In the last decade, the relatively short term of DepED secretaries means that each barely controls one complete budget cycle. Hence, reforms have little chance to gel before they are replaced by other reforms. This is more so for academic reforms (e.g. national achievement testing) as opposed to finance and administrative reforms.<sup>76</sup>

In the Department of Education, as in most other government departments, there are two types of leaders appointed: the political appointee and the academic manager. Since 1986, there has been an even mix of both types of leaders with different agenda.

Two questions with reference to governance can be raised:

- Does it matter that secretaries stay for short periods of time?
- Does it matter whether department leaders are politicians or academicians?

The answer to both questions is: It depends.

It depends on the quality of senior and middle managers. If these are professionals who base their actions on high performance standards and acceptable education norms, then it doesn't matter. On the other hand, it matters if and when middle managers are weak and work solely on top-down instructions.

While there is limited data to work on, the past 20 years of alternating types of leaders tend to reveal certain patterns of leadership and policy. Academician-secretaries pay more attention to academic reforms including curriculum, testing, grading and school-based management. Politician-secretaries tend to consider adding additional subjects to the curriculum (as determined by Congress and acts of law), downplay testing or change these into diagnostic or aptitude tests (as opposed to achievement tests), and focus on immediate shortages with additional budgets as the measure of success.

One of the major effects of such frequent change in leadership, has been the equally frequent change in undersecretary and assistant secretary positions within the

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<sup>76</sup> In the effort to protect finance and administrative reforms including decentralized payroll servicing, the regulation of teacher lending and the use of the automatic payroll deduction system, the direct-release mode of budget allocation to schools and divisions, procurement reforms, new government accounting systems and the like, DepED entered into joint circulars and joint memoranda of agreement with either or both the DBM and the Commission on Audit (COA). In this manner, reforms had the agreement of two outside government parties making it difficult for future DepED leadership to make unilateral changes without consulting the two other agencies. While this can be done in the finance and administration areas, it is less possible to do so with academic reforms where the Department has sole jurisdiction.

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central office. The Administrative Code of 1987 provides the Department of Education with four undersecretaries and four assistant secretaries. It is this level of administration that *should* provide the professional, departmental continuity even as department secretaries come and go. The practice, however, has been the appointment of key undersecretaries and assistant secretaries that come and go with department secretaries. This practice of co-terminous appointment undermines policy and program continuity within the department.

One of the most serious oversights over this period has been the lack of attention given to the appointment and hiring of schools division superintendents and assistant SDS positions. Given the importance of school-based management under the new law enacted in 1998, the superintendent and assistant superintendent positions should have been given priority in terms of development, recruitment and appointment. Instead, the revolving door situation with reference to secretaries of education and the subsequent changes in undersecretary and assistant secretary ranks led to a period of almost five years when little recruitment for the superintendent position was undertaken (1998-2003). This concern literally “fell through the cracks”.

Given the low passing levels reported in the previous section, recruiting quality superintendents has become a major concern as data shows that a quarter of all SDS positions will be vacated by mandatory retirement in the next three years. With such a poor quality bench to select from and the long lead times required to fill such critical positions, divisional leadership will be hampered at a time when school-based management will have to be the salvation of the current education system.

### **Alternating leadership in the Department of Education**

#### ***President Corazon C. Aquino (1986-1992)***

- i. Lourdes Quisumbing – academic manager (46 months)
  - University president
- ii. Isidro Carino – academic manager (30 months)
  - University dean

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***President Fidel V. Ramos (1992-98)***

- iii. Armand Fabella – academic manager (24 months)
- iv. - University president
- v. Ricardo Gloria – political appointee (40 months)
- vi. - Government ally of the president
- vii. Linda Pefianco – acting, secretary (6 months)
- viii. - University professor

***President Joseph Estrada (1998- January 2001)<sup>77</sup>***

- ix. Bro. Andrew Gonzales – academic manager (30 months)
- x. - University president

***President Gloria Macapagal-Arroyo (January 2001 – 2010)<sup>78</sup>***

- xi. Sen. Raul Roco – political appointee (17 months)
- xii. - Senator, congressman (later, presidential candidate)
- xiii.
- xiv. Edilberto C. de Jesus – academic manager (23 months)
- xv. - University president
- xvi.
- xvii. Florencio B. Abad – political appointee/academic manager (11 months)
- xviii. months)
- xix. - Congressman
- xx. - Dean, Graduate School of Government
- xxi.
- xxii. Fe S. Hidalgo – acting secretary (11 months)
- xxiii. - Career DepED bureaucrat
- xxiv.
- xxv. Jesli A. Lapus – political appointee (30 months +)<sup>79</sup>
- xxvi. - Congressman

<sup>77</sup> Resigned from office, January 2001 after serving a term of only 2.5 years.

<sup>78</sup> Succeeded President Estrada in January 2001 to serve his unfinished term. In May 2004, President Arroyo was elected to a full six-year term that will end in June 2010.

<sup>79</sup> Through February 2009.

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## VI. A WAY FORWARD: SCHOOL-BASED MANAGEMENT AND COMMUNITY INVOLVEMENT

In launching the *Schools First Initiative* at the Educators' Congress in 2004<sup>80</sup>, then Secretary Florencio Butch Abad said: "A key element to the success of *Schools First Initiative* is the decentralization and local governance of education in the country. While the Department's central and regional offices focus on providing support to those in the field, the decentralization of education shall enable our frontline instructional leaders and teachers to have a greater stake in the delivery of Basic Education. Local governance shall enable them to engage their respective local communities in productive partnerships for school reform."<sup>81</sup>

The key to SBM is the school management council and the preparation of school improvement plans (SIP). *Schools First* requires every school to move towards a community-based governance model. As such, the ultimate goal is to establish a community-based school governing council in every school. Recognizing the different levels of preparedness of each and every community, however, schools and communities were given the leeway to determine their own timetable towards reaching this goal. Depending on their level of self-rated readiness, schools could participate in *Schools First* at any one of four stages:<sup>82</sup>

*Stage 1.* School head engages stakeholders in school improvement planning.

*Stage 2.* School head involves existing organizations like the parent-teacher-community association (PTCA) in school improvement.

*Stage 3.* School head joins a group of people from among stakeholders who together embody leadership for school improvement.

*Stage 4.* School head and group create a School Governing Council to direct school improvement.

The primary idea underlying SBM is to create a vehicle for school improvement at the school level, assuming the school as the basic unit of reference in the system: "The School Governing Council is the embodiment of local governance of education...As a governing body, the Council shall serve as the policy-making authority of the school.

