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ABSTRACT

Good governance has begun to be recognized by both the public and the private sector, at least on paper, as a linchpin towards national development. Obviously, statistics are needed to provide objective as opposed to subjective indicators of performance and good governance. Unfortunately, statistical agencies have not been able to generate statistics in this field for various reasons – lack of financial and manpower resources, lack of subject matter expertise, apprehension to get involved in the measurement of possibly controversial issues, etc.

But official statistics must be relevant to national development. Toward this end, the National Statistical Coordination Board (NSCB) has been publishing annually since 1998 the Countryside in Figures, which ranks the performance of the provinces in various aspects of governance but which does not come up with an overall ranking, making it difficult to assess the overall performance of the provinces. In addition, the Human Development Network, in collaboration with the NSCB, produces an overall ranking of the provinces based on the Human Development Index (HDI) developed by the United Nations Development Programme, which is, however, limited to indicators of health, income and education. To address the data gap on governance statistics that can guide the electoral choices of voters, a paper was presented in the 2004 National Convention on Statistics on a Good Governance Index (GGI) that enabled an integrated ranking of the provinces in the aspects of economic, political and administrative governance.

This paper is a sequel to the 2004 paper using more updated data and parameters with some refinements in the methodology, including some changes in the variables comprising the GGI. The statistics on the chartered cities which are financially and administratively independent from the provinces had also been excluded from the computations of the GGI for the province to enhance the validity of the GGI as a measure of performance of the governor. Moreover, the paper introduces a Voters' Index to assess whether good governance principles are advocated not only on paper but in fact are put into actual practice, i.e. whether, using the results of the 2007 elections, the voters used performance as basis in the choice of their leaders.

I. Introduction

Recently, there has been increasing interest internationally and nationally on governance indicators. There is growing international consensus that good governance and sustainable human development are indivisible [4]. Good governance is thus key to a successful development agenda. But this calls for good governance not only at the national and international levels but also at the subnational level.

The implementation of the 1991 Local Government Code has empowered Local Government Unit (LGU) executives and given them the chance to make a difference in the lives of their constituents during their term of office. Do they live up to the challenges of their empowerment? In turn, does the citizenry expect or demand that the LGU executives perform the functions of their positions and deliver basic services to their constituents efficiently and effectively? To be able to answer these questions, we need governance statistics and indicators at the subnational level.

During the 9th National Convention on Statistics (NCS), Virola, et. al. [5] presented a paper entitled *“The Best and Worst Provinces in the Philippines: What Happened to Their Leaders in the 2004 Elections?”*. The paper was based on a framework for governance developed in 1999 by the National Statistical Coordination Board (NSCB).

In early 2004, the Philippines thru the Commission on Human Rights, in collaboration with the NSCB and the National Commission of Indigenous Peoples agreed to participate in a world-wide project on “Democracy, Human Rights and Governance” called the METAGORA project. The Philippine component of this project developed instruments for monitoring the human rights of indigenous peoples with focus on the right to ancestral domain and was piloted in three tribes in the northern part of the country. The objective is to develop evidenced-based assessment methods and tools combining quantitative and qualitative approaches. In particular, it aimed to measure four aspects of the rights of indigenous people to their ancestral domains and lands: the indigenous people’s perceptions and awareness of their rights, the enjoyment or violations of these rights, the governmental measures and customary laws for the realization of these rights, and the availability of mechanisms for redressing and fulfilling rights [1]. One important feature of the project is the collaboration between the human rights institutions and the statistical and research communities.

The involvement of the NSCB in the Metagora project inspired the presentation of updates of the 2004 NCS paper and drew attention of the international community to the work of the NSCB in the generation of statistics on democracy, human rights and governance. Specifically, updates of the paper have been presented in the following international fora: (a) “Governance Frameworks and Indicator Systems: Some Experiences in the Philippines”, during the International Workshop on Governance Indicators for Pro-Poor and Gender-Sensitive Policy Reforms sponsored by the UNDP Oslo Governance Center and the Indian Council of Social Science Research in New Delhi, India from 20-22 April 2005; (b) “Indicators of Democratic Governance as Guide to Voters in Philippine Elections: Inspiration

from Metagora”, during the Regional Conference for Asia Measuring and Fostering the Progress of Societies on Measuring Democracy and Human Rights from 8-9 February 2007 in Seoul, Korea; (c) “The Construction and Use of Indicator Sets: Lessons to Build Modern Democracies” during the OECD’s 2nd World Forum on Statistics, Knowledge and Policy “Measuring and Fostering the Progress of Societies”, from 27-30 June 2007 in Istanbul, Turkey; and (d) “Measuring Democracy, Human Rights and Governance: Should Official Statisticians Be Involved?” presented during the 56th Session of the International Statistical Institute from 22-29 August 2007 in Lisboa, Portugal. Locally, aside from the NCS, the principal author also made a presentation entitled “Towards Informed Decisions of Voters During Elections: Measuring Governance of Local Officials” on 13 April 2007, during the forum “2007 Elections: The Good, The Bad and the Ugly in the Local Government” sponsored by the Mayors Development Center, Inc. Philippines. In addition, an article entitled “Governance Statistics: Who Should We Vote For in the May 14 Elections?” was posted on Statistically Speaking on the NSCB website on 12 February 2007 [6].

With the increasing interest on governance statistics and the active involvement of the NSCB on the subject, in 2006, the NSCB embarked on two governance projects in cooperation with the University of the Philippines National College of Public Administration and Governance and the National Economic Development Authority. The first project is on the “Development of a Conceptual Framework for the Survey of the Philippine Governance Indicators Users”. It is the Philippine component of “Pro-Poor and Gender Sensitive Democratic Governance Indicators for Policy Reform” funded by the UNDP Democratic Governance Thematic Trust Fund and being implemented by the UNDP Oslo Governance Center. The second project was on the “Development of Statistical Framework and Indicator System for Tracking Governance Reforms” under the Tracking Governance Reforms Project funded by the GOP-UNDP Programme on Fostering Democratic Governance 2005-2009.