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<sup>80</sup> *Schools First Initiative* became the core of the Basic Education Sector Reform Agenda (BESRA) launched in October 2006 with funding support from the World Bank.

<sup>81</sup> DepED (2005:A)

<sup>82</sup> Ibid

While the day-to-day operations of the school shall still be managed by the principal or school head, the Council has overall authority over the operation and direction of the school. The principal, as chief executive of the school, shall in fact be accountable to the Council. Based on their School Improvement Plan (SIP), the principal and his staff shall execute a performance contract with the Council.”<sup>83</sup>

SBM represents a sea-change in the way schools are to be managed and who takes on the ultimate responsibility for outcomes. Three ideas are alien, however, to the current culture within the public school system and which need to be addressed:

- (1) ***Policy-making authority of the school:*** In a set-up where schools have little, if any, control over their own budgets, what is the possibility of policy-making? Can principals make real policy decisions or are they bound to follow rules from the central and regional offices? Can school policy override the ubiquitous DepED Memo?
- (2) ***Accountability to the school council:*** What if a principal or school head refuses to be accountable to the Council? Can a Council discipline a non-compliant, uncooperative principal?
- (3) ***Performance contract of the principal:*** What teeth does a performance contract have? Can the Council enforce a performance contract? What prevails – a locally-agreed performance contract or the DepED division-led performance evaluation system (which is nationally-driven)?

The question of “ownership of schools and education outcomes” is at the heart of the governance debate in the *Schools First Initiative*. It is a fundamental change from a centrally-driven bureaucracy to a decentralized management system. Is it possible? The Third Elementary Education Project (TEEP) funded by the World Bank and the Basic Education Assistance to Mindanao (BEAM) sponsored by the AusAID (Australia Development Aid Agency) provide some lessons that might be useful.

### ***The TEEP Experience with School-Based Management***

The Third Elementary Education Project (TEEP) was a seven-year World Bank-funded project with a two-year extension. TEEP focused on 22 of the poorest provinces (divisions) in the country as determined by objective poverty data. This extended from northern Luzon to Mindanao (but excluding ARMM provinces which are not under the

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<sup>83</sup> Ibid

national DepED).<sup>84</sup> The project provided inputs for an integrated approach to education delivery improvement that included sub-packages for classroom and school-building construction and renovation, textbooks, supplies and equipment, other instructional materials, teacher training, division reengineering and SBM. SBM – and an incentive-based School Improvement Fund – were innovations introduced to shift the center of gravity and importance from the center to the division and schools.

TEEP started extremely slowly in its first three years of existence but finished well as (a) the central office bureaucracy accepted decentralized management, (b) divisions learned to manage resources and outputs, and (c) schools learned how to focus on outcomes. Among the noted improvements were the following.

- Among TEEP schools: Higher participation and promotion rates; lower dropout rates; narrower gaps in completion rates.
- TEEP participation rates improved by 3.4% versus the 1.9% increase for non-TEEP, non-ARMM provinces.
- Average (non-ELS or non-Elementary Leader Schools)<sup>85</sup> TEEP schools had significantly higher promotion rates than poor and non-poor divisions including schools in the National Capital Region (NCR, 2004 data).
- TEEP drop-out rates were significantly lower than those in poor and non-poor divisions including NCR.
- Completion rates in TEEP were lower than the national average but with the gap narrowing.
  - SY 2002-03 ↗ 6% difference between TEEP schools versus the national average
  - SY 2004-05 ↗ 2% difference between TEEP schools and the national average

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<sup>84</sup> In the allocation of certain resources, however, ARMM school divisions received some resources especially in terms of textbooks.

<sup>85</sup> To help manage resources and inputs, TEEP identified elementary leader schools (ELS) and non-ELS. ELS served as hub schools for non-ELS schools in the sharing of resources. ELS schools tended to be better-endowed central schools that could serve as mentors for smaller satellite non-ELS schools. A number of non-ELS schools were remote primary schools operating only up to Grade 4. Of these, not a few were multi-grade schools as well with small enrolments and limited number of teachers and school resources.

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- More TEEP schools (by proportion) placed among the country's top 1% schools in terms of the National Achievement Test (NAT)
- TEEP schools had a larger share of schools at the 75% mastery level and 60% near-mastery level (NAT)
  - At the 75% mastery level, TEEP schools improved from 3% of all schools (SY 2002-03) to 16% (SY 2004-05). This was in contrast to Non-TEEP schools where the improvement was from 3% (SY 2002-03) to 10% (SY 2004-05)
  - Near-mastery (60 – 74% MPS), the TEEP improvement was more marked from 16% (SY 2002-03) to 51% (SY 2004-05) compared to Non-TEEP schools: From 16% (SY 2002-03) to 41% (SY 2004-05)
  - Over a two school year period (2002-03 to 2004-05), more TEEP schools reported zero non-readers and non-numerates among their pupils.
    - English: 18% to 22% of schools
    - Filipino: 23% to 25% of schools
    - Non-numerate: 20% to 23% of schools

Outside evaluators concluded that one particular key strategy was the use of the “Adopt-A-Child” Trust Funds (ACTF). Of the 87 schools that availed of the trust fund, the following performance indicator improvements were reported:<sup>86</sup>

- 80% increase in participation rates
- 68% decrease in dropout rates
- 51% increase in pupil performance

The TEEP story is a confluence of significant factors, although classrooms and goods preceded other inputs. Thus, it was “...difficult to declare one factor as more important than another.” Still, what was significant was the expanded role of the local community in school-based management.<sup>87</sup>

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<sup>86</sup> Bautista, Bernardo and Ocampo, 2006.

<sup>87</sup> Ibid.

The question then becomes: How can a limited program with positive results become a system-wide solution adopted by the widest range of stakeholders? The answer will have to lie with parent involvement.

One of the problems with “free education” as mandated in the Philippine Constitution is the notion that free often means little or no parent involvement. With the state taking on the responsibility of educating children through a constitutionally-mandated free education system, parents are left with little choice (given their economic status)<sup>88</sup>. On the other hand, the pre-occupation of parents with the daily task of making ends meet in a difficult economic environment leaves them with little time to be involved in schools; hence, a tendency towards a hands-off stance with reference to their children’s education.