Since the 2004 NCS paper, the governance statistics released by the NSCB have drawn relatively wide interest from the media and other stakeholders of good governance including politicians whose provinces ranked well and not so well in governance.

This paper is thus a sequel to the 2004 paper. The intention is to compile the governance indicators on an annual basis. For purposes of providing information to the voters before the 2007 elections, it would have been useful to have data up to 2006. However, not all the data requirements of the indicators are available in a timely manner; and this paper only has data up to 2005. For example, the results of the 2006 Family Income and Expenditures Survey

which are needed in the computation of poverty statistics have not been released by the National Statistics Office.

The following section reviews the methodology used in the 2004 NCS paper and presents the revisions that were made as well as the limitations. In the third section the results are presented. Some concluding remarks and recommendations follow in the last section.

II. Good Governance Framework

As mentioned earlier, the governance framework in Annex 1 developed by the NSCB [2] is used as a basis. Governance, as defined in the NSCB framework, is the manner in which power is exercised in the management of the country's economic and social resources for development. It also refers to the exercise of economic, political and administrative authority to manage the nation's affairs at all levels. Good governance promotes the collective responsibility of the government, civil society and private sector for improving the lives of all Filipinos, particularly the poor.

The framework covers three types of governance, namely:

- a. **Economic Governance** which has 2 main areas of concern, namely: (1) sustainable management of resources such as natural, financial and human; and (2) enhanced government responsiveness to the poor
- b. **Political governance** which includes the following areas of concern, namely: (1) improvement of internal and external security, (2) law enforcement and administration of justice; and (3) elimination of graft and corruption. and
- c. **Administrative governance** which covers the following areas of concerns, namely: (1) efficiency in the delivery of services, (2) improved transparency and accountability, (3) continuous building of capacities, and (4) expanded use of information and communications technology (ICT).

The NSCB framework also identified a total of 40 indicators for the three major areas of governance.

While this paper uses the NSCB governance framework, it proposes a different set of indicators for the different subthemes. For some of the subthemes, there are no indicators identified due to data constraints; while for others, some indicators have not been included because either the data are not timely or the desired provincial disaggregation has not been

generated. Moreover, some Millennium Development Goals indicators are included. The methodology is presented in Annex 2.

In the choice of the indicators in this paper, aside from the availability of provincial level data and availability of more timely data, since the purpose is to assess the performance of the LGU executive, only those indicators which are more or less within the control of the executive are included. Examples of indicators excluded due to data constraints are court case disposition, cases resolved on graft and corruption and infant mortality rate. Examples of indicators excluded because they are not clearly within the control of the LGU executives are population growth rate, number of banks and number of pawnshops. Also excluded are indicators which may not be clearly reflective of good governance or which may not be uniformly relevant across all provinces. Some of these are police to population ratio, mining and fishery production

In the actual indexes computed in this paper, some indicators are missing for some subthemes for reasons mentioned earlier and the formula for the indexes have to be adjusted accordingly. For indicators whose values have not changed between two points in time due to unavailability of data updates, it was decided to include them because they affect the level of the GGI although not the change in the GGI. We also decided to retain the indicator on crime efficiency rate¹ despite questions about its reliability because it is the only indicator on political governance. In addition, in order to prevent an indicator from unduly influencing the index, such as when the value of the subindex for an indicator is over 1000, maximum limits are set for each subindex: 500 at the lowest level, 400 at the second level and 300 for the third level, when three subindexes are being averaged to come up with the overall governance index. Alternatively, the limits could have been set to a certain number of standard deviations from the mean. Computations made by the authors indicate however, that removing the limits does not materially affect the rankings of the ten best provinces as shown in Table A below. In the case of Lanao del Sur, its underemployment rate was 0.4% compared to 9.9% for the Philippines; hence if there is no limit, the index of Lanao del Sur would have been higher, enough to put the province among the top ten in GGI for 2005.

¹ Prof. Solita C. Monsod suggested its exclusion due to reliability considerations in her discussion of the 2004 NCS paper.

Table A. Effect of Limits on Ranking of Ten Best Provinces, 2003-2005

| Ten Best Provinces | Good Governance Index | |
|--------------------|-----------------------|------------|
| | 2005 | |
| | w/o limit | with limit |
| Batanes | 1 | 1 |
| Rizal | 2 | 2 |
| Benquet | 3 | 3 |
| Siquijor | 5 | 4 |
| Bulacan | 6 | 5 |
| Apayao | 9 | 6 |
| Laguna | 7 | 7 |
| Cavite | 8 | 8 |
| Nueva Vizcaya | 10 | 9 |
| Pampanga | 11 | 10 |
| Lanao del Sur | 4 | 32 |

A major improvement made in the methodology was the exclusion of the contribution of chartered cities in the computation of the provincial GGI. Chartered cities act independently from their provinces and are largely self governing. Aside from financial independence, they also have their own representatives in Congress. On the other hand, the contribution of the component cities which are still dependent on their mother provinces for support and representation are still included.

Also, additional indicators such as the cohort survival rate in education², inclusion of high school education variables instead of only elementary education, voters' turnout rate, pupil-classroom ratio, prices as measured through the inflation rate, and proportion of barangays with health centers were incorporated in the computation of the GGI in the revised methodology. However, it is to be noted that a smaller average number of pupils per classroom may not necessarily be more desirable than a bigger one.

Computational exercises conducted to determine the effect of including versus excluding some indicators show that the inclusion of variables on high school education aside from elementary education, the pupil classroom ratio and cohort survival rate did not materially affect the rankings of the ten best provinces because the Administrative Governance Index already consisted of several (eleven) variables while including the inflation rate only has a slight effect on the Economic Governance Index. Table B shows the effect on the education index when six variables were added: high school teacher-student ratio, number of public high schools per 1000 school-age population, enrolment in government high schools per 100 school-age population, high school cohort survival rate, elementary pupil-classroom ratio

² This was suggested by Prof. Solita C. Monsod in 2004.

and high school student-classroom ratio. However, the authors decided that for “completeness” of the index, these indicators were included. The complete list of indicators used is shown in Annex 3.

Table B: Effect of Additional Variables on Education Index

| Ten Best Provinces | Education Index 2005 | |
|--------------------|-------------------------|---------------------|
| | without new indicators | with new indicators |
| Batanes | 1 | 1 |
| Siquijor | 2 | 2 |
| Catanduanes | 3 | 3 |
| Abra | 4 | 4 |
| Mt. Province | 5 | 5 |
| Ilocos Norte | 13 | 6 |
| Ilocos Sur | 8 | 7 |
| Biliran | 7 | 8 |
| Antique | 12 | 9 |
| Camiguin | 11 | 10 |

For the GGI in the paper, the modifications made on the GGI as computed in the Statistically Speaking Article [6] are as follows: (a) inclusion of the following indicators: inflation rate, crime solution efficiency rate, voters turn-out rate, high school teacher-student ratio, number of public high school per 1000 school age population, enrolment in government high school per 1000 school age population, high school cohort survival rate, elementary pupil-classroom ratio, high school student-classroom ratio, and number of barangay health centers per 100,000 population; (b) use of more updated data (2003) on poverty incidence and poverty gap; (c) use of Total Financial Resources (TFR) by province instead of total municipal TFR; and (d) use of expenditure on social services by province instead of total municipal. It was found out that adding the municipal figures on Total Financial Resources or expenditure on social services does not give the provincial figure that is directly available. In addition to the changes on the Statistically Speaking methodology, as mentioned previously, the chartered cities have been excluded from the computation of the indices for their respective provinces.

The provinces are ranked according to the GGI. The best and worst provinces are identified based on the ranking. In addition the difference in the GGI between two points in time is computed and the provinces are again ranked according to the change in the GGI. The most improved and least improved provinces are determined based on the ranking in the change in GGI.

The indices are computed for the years 2003 and 2005. Not all the data for 2000 are available so the indices for 2003 and 2005 will not be comparable with those for 2000. In particular, the high school education variables available for 2003 and 2005 are not available for 2000. because the source, the Basic Education Information System of the Department of Education started only in 2002. The tables for 2004 have also been excluded in the paper due to space constraint.

The indices are shown in Tables 3 and 4. The NCR has been excluded in the rankings.

Responsibility of the Voters: The Voters' Index

How do voters assess their candidates? Is it based on the candidates' performance and/or credentials? Or is it based on other considerations? In the past, popular actors and actresses would generally find it easy to win in the elections, showing the power of the media in influencing the decision of Filipino voters³. Also, cultural values such as kinship ties and sense of gratitude (repayment of debts and favors received) are known to influence voter's decisions. In order to assess the performance of voters, a Voters' Index has been added since the 2004 NCS paper.

The Voters' Index aims to measure the "wisdom" of the voters in selecting their candidates. A rate or grade of "0" or "1" is assigned to a province, depending on the results of the election and their GGI: 1 for best or most improved provinces whose governor won and 0 otherwise; 1 for worst or least improved provinces whose governor lost and 0 otherwise.

| If the governor (or his relative): | Best or Most Improved Province | Worst or Least Improved Province |
|---|---|---|
| Won | 1 | 0 |
| Lost | 0 | 1 |

The resulting scores are then added and divided by the total number of a list of provinces wherein the governors or their relatives ran for reelection or election to another office to arrive at the Voters' Index. The list can include the top or bottom ten, twenty and thirty

³ Interestingly, majority of the actors/actresses/sports/sports figures/ media personalities, who ran during the 2007 elections lost. The casualties included two popular actors who lost badly in the senatorial race and a very popular, well-loved and well-liked sports figure who ran for a seat in Congress.

provinces. Those provinces whose governors had ended their third term and therefore are not allowed by law to seek reelection for the fourth term and where a relative did not run as well as those provinces whose governor or a relative did not run during the elections are excluded in the computation.

The results of the computations done for the various presentations made on the subject clearly demonstrate the need to advocate for better behaviour among voters. In fact, the Voters' Index is intended as a tool for this advocacy towards good governance not only among the political leaders but also among the citizens in the exercise of their right to vote. Good governance is after all, the responsibility of the governed as much as it is of the governors, from the highest to the lowest elected official of the land.

Limitations

The most critical limitation of the GGI lies in the identification of the indicators for the various areas of governance. What indicators should be part of the GGI as a measure of good governance? Is the GGI a valid indicator to measure the performance of the Governor? Can we say that the good or bad performance of a province on one indicator is primarily or solely because of the good or bad performance of the governor. Aren't the Vice-Governor, the other provincial officials and the other LGU executives like the municipal mayors and vice-mayors jointly responsible for the good or bad performance of the province. In addition, reported cases in one province may actually be the responsibility of a neighboring province, although this may not be a major limitation. For example, it has been observed that reports for some economic centers on health statistics like mortality and morbidity are overestimated because the hospitals and other health facilities are located in these economic centers.

Relatedly, the GGI is being used to assess the performance of an LGU executive where the index is computed for years covering the term of the executive. For example, for LGU executives whose terms expired in 2004, the GGI should be computed for 2000 (before the term started) and for each of the three years of his/her term, namely, 2001, 2002 and 2003. Improvement in the GGI is taken as an indication of good performance by the executive. Obviously, aside from the fact that the performance of a province is the collective responsibility of the provincial officials as already mentioned, it may not always be true that the good or bad performance of the province results from the performance of the current provincial officials as there are other factors that may have contributed to the improvement or deterioration of the GGI. Some of the good/bad things that happened during the term of an LGU executive may have been the result of efforts/transactions that actually started prior

to his/her administration; likewise the results of decisions made by the current provincial officials may spill over or may start to be felt only during the term of the next set of officials.