There is some preliminary data that suggests a strong positive link between schools with little parent involvement and high dropout/low achievement rates. Alternatively, high performing schools have strong parent involvement.<sup>89</sup>

### **Parents involvement as a driver for better achievement**

In 2003 through 2005, then Secretaries de Jesus and Abad visited the highest performing schools in the elementary and secondary National Achievement Tests. These schools were principally in Eastern Visayas and the Caraga regions – two of the poorest regions in the country. What were common to these high performing schools? Strong parent support through PTCAs. Among the manifestations of support were school feeding and school fetching (for elementary pupils) and support for Saturday tutorials and school events (for secondary students). In all cases, community support to maintain and rehabilitate old and decrepit school infrastructure was evident.<sup>90</sup>

Should parents be made to answer for some part of their children’s education no matter how nominal? The Philippine Constitution specifically states that the state shall provide for compulsory and free public education.<sup>91</sup> This is broadly interpreted as no

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<sup>88</sup> Historically over the past fifty years, 95% of all elementary school children attend public elementary school. Initially, public elementary schools were schools of choice. Today, private school tuitions are at a level that places them beyond approximately 80% of all households based on the Family Income and Expenditure Surveys (FIES).

<sup>89</sup> Licuanan: 1995

<sup>90</sup> The author was undersecretary for finance and administration under both secretaries and saw these situations first hand.

<sup>91</sup> 1987 Constitution, Article XIV, Section 2, Paragraph 2.

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tuition or other fees should be paid by families enrolling their children in public schools. Current DepED policy states that there is to be no collection of any fees whatsoever during the enrolment period (usually set at the start of the school year) and that the four allowable fees that can be collected are to be voluntarily paid by parents, not collected during the enrolment period, and cannot serve as a requisite for enrolment.<sup>92</sup> Active PTCAs, however, can collect voluntary fees from among parent-members. While the policy is intended to prevent situations where families without means are forced out of schooling because of inability to pay for such fees, the dilemma arises when active PTCAs that charge fees to support their work for the school are prohibited from doing so.

At the start of schoolyear 2001-2002, Secretary Raul Roco prohibited any collection of fees, including voluntary fees collected by PTCAs. One unintended consequence was the non-payment of utilities by schools. It turned out that in many schools, PTCAs voluntarily answered for electric cooperative payments through voluntary collections. The result was the cut-off of electricity for non-payment even as local governments stepped in to cover some of these costs.<sup>93</sup>

Can parents afford to pay for education services?

Pre-schooling provides an answer to this question. Pre-schooling is not included among the grade levels that are compulsory or provided free of charge to parents. As a rule, pre-schooling is not included in the required number of years of basic education. But, as recognized by world experience, DepED has begun to organize pre-schools in existing elementary public schools on a trial and best-case basis. Since 2001, a small line item has been included in the annual DepED budget to provide funding for pre-schools in 5<sup>th</sup> and 6<sup>th</sup> class municipalities.<sup>94</sup>

Increasingly, more and more parents are requesting for pre-schooling for their children preparatory to entering Grade 1. In response, specific public elementary schools have begun organizing voluntary pre-school classes within their campuses. Pre-school teachers, however, are not part of the nationally-funded teaching complement. Unless local governments answer for the salaries or allowances of these teachers, parents have

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<sup>92</sup> The four fees allowed by Department policy are for the Boys Scouts and Girl Scouts of the Philippines, the Philippine National Red Cross and the Philippine TB (Tuberculosis) Society.

<sup>93</sup> In SY 2004-05, DepED began a multi-year program to increase school MOOE (maintenance and other operating expenses) to give schools more resources to manage day-to-day operations. This was initially set at P100 per pupil per year (elementary level) and P350 per student per year (high school).

<sup>94</sup> Local governments are divided into six classes based on local tax revenues generated. 5<sup>th</sup> and 6<sup>th</sup> class municipalities are the poorest in the country with the lowest or smallest tax bases. Because of such poor municipal income, local government services are also the poorest provided in the country, as a rule.

been asked to shoulder the “allowances” for these teachers.<sup>95</sup> And parents do respond by paying up to P150 per month (P1500 per year) to fund their pre-school teacher debunking the myth that affordability is an issue during difficult times.<sup>96</sup> The better explanation: Parents will pay for education if they see the value of it.

What if parents cannot afford to pay even a nominal amount for the public education of their children? Two programs serve as models for making contributions of value *in kind* to schools: *Brigada Eskwela* and *Textbook Count*.

### **Community Involvement through *Brigada Eskwela***<sup>97</sup>

In January 2003, Secretary Edilberto de Jesus began a weekly tour of school divisions and was appalled by the lack of maintenance of school facilities. Every school visited was a domain of reeking toilets, peeling ceiling boards, termite-infested doors and windows, rusting roofs, broken furniture, and more. “If we accept such decrepit structures as acceptable facilities,” de Jesus mused, “what message were we sending to our children? That this is quality education?”<sup>98</sup>

The problem with the Department of Education budget – like any other government agency’s budget – is that there is no real money for maintenance. The Department builds but does little to maintain. Yet a classroom is a structure that has to last at least 30 years. And if already in disrepair within the first five years, the last 25 years of its supposedly useful life is one of purgatory for teachers and children.

De Jesus set out to reverse this situation using the one tool the country was known for the world over: people power. Thus, was born *Brigada Eskwela* – the National

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<sup>95</sup> No actual survey data exists on how many voluntary pre-school teachers there are nationwide in public elementary schools nor the levels of their salaries or allowances. Anecdotal evidence from informal questioning done by the author during school visits places the range of allowances from around P1000 to P4500-5000 per month (2003 through 2005). The allowances are closer to what day care center staff receive from the local government and are nowhere near the salary level of nationally-funded teachers (P9980 per month for Teacher I in 2001 through 2007).

<sup>96</sup> DepED has set a limit on the amount to be charged for pre-school services. Some schools wanted to charge as much as P500 per month (P5000 per year) for pre-schooling making this unaffordable on the part of many parents. To prevent abuse in the system, the secretary of Education set an upper limit of P150 per month per pre-schooler so as not to exclude any interested parents from availing of such services.

<sup>97</sup> Luz: 2006

<sup>98</sup> Personal notes of the author who served under Secretary de Jesus.

Schools Maintenance Week. Patterned after *Habitat for Humanity* and the *Gawad Kalinga* home-building efforts, *Brigada* sought to challenge local communities of parents and friends to converge on their schools for one-week in May exactly three weeks before school opening to do minor repairs to get their schools ready. If total strangers were willing to build houses for people they don't know, why wouldn't parents come down to do minor repairs on the schools of their children?