The second limitation is that even if the indicators can be chosen to make the GGI a valid measure of good governance, the data supporting the indicators can either be unavailable or are not available in a timely manner. In fact, for some subthemes of the three areas of governance, there were no indicators used because of data constraints.

One important data constraint faced by the GGI is caused by the unavailability of provincial level estimates of employment and poverty statistics. Provincial estimates of employment and unemployment are no longer generated by NSO since a new master sample was used starting 2003. Thus, constant poverty and employment indices were used. Inclusion of the constant indices, instead of outright exclusion, affects the level of the GGI but not the change in the GGI. Thus, it will bear on the ranking of the GGIs (the best provinces) but not on the ranking of the change in GGIs (best performing provinces).

In addition, the intention was to compile the GGI for 2003-2006 to be able to assess the performance of an LGU executive between the 2004 elections and the 2007 elections. The GGI for 2003 is the benchmark level and the LGU executive would be evaluated on the basis of his/her province's GGI for 2003 to 2006 and on the basis of the change in GGI between 2003 (start of the term) and 2006 (end of the term). However, 2006 data for some of the indicators are not yet available, so the evaluation will be based on the 2003 GGI and the 2005 GGI.

Aside from the unavailability or untimely availability of data and indicators for the GGI, questions on the reliability of the data remain. Some administrative-based statistics like crime rate and health cases, for instance, are generally based on reported cases only instead of the actual number.

Another issue could be the indexing methodology which assigns equal weights to the different dimensions of governance. But then, other indexes like the HDI also use equal weights in the absence of definitive agreement on the relative importance of the various components. On the other hand, some monitoring systems just do not compute indexes anymore because of issues relating to how the index should be computed. Relatedly, the approach used in setting maximum limits to the subindexes to prevent an indicator from dominating the GGI can be improved.

The timing and extent of dissemination of results is another area that can be improved. For maximum impact, updated GGI should be released before elections. However, the existing timelag of the data supporting the GGI does not allow this. Given the limitations of the GGI, the question arises: should it be released at all? Or should the GGI be released *in toto*? Based on experience, it seems that the media and other users of governance statistics are as keen if not more keen on the provinces in the bottom of the list.

III. The Results: The Best and Worst, the Most Improved and Least Improved Provinces⁴

From the computed indexes, the following observations are made:

PHILIPPINE GOOD GOVERNANCE DECLINED BETWEEN 2003 AND 2005!

1. The Philippine GGI as shown in Tables 3, 4 and 6 declined from 2003 to 2005. The decline occurred in all three areas of governance: political (PGI), economic (EGI), administrative (AGI), with the worst decline suffered in economic governance. However, unlike the PGI and the AGI, the EGI continues to be above the 2000 level⁵ and remains as the highest index followed by PGI and AGI which are very close to each other.
2. The Philippine GGI is only slightly over half of the NCR GGI.
3. Luzon has the highest GGI in 2005; followed by Visayas and Mindanao.
4. All three major island groups suffered declines in GGI from 2003 to 2005 with Luzon experiencing the biggest decline and Visayas, the least. Thus, the decline in the Philippine GGI was caused mainly by the decline in the GGI of the Luzon and Mindanao provinces.

THE BEST PROVINCES

1. Excluding the NCR, Batanes has consistently the highest GGI: in 2003, in 2005 and even in the older version of the GGI (Statistically Speaking [6]). And Rizal is consistently second best.

⁴ Only 79 provinces are ranked in the paper; as of June 30, 2007, there are 81 provinces in the country, with the addition of Shariff Kabungsuwan and Dinagat Islands.

⁵ Note that the 2000 level of the indices when the Philippine GGI was set at 100 is based on a different set of variables.

2. The top five provinces in 2003 remained so in 2005. Joining Batanes and Rizal are Benguet, Siquijor and Bulacan. Four of these provinces are in Luzon and one in Visayas.

TEN BEST: 9 IN LUZON, 1 IN VISAYAS, 0 IN MINDANAO

1. The 10 “best” provinces for 2005 are Batanes, Rizal, Benguet, Siquijor, Bulacan, Apayao, Laguna, Cavite, Nueva Vizcaya and Pampanga. They all did very well in economic governance. Their worst area is in political governance. Nine are in Luzon, one in Visayas and none in Mindanao (Table 3).
2. There was very little change in the list of top ten provinces from 2003 to 2005
3. Five provinces which were not in the top 30 for 2003 sneaked into the top 30 in GGI for 2005, with the most impressive gain that of Misamis Oriental from 53rd to 24th (Tables 3 and 4). This is caused by the improvement in all three areas but especially in Economic and Administrative Governance. Specifically, Misamis Oriental did well in the indicators on expenditure on social services, inflation rate, crime solution efficiency rate, number of health personnels, % of births less than 2500 grams and number of barangay health stations. The other new entrants are Agusan del Norte from 31st to 25th, Northern Samar from 36th to 28th, Cebu from 41st to 29th and Bohol from 40th to 30th.
4. Consequently, five provinces which were in the top 30 for 2003 slid out of the top 30 in GGI for 2005: Nueva Ecija from 17th to 49th, La Union from 22nd to 40th, Oriental Mindoro from 25th to 36th, Eastern Samar from 28th to 47th and Davao del Norte from 30th to 35th.
5. Outside of NCR, half or 40 of the 79 provinces had higher GGI than the Philippine GGI in 2005.
6. Two governors of the ten best provinces are women.

TEN MOST IMPROVED: 4 IN MINDANAO, 3 IN VISAYAS, 3 IN LUZON

1. Only 15 of the 79 provinces improved their GGI from 2003 to 2005. In fact, among the ten provinces with the highest GGI for 2005, only two actually improved on their 2003 GGI: Batanes and Pampanga.
2. The 10 most improved provinces between 2003 and 2005 are Misamis Oriental, Batanes, Negros Oriental, Abra, Southern Leyte, Zamboanga del Norte, Capiz, Zamboanga Sibugay, Sarangani and Pampanga.
3. Among the most improved, four are from Mindanao, three are from Visayas, and three are from Luzon.

4. Batanes and Pampanga are really doing very well in the GGI. The two provinces not only are included in the list of the 10 highest GGI, they are also among the top ten in improvement in the GGI.
5. On the other hand, while Zamboanga Sibugay, Zamboanga del Norte and Sarangani are included in the 10 most improved provinces, they are also included in the 30 provinces with the lowest GGI for 2005.
6. More than half or 42 of the 79 provinces did better than the decline of 5.69 points in the Philippine GGI. The NCR GGI had a bigger decline than the national GGI.
7. No governor in the ten most improved provinces is a woman.

TEN WORST: 5 IN MINDANAO, 5 IN LUZON, 0 IN VISAYAS

1. The ten worst provinces for 2005 are Maguindanao, Camarines sur, Masbate, Lanao del Norte, Zamboanga del Sur, Albay, Surigao del Sur, Camarines norte, Zamboanga Sibugay and Romblon. Their GGIs are less than half that for NCR and while they are not so bad in political governance, they generally do badly in both economic and administrative governance.
2. Two of the provinces in the list of ten lowest GGI for 2005 actually improved on their 2003 GGI: Zamboanga Sibugay and Masbate.
3. There was not much change in the list of provinces with the lowest GGI. Eight of those in the bottom ten for 2005 were also among the bottom ten for 2003. Twenty five of those in the bottom thirty for 2005 were also among those in the bottom thirty for 2003.
4. Among the worst provinces, five are in Mindanao, five in Luzon and none in Visayas. Four are in Bicol, one in MIMAROPA, two in ARMM and three in Central Mindanao.
5. Two of the worst are also among those with the least improvement, in fact, worst deterioration in their GGI: Maguindanao and Zamboanga del Sur, both from Mindanao.
6. Five provinces that originally were in the bottom thirty in 2003 have gotten out of the list: Negros Oriental from 66th to 48th, Southern Leyte from 63rd to 42nd, Capiz from 54th to 34th, Misamis Oriental from 53rd to 24th and Guimaras from 52nd to 38th.
7. Consequently, five new provinces entered the bottom thirty list for 2005: Zamboanga del Sur from 34th to 75th, Palawan from 44th to 62nd, Occidental Mindoro from 43rd to 55th, Agusan del Sur from 48th to 52nd and Marinduque from 45th to 48th.

8. Two governors of the ten worst provinces are women.

TEN LEAST IMPROVED: 6 IN LUZON, 3 IN MINDANAO, 1 IN VISAYAS

1. The ten provinces with the least improved GGI, actually with the biggest deterioration in the GGI from 2003 to 2005, are Bulacan, Zamboanga del Sur, Camiguin, Nueva Ecija, Ilocos Sur, La Union, Eastern Samar, Oriental Mindoro, Palawan and Maguindanao. They generally suffered big reductions in economic compared to administrative and political governance.
2. However, nine of the thirty provinces with the biggest reduction in GGI from 2003 to 2005 are still in the list of thirty provinces with the highest GGI for 2005. Particularly worth pointing out are Bulacan which ranked 5th highest in the GGI for 2005; Laguna, 7th highest; Cavite, 8th; and Zambales, 13th. The other provinces which rank among the 30 with the biggest reduction in GGI but still belong to the 30 provinces with the highest GGI for 2005 are Camiguin, 20th; Ilocos Sur, 22nd; Ilocos Norte, 23rd; Aklan, 26th; and Tarlac, 27th.
3. Among the ten with the biggest reduction in GGI, six are in Luzon, three in Mindanao and one in Visayas. Two are from MIMAROPA, two are from the Ilocos Region, two are from Central Luzon, two are from Central Mindanao, one in ARMM and one from Eastern Visayas.
4. One governor of the ten least improved provinces is a woman.

In addition, the following observations are made:

1. In the 2004 NCS paper, there was relatively strong agreement between the GGI and the HDI [3]. This is confirmed in the 2007 NCS paper. For example, based on the preliminary NSCB computations on the HDI [3], as shown in Table 5.1, seven of the provinces with the nine highest GGI for 2003 are included among the nine provinces with the highest HDI. Siquijor and Apayao, which have low HDI indices do very well in the GGI because they have high total financial resources index, low unemployment and high expenditure on social services. Under the Administrative Index, both have very high road index. All these variables are not part of HDI. Moreover, eight of the ten provinces with the highest HDI for 2003 are included among the 13 provinces with the highest GGI for 2003. And those provinces who do not do well in the GGI, generally do not do well in the HDI (Table 5.3).

2. However, the following provinces which had relatively good rankings in the Statistically Speaking methodology for the 2003 GGI did not do so well under the 2007 NCS methodology: Basilan, 17th vs. 56th; Davao del Sur, 18th vs. 35th; Guimaras, 20th vs. 51st; Bukidnon, 23rd vs. 32nd; and Lanao del Sur, 29th vs. 38th.

The 2007 Voters' Rewards and Punishments

As already mentioned, it would have been better if the GGI was also computed for 2006 in order to assess the situation of the province just before the 2007 elections. However, due to data constraints, only the 2005 GGI was computed and compared with the 2003 GGI. On the basis of the change in the GGI and/or the level of the GGI, the voters could have been guided by the GGI during the 2007 elections, giving their rewards or punishment as the case maybe.

THREE OF THE BEST LOST!

Table 5.1 shows that among the ten governors of the ten best provinces who either ran or whose relative ran during the 2007 elections, seven were either reelected, or a relative won. Three ran as governor or congressman and lost.

FOUR OF THOSE WITH THE MOST IMPROVED GGI LOST!