What resources are needed? The de Jesus team laid out the challenge:

- A little bit of donated MATERIALS (paint, cement, lumber, tiles, other building materials);
- a lot more volunteer TIME;
- a whole lot of community SPIRIT;
- no CASH!”<sup>99</sup>

The key to a successful *Brigada* effort is the principal; a local leader who would encourage parents and friends to sign on to do the required minor repairs, to organize the effort in an efficient way, and to raise local donations from the community and local government to cover the effort, as needed and available. No national government money was put into *Brigada Eskwela* because there was simply no budget for that purpose.

In May 2003, 12,500 schools joined the effort voluntarily. Over 700,000 volunteer man-days were donated with an estimated total value of P392 Million in labor and materials.<sup>100</sup>

More importantly, *Brigada* unleashed innovation at the school level never imagined by central office planners. Unfinished classrooms left abandoned by government contractors were completed by parents in a number of schools. A principal in Bacolod City took the ten-meter gap between two school-buildings and closed and roofed it to make an additional classroom at a fraction of the cost of a new one (and why not? The two existing school-buildings provided two of the required four walls.)

A parent-teachers' association in Rizal led by a civil engineer/parent built canals and drainage culverts to divert water away from classrooms and the playing field and into nearby ditches to run off into the stream behind the school. A school in Nueva Ecija

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<sup>99</sup> From the community primer posted in all public schools nationwide.

<sup>100</sup> Schools reported the number of volunteers per day (thus, volunteer man-days = number of volunteers x number of days per volunteer) which were then costed at an average minimum wage for all regions. Materials were at unit cost based on the quantities donated as reported by schools. Estimates of final value donated were made using statistical analysis.

transformed decaying toilets from a *dengue* threat into a sanitary facility. The list of innovations was endless.

In May 2004, the effort grew to include 16,050 schools. A year later, another ten thousand schools joined swelling the number to 26,034. In May 2006, over a six day period, close to four million man-days of volunteer time donated by parents, friends and volunteers were realized in 29,215 schools nationwide. The original target in 2003 of involving 10% of all schools nationwide was now 70% all over the country by 2006. And the total estimated value of labor and materials donated expanded five-fold from P392 Million in the first year to over P2.0 Billion four years later. None of this was savings; rather, all of it was additional value coming out of the sweat and commitment of parents who placed their children's future in our public schools.

What accounted for the success of *Brigada* over the years? Parents and principals. The *Brigada* provided parents with the opportunity to share in the cost of schooling for their children, even if only in kind. The catalytic role of the principal in organizing the effort made this a reality.

### ***Textbook Count***

Procurement has been a perennial problem for DepED over the years. In 1999, the Philippine Center for Investigative Journalism wrote: "The Department of Education...provides a classic case of corruption in the Philippines. Nearly all forms of corruption described in academic texts can be found in the department from low-level bureaucratic corruption to high-level political corruption involving education officials, legislators, and Cabinet secretaries. The result is an education bureaucracy so ridden with graft that it is barely able to deliver the most basic educational services to the country's (18) million public school students."<sup>101</sup>

One area prone to corruption has been textbook procurement. At the time the book was written (1999), "...the shortage of textbooks in nearly all the 40,000 public schools (was) so critical that on average, one textbook (was) shared by six pupils in elementary schools and by eight students in high schools." To address the shortages and guard against corruption at the same time, DepED designed a textbook procurement program it called *Textbook Count* and which was carried out in successive years (2002 through 2005 as *Textbook Count 1, 2 and 3*).

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<sup>101</sup> Chua: 1999.

In November 2002, the Department of Education opened bids for the printing and publishing of 37 million textbooks and teachers' manuals amounting to over P1.3 Billion (or US\$ 30 Million). The procurement reflected two years of textbook procurement since the previous year there was no textbook procurement while the Department underwent a change in leadership.<sup>102</sup> In the November 2002 bid (awarded in January 2003), six publisher groups or consortia involving 15 partners were given awards to delivery nationwide.

Nationwide, deliveries were organized by zone, each of which included three or more regions of the country and were for elementary schools (delivered to school districts) and high schools (direct door-to-door). There were 5623 delivery points all over the country and over 30,000 deliveries to be made.

*Textbook Count* was able to achieve the following results over the three year period (three successive rounds of textbook procurement):

- Bring down textbook prices through international competitive bidding
- Improve on the technical quality of textbooks<sup>103</sup>
- Shorten the procurement cycle from bid opening to full delivery from 20-24 months to 10-12 months.

The last improvement was significant because for the first time in DepED history there was no overlapping of textbook procurement packages. In past, the timing of different procurement packages provided a screen by which backroom deals could be hidden by the overlapping transactions that an uninitiated individual would have difficulty tracking, much less unraveling.<sup>104</sup>

How were all of these results possible? Over three rounds of *Textbook Count*, there were a number of necessary steps the Department followed and put in place as it

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<sup>102</sup> In January 2001, then President Joseph Estrada was peacefully ousted from office by a people power uprising. President Gloria Macapagal Arroyo appointed then Secretary Raul Roco as secretary of education. Throughout 2001, there was a continuing review of education operations by the new secretary and his team. One of the results of the review was to restructure the textbook procurement program that led to no procurement in 2001. In 2002, the previous year's budget was included with the budget for the next year explaining the extraordinarily large procurement in late 2002 for delivery in 2003.

<sup>103</sup> Content quality is a problem that took much longer to resolve. It is not a procurement problem per se.

<sup>104</sup> Author's note: With the revolving pattern of undersecretaries and assistant secretaries chairing the Department's Bids and Awards Committee (BAC), it was easy for insiders to collude and hide internal transactions in the maze of paperwork and documentation. By minimizing overlapping procurement packages, it is easier to keep track of transactions and prevent internal corruption.

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learned how to make the system more efficient. These reforms included changes in the bidding process, the planning of deliveries of textbooks and announcement of deliveries to stakeholders through the national and local media.

The most critical reform brought about by *Textbook Count*, however, was the recruitment and inclusion of civil society organizations, including *the local school community*, as partners in monitoring deliveries. The key was to place all supplier/publishers on a common delivery schedule to establish predictability in delivery of textbooks. In past, supplier/ publisher were given 150 days to deliver textbooks all over the country based on their own delivery schedules. This forced the department to “chase after” suppliers to ascertain if in fact full delivery was made. Inspecting textbooks after delivery and distribution to students makes it extremely difficult to determine if the numbers are in fact complete. Hence, under the previous arrangements, “short” deliveries were very possible and was a major method used between department insiders and suppliers to make extraordinary profits.

In early 2003, with the synchronization of delivery schedules, the Department could recruit community volunteers as *Textbook Count* “watchers” reporting on textbook deliveries. These delivery schedules were published in local newspapers and different civic groups were invited to be on hand to witness and inspect all textbook deliveries. Inspection “upon delivery” was a cost-effective and efficient way to track the numbers and quality of the textbooks delivered.