Likewise, Table 5.2 shows that among the ten provinces with the most improved GGI, six were reelected or ran as congressman or mayor and won; four, unfortunately, lost running either for reelection, for congressman or for mayor but lost.

EIGHT OF THE WORST STILL WON!

From Table 5.3, among the worst provinces, two governors lost but eight governors or a relative still won in the 2007 elections.

AND EIGHT OF THOSE WITH THE BIGGEST REDUCTION IN GGI STILL WON!

As shown in Table 5.4, among the provinces with the biggest reduction in the GGI, seven were reelected, one ended her term and did not run but a relative won as governor while the other two lost in the elections.

Table C below shows the Voters' Index for the 2004 and 2007 Philippine Elections, using 10, 20 and 30 provinces in the computations. The table shows that good performance is not sufficient for the governor to win, neither is bad performance sufficient for a governor to lose; worse, except for the index on the least improved provinces, the Voters' Index has deteriorated between 2004 and 2007. This is alarming and it would be interesting to know public reaction to this; certainly, it is a challenge that must be addressed by civil society and all stakeholders concerned about voters' decisions during elections! But while the methodology obviously still needs to be improved, and while bad performance seems to be still rewarded by voters during elections, it cannot be definitively said yet that Filipino voters do not consider performance as a basis for their electoral decisions.

Table C. Voters' Index for the 2004 and 2007 Philippine Elections

| Voters' Index | | | | | | | | | |
|----------------------------------|--------------|------|--------|--------------|------|--------|--------------|------|--------|
| | 10 Provinces | | | 20 Provinces | | | 30 Provinces | | |
| | 2004 | 2007 | Change | 2004 | 2007 | Change | 2004 | 2007 | Change |
| Best Provinces 2005 | 1.00 | 0.70 | -0.30 | 0.84 | 0.65 | -0.19 | 0.83 | 0.70 | -0.13 |
| Worst Provinces 2005 | 0.20 | 0.20 | 0.00 | 0.20 | 0.10 | -0.10 | 0.24 | 0.17 | -0.07 |
| | | | | | | | | | |
| Most Improved Provinces 2003-05 | 0.70 | 0.60 | -0.10 | 0.75 | 0.65 | -0.10 | 0.79 | 0.67 | -0.13 |
| Least Improved Provinces 2003-05 | 0.10 | 0.20 | 0.10 | 0.11 | 0.25 | 0.14 | 0.14 | 0.23 | 0.09 |

IV. Concluding Remarks and Recommendations

Admittedly, there is much room for improvement in the compilation of the GGI as a governance indicator. The biggest challenge is in the identification of relevant and valid indicators and the generation of the data supporting these indicators with the appropriate disaggregation and on a timely basis. Some of the relevant indicators are actually being generated at present but are released with an unsatisfactory time lag or are processed without the proper disaggregation. It would be desirable to incorporate hard statistics on graft and corruption and tax collection but data support is not currently available.

In addition, relevant indicators like crime rate and infant and maternal mortality rate would be meaningful in assessing the performance of the LGU executives, but data quality issues can dilute the overall GGI index.

For proper attribution, there is also a need to identify and agree at least in general terms, on the indicators of aspects of governance which are mostly, if not solely, within the control of the executive whose performance is being assessed. In this regard, it may be more appropriate and valid if the GGI could be generated for cities and municipalities.

Reaction to the involvement of a statistical agency in measuring governance has been generally positive. While the presentation of previous versions of the paper in the international community has elicited both admiration and curious amazement, questions have also been raised whether national statistical agencies should in fact be doing what has been done in the paper.

Locally, reaction from the media has been enthusiastically encouraging. The rankings provide special attraction to governance indicators but media interest is greater on the non-performers. And despite their limitations, the GGI has been cited by politicians, quite obviously by those whose provinces do well in the rankings. It is hoped of course that the LGU executives are silently trying to improve their GGI ranking.

And it is unfortunate that many of us think that graft and corruption occur only because of bad leaders and officials. Good governance does not only involve the leaders; very much a factor for good governance is the behaviour of the governed. Our efforts at good governance will not work if good work is punished or bad work is rewarded. At this point in time, it is presumptuous to think that the GGI will influence many voters' behaviour. But it is hoped that an improved GGI can and will lead to Filipino voters' free and informed choices in future elections. For our future!

Given the positive reaction to the GGI, it is time to consider the need to mainstream the generation of governance statistics in national statistical systems even, or maybe, especially in other parts of the world. At present, there are disconnected efforts by various stakeholders including civil society and the academe in the measurement of governance. This can be a waste of valuable resources so the involvement of statistical agencies offers opportunities to optimize the use of limited resources; also, to mainstream statistics in policy making and enhance the relevance of statistics to society

The mainstreaming of GGI in the Philippine Statistical System will of course require resources. The generation of better statistics for better development outcomes will require resources. The question is, do we have the political will to invest in statistics?

ACRONYMS

| | |
|------|--|
| AGI | ADMINISTRATIVE GOVERNANCE INDEX |
| EGI | ECONOMIC GOVERNANCE INDEX |
| GGI | GOOD GOVERNANCE INDEX |
| GOP | GOVERNMENT OF THE PHILIPPINES |
| HDI | HUMAN DEVELOPMENT INDEX |
| LGU | LOCAL GOVERNMENT UNIT |
| NCS | NATIONAL CONVENTION ON STATISTICS |
| NSCB | NATIONAL STATISTICAL COORDINATION BOARD |
| OECD | ORGANIZATION FOR ECONOMIC COOPERATION & DEVELOPMENT |
| UNDP | UNITED NATIONS DEVELOPMENT PROGRAMME |

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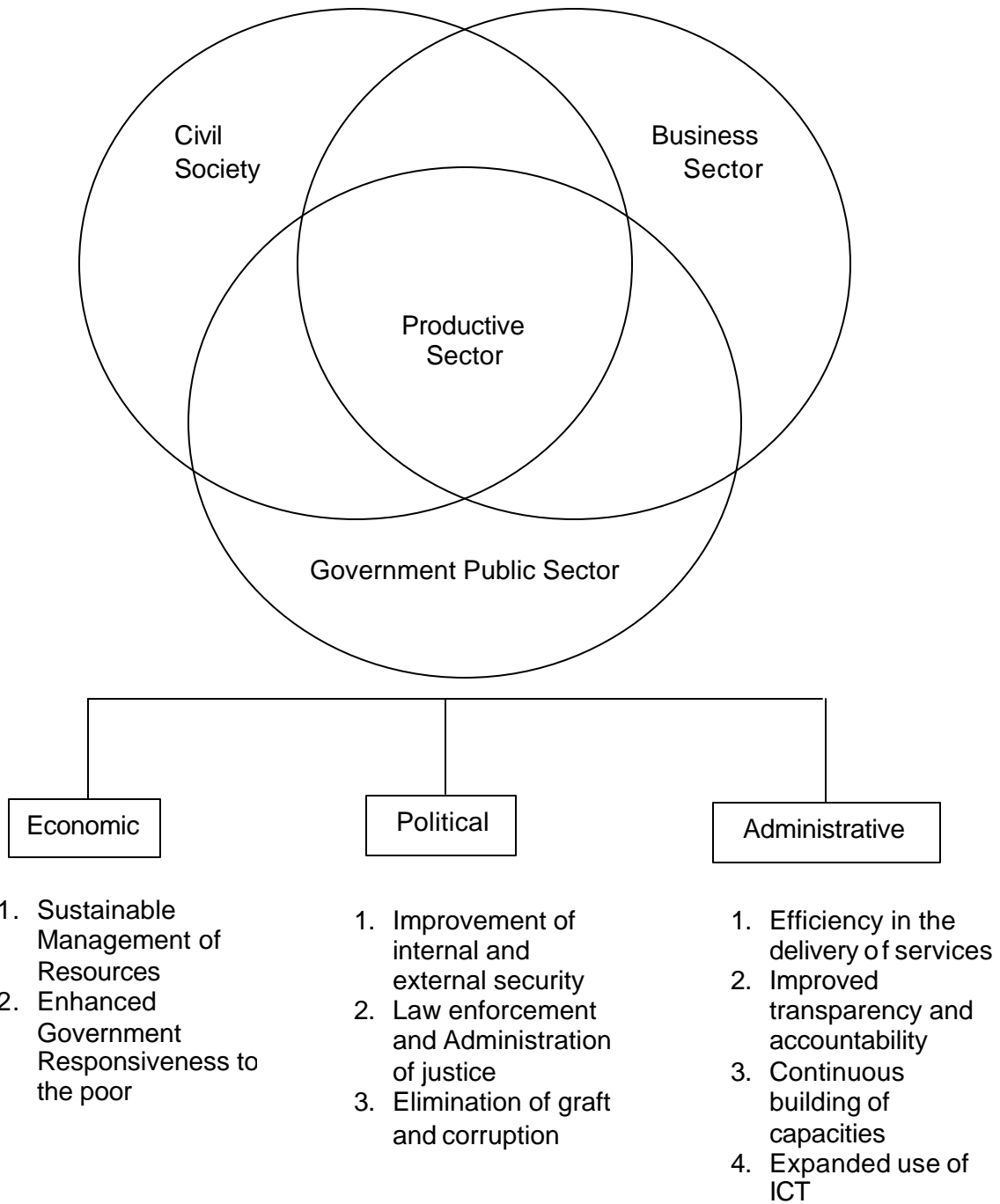
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National Statistics Office
Department of Health
Commission on Audit
Department of Budget and Management
Bureau of Internal Revenue
Department of Education
Department of Public Works and Highways
Philippine National Police
National Electrification Administration
National Telecommunications Commission
Commission on Elections
National Statistical Coordination Board
Bangko Sentral ng Pilipinas

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ANNEX 1- FRAMEWORK FOR THE DEVELOPMENT OF GOVERNANCE INDICATORS



Source: Report on the Development of Indicators and Design of a Database and Information Network of Governance Statistics Project, NSCB

ANNEX 2 - The Methodology for the Good Governance Index (GGI)

For each province, a Good Governance Index (GGI) is computed as the unweighted arithmetic average of the Economic Good Governance Index (EGGI), the Political Good Governance Index (PGGI) and the Administrative Good Governance Index (AGGI). Thus,

$$\text{GGI} = (\text{EGGI} + \text{PGGI} + \text{AGGI})/3.$$

The EGGI, the PGGI and the AGGI are computed as the unweighted averages of the indexes corresponding to their subthemes. Thus,

$$\begin{aligned}\text{EGGI} &= (\text{SMRI} + \text{EGRPI})/2, \\ \text{PGGI} &= (\text{IIESI} + \text{LEAJI} + \text{EGCI})/3, \text{ and} \\ \text{AGGI} &= (\text{EDSI} + \text{ITAI} + \text{CBCI} + \text{EUII})/4\end{aligned}$$

Where

| | |
|-------|---|
| SMRI | = Sustainable Management of Resources Index, |
| EGRPI | = Enhanced Government Responsiveness to the Poor Index, |
| IIESI | = Improvement of Internal and External Security Index, |
| LEAJI | = Law Enforcement and Administration of Justice Index, |
| EGCI | = Elimination of Graft and Corruption Index, |
| EDSI | = Efficiency in the Delivery of Services Index, |
| ITAI | = Improved Transparency and Accountability Index, |
| CBCI | = Continuous Building of Capacities Index, and |
| EUII | = Expanded Use of ICT Index. |