In all three years, *Textbook Count 1* was coordinated by *Government Watch* (G-Watch) of the Ateneo School of Government.<sup>105</sup> G-Watch recruited NGOs all over the country to participate in this program starting with the local NAMFREL chapter and eventually recruiting the Boys Scouts and Girls Scouts as the core of the volunteer effort.<sup>106</sup> Clearly, watching paid off. Over the 120-day delivery period in all three efforts, the incidence of deficient deliveries went down significantly.

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<sup>105</sup> After the team of Secretary de Jesus left DepED, G-Watch continued to organize *Textbook Count*. In June 2008, G-Watch introduced a new innovation called *Textbook Walk* where local communities would not only monitor deliveries of textbooks but would parade these around the community to inform parents and others of the arrival of the books and to generate public awareness of the need to protect and properly use these textbooks.

<sup>106</sup> In thinking of who to tap for *Textbook Count*, the Department first looked at the Catholic Church which is present in almost every town as a parish or a social action center. Parishes and SACs, however, are autonomous organizations. DepED would then have to speak to each and every parish to elicit participation which was not possible given the short period of time to organize. NAMFREL (National Citizens Movement for Free Elections), on the other hand, has a chapter in almost every public school because every school is an election polling station. This provided the department with the kind of nationwide network that could make *Textbook Count* possible. In 2003, with NAMFREL as the lead field organization, just over 50 per cent of all deliveries were monitored at the time of delivery. In subsequent years with the help of the Boys Scouts and Girl Scouts (who are present in every school), the monitoring rate leapt to over 85% of all deliveries.

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But more importantly, there was the need to institutionalize behavioral change to prevent backsliding especially when there are insiders who stand to gain from a reversal in the reforms. Thus, building a stakeholder base to support the reform movement was crucial.

Civil society pressure to continue on the reform path is necessary. But the single most critical stakeholders are those directly involved in schools. If communities of parents, teachers, students and even local school boards can have a voice and can participate in the delivery of their children's textbooks (or other supplies and materials as the case may be), the pressure put to bear on the national department by the heightened demand will go a long way to shaping the kinds of good governance behavior needed in the public education system.

The beauty of *Textbook Count* from the point of view of community involvement was that it cost DepED nothing. Volunteers happily joined in the effort when they knew that textbooks were to be delivered. Arming them with the right information was the key so that they could be on hand for deliveries to check both the number and quality of books and hence, claim what was rightfully theirs.

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# NATIONAL TEXTBOOK DELIVERY PROGRAM

## Textbook Count

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### OUR TEXTBOOK COUNT 2 PARTNERS...

#### NATIONAL COORDINATOR:

Government Watch (G-Watch, Ateneo School of Government)

#### NATIONAL AND LOCAL PARTNERS:

NAMFREL	Procurement Watch, Inc.	CODE-NGO
The Asia Fdn	Konsensyang Pilipino	TAN
ACT Phils. Inc.	National Book Dev Board	Girls Scouts of Philippines
CAPRI	E-Net	Boy Scouts of Philippines
CCAGG	Kapatiran-Kaunlaran Fdn	Alliance of Volunteer Educ.
Social Watch Vis	Naga City People's Council	

Government Procurement Policy Board  
Assoc of Ministers and Ministries in Nueva Ecija  
Negros Center for People Empowerment and Rural Development  
Ten Outstanding Boy Scouts of the Philippines Association



*Textbook Count 2* lineup of partners and community volunteers, 2004.

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# NATIONAL TEXTBOOK DELIVERY PROGRAM

## Textbook Count

**Be Prepared.**

With the assistance of our Bay Region and IRI Regions, the Department of Education will deliver 14 million textbooks to senior ABEDOS public schools from July to September 2004. That's almost 14 million textbooks and teachers' materials delivered since 2001.

Help our students get their books on time. To volunteer, send "TEXTBOOK COUNT 2" to 0919-859-0307.

**DepED**

**Visayas, Mindanao, magbantay para sa tamang bilang!**

**TEXTBOOK COUNT 2**

**Schedule and allocation of textbooks per region**

Region	Grade	Number of Schools	Number of Textbooks	Number of Teachers' Materials
Region I	Grade 1	1,234	1,234,567	123,456
	Grade 2	1,234	1,234,567	123,456
	Grade 3	1,234	1,234,567	123,456
	Grade 4	1,234	1,234,567	123,456
	Grade 5	1,234	1,234,567	123,456
	Grade 6	1,234	1,234,567	123,456
	Grade 7	1,234	1,234,567	123,456
	Grade 8	1,234	1,234,567	123,456
	Grade 9	1,234	1,234,567	123,456
	Grade 10	1,234	1,234,567	123,456
Region II	Grade 1	1,234	1,234,567	123,456
	Grade 2	1,234	1,234,567	123,456
	Grade 3	1,234	1,234,567	123,456
	Grade 4	1,234	1,234,567	123,456
	Grade 5	1,234	1,234,567	123,456
	Grade 6	1,234	1,234,567	123,456
	Grade 7	1,234	1,234,567	123,456
	Grade 8	1,234	1,234,567	123,456
	Grade 9	1,234	1,234,567	123,456
	Grade 10	1,234	1,234,567	123,456

**DepED** **PPSP** **GPPB**



*Textbook Count 2 national ad and delivery announcement, 2004.*

## VII. NEW INSTITUTIONAL RELATIONSHIPS: LOCAL SCHOOL BOARDS VERSUS CENTRAL CONTROL OF EDUCATION

A second area of hope for improving education and governance of the system lies with local school boards (LSB) at the local government level.

The Local Government Code (Article 184) mandates the establishment of a Local School Board in every province, city and municipality with the following tasks:

- (1) Determine the annual supplemental budgetary needs for the operation of public schools.

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- (2) Authorize the local treasurer to disburse the Special Education Fund in accordance with the budget.
- (3) Serve as an advisory committee to the local legislative council on education matters.
- (4) Recommend changes in the names of public schools within their territorial jurisdiction.

While there is uniformity in terms of the composition of LSBs,<sup>107</sup> there is no uniformity or the manner in which school board meetings are conducted or what matters they are to take up, other than the approval of the Special Education Fund.

A study by the Public Finance Institute of the Philippines (PFIP) observes: “School board meetings follow the leadership style of the local chief executive. Pro-active mayors and governors prepare the agenda in consultation with the school superintendent. Some local executives play it safe by dividing the agenda into two: concerns of the governor and concerns of the DepED. In most cases, however, the agenda is left solely to the superintendent of schools or to the school supervisor.<sup>108</sup> There are instances when meetings are held without any prepared agenda.”<sup>109 110</sup>

Further, the PFIP study reports: “Surprisingly, the representative of the youth sector who is expected to be concerned with education issues, is frequently absent from school board meetings. The representative of the non-academic (non-teaching) personnel also adopts a passive stance.”

### ***Special Education Fund***

<sup>107</sup> LSBs are chaired by the local chief executive with the superintendent or district supervisor as co-chair. Members include: Chair, Committee on Education of the local council; local Treasurer; Representative, youth sector; Representative, federation of PTCAs; Representative, teachers’ organizations; and Representative, non-teaching personnel. A local government may expand the membership but these would be on a non-voting basis.

<sup>108</sup> In the case of provinces and cities, the superintendent serves as the LSB co-chair. In smaller towns within a division, the district supervisor serves as the LSB co-chair.

<sup>109</sup> Yoingco: 2003

<sup>110</sup> The author’s personal experience as undersecretary of Education is the opposite. In most cases, DepED superintendents and supervisors deferred completely to the local chief executive or his/her representative and the LSB tended to deal with administrative concerns rather than discuss real education outcomes.

To fund the budget of the LSB, the Local Government Code also provides for the application of a Special Education Fund (SEF) tax equivalent to one-percent of the assessed value of real properties, i.e. land, buildings, machinery and improvements. It is a tax imposed by local governments specifically to help finance public education.

How much in SEF is due public education?

In 2003, the Department of Finance estimated that the total potential SEF based on real estate assessment should be around P14.4 Billion nationwide. Actual SEF collection was P9.0 Billion (2003) leaving much room for expansion (62.5% collection efficiency). In reality, the combined SEF given to local school boards nationwide was only P7.8 billion (54% based on total potential; 86.7% based on actual collections).<sup>111</sup>

While local government chief executives chair LSBs and should have control over all local tax revenues generated, the certification of “funds available” for LSBs show how much real power Local Treasurers have over local government resources. PFIP writes: “The SEF budget projection is normally based on a conservative estimate made by the local treasurer. Ordinarily, it is determined by how much was collected the previous year plus a certain percentage increase. Estimates of the treasurer are never questioned and measures to improve SEF collection are never discussed by the LSB since ‘these are concerns of the treasurer and not of the board.’”<sup>112</sup>

More importantly, how are SEF programmed and used? The spending patterns indicate LGU priorities and interests which are a reflection of the local chief executives agenda.

By policy, the Local Government Code lists what the priorities for SEF allocation should be.

- Construction, repair and maintenance of school buildings and other facilities of public schools
- Establishment of extension classes
- Holding of sports activities.

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<sup>111</sup> Based on data provided by the Bureau of Local Government Finance, Department of Finance, 2003 figures. Since the passage of the Local Government Code in 1991 (up through 2001), local tax revenues have grown by around 22% per year for all LGUs in the aggregate, though this is not a steady growth but one of peaks and valleys.

<sup>112</sup> PFIP: 2003

In fact, the SEF budget is spent on the following:<sup>113</sup>

- Maintenance of public schools – 40%
- Salaries of teachers (locally-funded or additional benefits for nationally- funded teachers) – 25%
- Capital equipment – 35%

The wide diversity in SEF spending comes with a lot of “hidden” spending and great diversity in SEF disbursement. “Operating expenses” included athletic meets (from 10% to as much as 47% of the SEF of some LGUs), cultural (including fiestas) and scouting activities; even the purchase of cellular phones. “Capital outlay” included office improvements, office equipment (e.g. airconditioners) and vehicles.

The range and types of spending greatly varied from LGU to LGU.

<b>Types of SEF spending by LGU</b>	
<i>Public Finance Institute of the Philippines survey, 2003</i>	
Bulacan	– 43% on classroom construction
Bohol	– 26% on salaries, 20% on school building construction
Naga City	– 61% Salaries
Tagbilaran City	– 62% salaries, 11% school building repairs
General Santos City	– 83% salaries, 0% for school building repairs, 13% for sports
Nueva Vizcaya	– 91% salaries
Polomolok, South Cotabato	– 65% salaries, 12% school building construction and repairs

The allocation of the SEF is a reflection of governance at the local government level. The manner by which the SEF is programmed and disbursed is also a reflection of

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<sup>113</sup> PFIP: 2003. Yoingco et al: 2003

how prepared LGUs are to take on governance of the education system. Two issues present themselves: size of spending and direction of spending.

One, there is great inequity in the size of the SEF depending on the income class of provinces, cities and municipalities. 5<sup>th</sup> and 6<sup>th</sup> class LGUs can have as little as P10,000 in SEF collections while premiere LGUs (i.e. Makati, Quezon City) may have as much as P1.0 Billion a year. With such large SEF resources, better off LGUs should be allowed to take on more control of the local education system (e.g. answer for all school construction and repairs, furniture, textbooks, workbooks) without national government support. Poorer LGUs, on the other hand, are completely reliant on national government resources which may flow quickly or slowly (more likely) depending on the actual budget allocation. Governance in this instance suggests two simultaneous actions that could be taken:

- (1) *Take away the “equal-sharing” provision of the law where better-off LGUs are concerned.*<sup>114</sup> Let better-off LGUs take over more control of schools provided they pick up more of the operating costs.
- (2) *Provide affirmative action in terms of resources where poorer LGUs are concerned.* Provide poorer LGUs with more resources (diverted from the national budget share of better-off LGUs) so that local decision-making can be supported.

Two, local government priorities on education are not necessarily educational.

Therefore, the governance dilemma: Can the national government dictate how a local government should spend its special education funds? Can the national government force compliance by local governments on the direction and types of spending of revenues raised by a local tax?

In 2003, DepED and the Department of Finance (DOF) attempted to specify more clearly the list of allowable items the SEF could be used for. This list was, necessarily, focused solely on in-school spending. The Department of Interior and Local Government (DILG) rejected the proposal citing the SEF as a local government fund outside the control of the national government.

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<sup>114</sup> Republic Act 7880 or the “Fair and Equitable Access to Education Act” (otherwise known as the Roxas Law) provides that *all* schools divisions are entitled to a share of all capital outlay resources (i.e. classrooms, furniture) in education *even if they have no shortages or need for such resources*. The formula under the Roxas Law has been set at 50% (of total budget allocated for capital outlay) for “equal sharing”; 40% based on need, and 10% under the department secretary’s discretion. The latter can be used to respond to specific political requests or to address outstanding needs (e.g. school buildings destroyed by fire, flood or natural or man-made calamity).