Similarly, the above sub-indexes of the nine subthemes are computed as the unweighted arithmetic averages of the indicator-indexes under each subtheme. These indicator-indexes will themselves be unweighted arithmetic averages of another set of indicator-indexes. To introduce some benchmarking of the index, the index for Philippines 2000 is set at 100. At the lowest level of indexing, for indicators for which high values are desirable (positive indicators), the index for a province is obtained by dividing the value of the indicator for the province by the value of the indicator for Philippines 2000. On the other hand, for negative indicators, the index for a province is obtained by dividing the value of the indicator for Philippines 2000 by the value of the indicator for the province. The hierarchical configuration of the system of indexes is given as follows:

Governance Index (PI) = Ave (Economic Governance Index + Political Governance Index + Administrative Governance Index)

Or **PI = Ave (EGI + PGI +AGI)**

Where:

A. Economic Governance Index (EGI) = Ave (Sustainable Management of Resources Index + Enhanced Government Responsiveness to the Poor Index)

EGI = Ave (SMRI + EGRPI)

B. Political Governance Index (PGI) = Ave (Improvement of Internal and Security Index + Law Enforcement and Administrative Justice Index + Elimination of Graft and Corruption Index)

PPGI=Ave (IISI + LEAJI + EGCI)

C. Administrative Governance Index (AGI) = Ave (Efficiency in the Delivery of Services Index + Improved Transparency and Delivery Index + Continuous Building of Capacities Index + Expand the Use of ICT Index)

AGI = Ave(EDSI + ITDI + CBCI + EUII)

Values for EGI, PGI and AGI greater than 300 are truncated to 300

Detailed Component Indices:

In computing for the lowest level of index for the positive indicators, the index for a province is obtained by dividing the value of the indicator for the province by the value of the indicator for Philippines 2000

For negative indicators, the index for a province is obtained by dividing the value of the indicator for Philippines 2000 by the value of the indicator for the province

1. Economic Governance Index (EGI) :

EGI = Ave (SMRI + EGRPI)

where

a. Sustainable Management of Resources Index(SMRI) =Ave(Management of Financial Index + Management of Human Resources Index)

or SMRI=Ave (MFRI + MHRI), where

MFRI=Ave (Generation of Adequate Resources Index + Per Capita Expenditure on Social Services Index)
= Ave (GARI + PCESSI)

where:

GARI =Ave(Per Capita Financial Resources Index + Per Capita Revenue Index +

Per Capita Total Deposits Index)
 and
 PCESSI=Per Capita Expenditure on Social Services Index

The values of the sub indices of GARI and PCESSI that are greater than 500 are truncated to 500

MHRI=Ave(Unemployment Rate Index+ Underemployment Rate Index)

The values of MFRI and MHRI that are greater than 400 are truncated to 400

b. Enhanced Government Responsiveness to The poor Index (EGRPI) = Ave(Poverty Incidence Index+Poverty Gap Index+ Inflation Rate Index)

The values of EGRPI that are greater than 400 are truncated to 400

2. Political Governance Index (PGI)

PGI = Ave (IIESI +LEAJI + EGCI) where

a. Improvement of Internal and External Security Index (IIESJI) =Crime Solution Efficiency Rate Index

b. Law Enforcement and Administration of Justice Index (LEAJI) Voter's Turn-out Index

c. Elimination of Graft and Corruption Index (no indicators used)

3. Administrative Governance Index (AGI)

AGI= Ave (EDSI+ITAI+CBCI +EUII), where

a. Enhanced Delivery of Services Index (EDSI) =Ave (Education Index+Health Index +Housing Index + Infrastructure Index+ Power Index)

EDSI= Ave (EI + HI + HIS + II +PI)

Education Index (EI) =Ave(Elementary and High School Teacher Pupil Ratio Index + Number of Public Elementary and High Schools Per 1000 Population Index +Total Enrolment in Government Elementary and High Schools Per 1000 Population Index + Elementary and High School Cohort Survival Rate Index + Elementary and High School Pupil-Classroom Ratio Index)

Health Index (HI) = Ave (Health Personnel Per 10,000 Population Index + Percent of Households with Access to Safe Water Index + Live Births Less Than 250 Grams Per 1000 Births Index + Number of Barangay Health Stations per 100,000 Population Index)

Housing Index (HSI) = Ave(% Housing Made of Strong Roofs Index+ % Housing Made of Strong Walls Index

Infrastructure Index (II) = Length of National and Local Roads Per 1000 Population Index

Power Index(PI) = Percent of Energized Barangays Index

The values of the sub indices of EI,HI,HSI and II that are greater than 500 are truncated to 500

b. Improved Transparency and Accountability Index (**ITCI**) - No indicator is available/used

c. Continuous Building of Capacities Index (**CBCI**) - No indicator is available/used

d. Expanded the Use of IT Index (**EUII**) = Telephone Density Index

The values of EDSI and EUII that are greater than 400 are truncated to 400

Annex 3– List of Indicators:

Economic Governance

- Total Financial Resources Generated
- Total Revenue Collections (Tax and Non -Tax Revenue)
- Total Deposits
- Expenditure on Social Services
- Unemployment Rate
- Underemployment Rate
- Poverty Incidence
- Poverty Gap
- Inflation Rate

Political Governance

- Crime Solution Efficiency Rate
- Voters' Turn-out Rate

Administrative Governance

- Elem. Teacher to Pupil Ratio
- High School Teacher to Student Ratio
- Number of Public Elem. Schools per 1000 School-Age Population
- Number of Public High Schools per 1000 School-Age Population
- Enrolment in Government Elem. School
- Enrolment in Government High School
- Elementary Cohort Survival Rate
- High School Cohort Survival Rate
- Elem. Pupil-Classroom Ratio
- High School Student-Classroom Ratio
- Total Health Personnel per 1000 Population
- % Birth less than 2500g
- % of Households w/ Access to Safewater
- No. of Barangay Health Stations per 100,000 Population
- Length of National and Local Roads
- Percent of Energized Barangays
- Telephone Density