### ***Some Preliminary Conclusions on Local School Boards***

LSBs have to be a key player in the future of public education in the Philippines given the large resources LGUs can bring to the table for public education and the desire of RA 9155 to decentralize education through school-based management. The level of capacity to of LSBs is, however, highly uneven and spotty as evidenced by the utilization and usage of the Special Education Fund.

Governance at the LGU level is a problem of learning and not structure. The learning curve is steep. Over time, however, LGUs will learn proper governance of education systems as well as other systems (e.g. health as far as local health boards are concerned; environment as far as the local environment board is set up).

As LSBs learn that education is important to the well-being of their towns, cities or provinces, more professional management of the SEF will ensue. Once SEF spending has been applied in certain directions, continued funding becomes the norm and the expectation of such will drive future directions away from personal choices of decision-makers.<sup>115</sup>

## **IX. CONCLUSIONS: GOVERNANCE AND PERFORMANCE**

### ***Required: Better Governance of the System***

Why does governance matter?

Unless, the education system changes or reengineers the manner by which it organizes its resources, more of the same inputs and processes will generate more of the same outputs. If outputs and performance indicators are poor, then more resources will only produce more of the same poor output.

The governance system should be changing four key elements:

- (a) Institutional norms and standards
- (b) Organizational processes
- (c) Behaviors of stakeholders and actors within the education system
- (d) Support structures to help stakeholders (especially teachers and administrators) stay on track

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<sup>115</sup> Author's note: This can cut two ways. Poor or wrong spending can be reinforced and continuously supported as well as good or proper spending.

Most importantly, the education system must have self-correcting mechanisms in place when results are substandard or below par. This is the weakest attribute of the current governance system and belies the sub-professional character of the organization. For Drucker, the system (characterized by the Department of Education) must have the following:

1. Goals and objectives that are organizational and not personal
2. Leadership and professional management
3. Participation of multiple stakeholders
4. Institutional relationships

### ***Current Reality: Why does Philippine Education Perform Poorly?***

#### **1. Policy discontinuity**

Basic education is a ten-year cycle for most children.<sup>116</sup> There is a need to provide policy continuity that reinforces learning at a significantly high standard throughout this cycle. Frequent leadership change has been a concern because with it comes frequent change at what should be the professional level of the system.

Policy continuity should remain focused on clear outcomes (i.e. *Education for All* performance indicators), curriculum standards (with some emphasis on the language and medium-of-instruction issue), school norms, and organizational behavior.

#### **2. Sub-professional management**

Something must be done to better develop a professional culture among DepED administrators and school heads. The true test of professionalism is the ability of the actors themselves to develop context-specific solutions to address local situations and poor outcomes – what system dynamics or systems thinking calls the application of self-correcting mechanisms. In addition, as professionals, administrators must also learn to be accountable for their decisions and actions.

There is need for management training, preferably at a much younger age among DepED administrators. Management training of potential administrators *as a requisite for management level responsibilities* should be the norm.

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<sup>116</sup> The private sector through Philippine Business for Education, the World-Wide People Power Foundation, the League of Corporate Foundations and other organizations are advocating for an expanded 12-year basic education cycle that will align Philippine education with the rest of the world.

### **3. Lack of participation by primary stakeholders**

School-based management is a major part of the solution. Yet, communities of parents are largely uninvolved in their children's schooling. This has to change if performance indicators (starting with retention and low absenteeism) are to improve.

Parents – the most important stakeholders in basic education – must bear a larger part of the direct cost of education whether this be through nominal contributions to school operations or in-kind volunteer time and labor. Whatever the contribution, it must be expected of parents so that they take a more direct role in helping their children complete the basic education cycle, at the very least.<sup>117</sup>

### **4. Poor institutional arrangements between departmental and other stakeholders**

Local school boards must be a major part of the solution. While LSB funds (e.g. the Special Education Fund) are limited and no more than 10-12% of the DepED's annual budget, these can have a leveraging effect on other local resources or when applied as an incentive fund for high-performing schools or for schools that exhibit high levels of improvement even if still below norms.<sup>118</sup>

This requires a change in outlook on the part of DepED: To accept that LSBs can play a more central role in local education efforts. DepED must guard, however, against opening up the gates to all LSBs. LSBs are at different stages of development. For those with a clear understanding of education outcomes and with goals and objectives, a collaborative effort between schools division and local government can and should be encouraged. For those without such, DepED should move slowly otherwise the local school system becomes politicized.

### ***What needs to be done to reform the Governance System?***

#### **1. Change from “structure before strategy” to “strategy driving structure”**

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<sup>117</sup> In June 2008, the national government introduced a conditional cash transfer (CCT) program targeting 300,000 of the poorest households nationwide. Part of the CCT is a P300/child monthly subsidy (up to three children per family) to parents of children in elementary school. The subsidy's condition is that the child must attend school on a regular basis. Failure to do so will result in the forfeiture of the monthly grant. There are no results at the time this paper was written.

<sup>118</sup> The Naga City LSB provides an incentive grant to schools that outperform the average change in indicator. This is designed to encourage low-performing schools to change as this segment has the greatest chance to outperform the average.

The start of governance must be clear outcomes and goals. Focus on *Education for All* goals as the means to keeping policy on track despite frequent changes in leadership.

The education system must break away from the current government practice of “one-size-fits all”. DepED would be wise not to prescribe a single structure for all cases. As an organization of highly dispersed parts, DepED has to learn to apply different strategies for different schooling contexts. These strategies would differ given different realities as in the following:

**(1) School divisions**

- Small divisions (under 50 public elementary and secondary schools)
- Medium-size divisions (from 51 to 250 public elementary and secondary schools)
- Large divisions (from 251 to 750 public elementary and secondary schools)
- Extra-large divisions (over 750 public elementary and secondary schools)

The staffing and organizational pattern of school divisions should vary depending on size. The practice of a single division staffing pattern prescribed by the Department of Budget and Management should be thrown out. At the same time, there should be no extra-large divisions in the country. These are simply too large, unwieldy, and therefore unmanageable as far as quality results are concerned. All the indicators show that these are poor performing divisions because Management cannot devote enough time or resources to improve on such situations. All extra-large divisions should be split up into two large divisions, at the minimum.

**(2) Schools**

*Elementary level*

- Large urban central school
- Small urban primary school (incomplete elementary)
- Small urban school (complete elementary)
- Large rural central school
- Small rural primary school (incomplete elementary)
- Small rural school (complete elementary)
- Multi-grade rural school (complete)
- Multi-grade rural school (incomplete)
- Madaris school (for Muslim Filipino children)

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- Alternative learning center (for children not able to attend regular schools)

*Secondary level*

- Large urban school
- Small urban school
- HS annex of a mother school
- Large rural school
- Small rural school
- Science high school
- Technical high school

There are as many variants as there are community situations. To prescribe a single schooling arrangement and even a single curriculum is to assume that all school settings are equal and similar. The Department must be more flexible in allowing for local schools to be differently organized and managed. Thus, a greater role for local school boards and school governing councils, *where these are ready*.

In terms of school size, it is a recommendation that no high school should have more than 2000 students. This entails a faculty of no more than 63-65 teachers.<sup>119</sup> By the same token, elementary schools should be limited in size to no more than 1200 pupils for the six-grade cycle. At average class sizes of 40, this would mean around 30 teachers for a maximum size school.

A school with a larger teaching complement will have difficulty in terms of management of results given a single principal. Smaller, more manageable school sizes will result in better performance overall measured in EFA terms.

### **(3) School heads**

There is need to de-link principal rank from school size. Under the current DBM rules, Principal IV rank (the highest in the service) requires large school sizes and a faculty that may run up to 100 teachers. This runs counter to the global experience that smaller schools perform better in all indicators. As such, this DBM rule favors mediocrity, albeit unknowingly or unwittingly.

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<sup>119</sup> Given a target class size of 40 students, a 2000-student high school would have 50 class sections. The DBM ratio of high school teachers to class/section has been set at 1.25 teachers:class or 6.25 teachers.

Principal positions, like teacher positions, should be professionally-regulated. A PRC<sup>120</sup> rating could be introduced at two levels:

- Principal (for ranks I, II and III)
- Master Principal (for rank IV and a new rank, V)

Under this proposal, entry into the rank of Principal I, II and III would be subject to a PRC examination that would ensure managerial and pedagogic standards. Once recognized as a “principal”, movement from ranks I to III would be based on performance and merit. Entry to the Master principal rank (Principal IV and V) would be through an advanced licensure exam similar to the second-level examinations given by the PRC (as in the case for master engineers).

Principal rank would not be linked to school size. Even small schools could be run by master principals. This would remove the bias by ambitious principals to aspire for large urban central schools and provide small rural schools with the opportunity for qualified principals.

#### **(4) Geographic and sociological considerations**

Language and culture are important attributes of geographic areas. The “mother tongue” policy of DepED should be encouraged and promoted at the lower elementary levels as the way by which children learn the basics.

DepED should continue to support this as well as the promotion of local history as a way to keep local children and their parents engaged in formal schooling. This is particularly important for Muslim Filipino children and those of indigenous people (IP). *Madrasah* schools for the former and alternative learning centers for the latter should be consciously and progressively pursued by DepED. Other geographic area considerations include: schooling for nomadic or wandering communities and different academic schedules/calendars for farm-based communities.

## **2. From “security of tenure” to merit-based performance evaluation and rewards**

Civil service rules provide that a government worker (i.e. a teacher or administrator) has security of tenure once hired. For a good teacher, this is an incentive.

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<sup>120</sup> Professional Regulatory Commission. Teachers are required to be PRC-licensed through the Licensure Examination for Teachers given once at the start of their teaching careers.

For a poor or under-performing teacher, however, the system is stuck with that individual for an average of over 30 years.<sup>121</sup> This becomes a long-term system problem.

The *Magna Carta for Teachers* enacted into law in 1966 provides all teachers, good or bad, with security of tenure *starting from the date of hiring*. A simple proposal requiring an amendment of law would be to provide for a one-year probationary period for newly-hired teachers to determine whether or not they possess the qualities of a good teacher worthy of being retained in the system.

Safeguards would have to be introduced to ensure that corruption in teacher hiring is not repeated twice as far as the individual teacher is concerned. But these reforms are necessary if the system is to be assured that once hired, a teacher will be an asset rather than a liability in the system.

### **3. *From budgeting without accountability to outcome-based budgeting***

A multi-year budget for education will allow for inputs to be matched up against outputs from previous spending. Multi-year budgeting will also allow for DepED to lay out a trajectory towards realizing *Education for All* targets<sup>122</sup> with a spending plan that is realistic and can be planned and programmed.

While DepED budgets will continue to be approved annually by Congress, the Department together with DBM and the Development Budget Coordinating Committee of NEDA<sup>123</sup> can lay out multi-year budget ceilings to guide planning.

Consistent with the drive for accountability, the DBM has a new framework – Organizational Performance Indicators Framework (OPIF) – which lays out the annual targets, both budgetary and performance, of all government agencies including DepED.

### **4. *Focus on standards not standard operating procedures***

Short term leadership and planning horizons tend to focus on the immediate. For DepED, this means procedures and inputs as opposed to outputs. With multi-year budgeting, this can be shifted to outcomes and by extension, standards.

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<sup>121</sup> The average tenure of a public school teacher in the system.

<sup>122</sup> The Philippines is signatory to the *EFA* convention and has set targets up through 2015 based on *EFA* performance indicators.

<sup>123</sup> National Economic Development Authority, the planning agency of the Philippine Government.

Focusing on standards will have two effects on governance in DepED:

One, it will downplay the importance of short-term leadership and highlight longer-term outcomes as the focus of attention of the bureaucracy.

Two, it will shift the center of gravity from central office to a collaboration between central office and the field (particularly school divisions).

##### **5. *Focus on policy not politics***

The Department of Education is a plum political post. The recent pattern of politicians alternating with academicians as secretaries of education reflects this reality. And this will continue to be the reality for as long as teachers remain in charge of election counting.

The long-term and permanent solution to this situation is to take teachers out of election counting, if not election duty overall. In order to do this, the national government must be serious about modernizing the election system through automated voting. Teachers can continue to man the individual election precincts and schools can still be used as polling stations provided their duties end with the closing of precincts and voting. With automated voting, teachers will be relieved of having to manually count votes. Once this onerous task is removed from teachers, political interest in the hiring of teachers, principals, supervisors, superintendents and even regional directors should be minimized if not eliminated altogether.

Once eliminated, decisions on schooling and education matters at the local and national levels should be based on policy considerations and community demand and not on politics, national or local.

The governance structure of the Philippine education system is still a long way from this reality. But if stakeholders in the system do not begin to start articulating that such politics undermines the quality of education and schooling in the country, then no change for good will occur.

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