

From Reform to Implementation: Overcoming Backsliding (C)

In May 2019, after three years in Congress, Mayor Jonas Cortes was re-elected as mayor of Mandaue City, the Philippines.

“What a contrast Congress is to being mayor!” he reflected in an interview in Mandaue in his first week back in office. “In Congress, you get up in the morning, and you don’t quite know what to do. Congress meets on Mondays, Tuesdays, and Wednesdays. Then you can go back to your home to meet with your constituents. But the mayor’s job is 24x7. It’s exciting. You feel you can do things, you’re connected with the people.”



Cortes had been mayor of Mandaue from 2007 to 2016. He had left office and run for Congress because of the Philippines’ limit of three successive terms.

During his tenure as mayor, Cortes had turned around this small city of about 350,000 people. His principal vehicle for reform was the Performance Governance System, a public-sector version of the balanced scorecard.

The PGS requires organizational innovations to enable strategy design, implementation, and monitoring:

- Externally, a Multi-Sectoral Governance Coalition (MSGC) brings business and community leaders into active roles in defining actions, helping implement them, and warranting performance outcomes.
- Internally, an Office of Strategy Management (OSM) rides herd on the scorecard process as well as abetting cross-departmental and intra-departmental teams that work on strategic priorities.
- Externally and internally, the PGS entails “revalidas,” from the Spanish word for validating progress. Units at various levels would present their results to external and internal audiences, who would warrant them (or not).

Cortes counted on the help of the designers of the PGS, the Manila-based Institute for Solidarity in Asia. Comprised of mostly of business people, along with some activists and academics, the ISA provides training in the PGS. It also validates and publicly rewards the completion of various stages in the implementation of the PGS. Finally, the ISA helps cities like Mandaue learn with and from other cities

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that use the PGS—as well as a variety of other public agencies, including for example the Central Bank and the Armed Forces of the Philippines.

Cortes was particularly ingenious in implementing the PGS.

After Mandaue was certified in achieving the first two phases of the PGS (initiation and compliance), the process stalled. The MSGC began to experience a kind of anomie, one perhaps familiar from the logic of collective action: “Why should my business do something if others don’t—or even if others do?” The OSM met with resistance among government employees, worried about politicization and also about the prospect of the PGS making them do extra work without providing extra resources.

But Cortes and his team responded brilliantly.

- With the ISA’s help, they refreshed the mission and strategy.
- They worked with the MSGC to give it some particular tasks it could do well that would help small- and medium-sized businesses in Mandaue.
- The OSM regrouped with a full-time leader (Jamaal James Calipayan), a new staff that did not include department heads, and a kind of start-up mentality.
- It created a web presence with #IAMMandaue.
- With the MSGC, the OSM led the establishment of “concept stores,” in which were displayed examples of Mandaue’s high-quality manufactured consumer goods.
- In collaboration with the local RAFI foundation, the OSM adapted the foundation’s team-building programs for use in city hall.
- Finally, through public-private partnerships and great respect for the agency of the poor, Cortes’ administration enabled the resettlement of people from illegal and dangerous dwellings along flood-prone rivers to new, hard-walled and electrified houses in a community they themselves helped to construct. The dumpsite Umapad was a festering sore of pollution—and yet also a place where desperately poor people chose to live and to scavenge out a meagre existence. Cortes and his team tried to work with these people to clear the organic wastes, enable a more organized and safe recycling of plastics and metals, and build parks and even a day-care center.

As a result, by the time Cortes left office in 2016, the city had sprung forth economically and socially. Investment had surged. Care for the poor had improved. City services were more efficient. Even Cortes’ successor as mayor—and his future opponent in the 2019 elections—Gabriel Luis “Luigi” Quisumbing praised the turnaround under Cortes. “If I could sum it up in one phrase,” he said in 2015, “it’s ‘night and day’ what Mandaue was in 2007 and what Mandaue is now. It’s a testament to [Cortes’s] vision and to his leadership and the industry of every single Mandauehanon who has worked in the last nine years to make Mandaue an ideal place to live, work and play.”

Some of the progress continued under Mayor Quisumbing (see Table 1). Economic activity continued to advance. In the latest rankings by the Philippines Department of Trade and Industry, in 2018 Mandaue ranked seventh among 33 “highly-urbanized cities” in “economic dynamism.”

But by 2018, in “government efficiency” Mandaue was 20th and in “resiliency” 29th.¹

¹ <https://cmci.dti.gov.ph/pages/rankings/> Rankings of Cities and Municipalities are based on the sum of their scores on 4 Pillars: Economic Dynamism, Government Efficiency, Infrastructure and Resiliency.

Table 1
Some Dimensions of Progress in Mandaue, 2011 to 2018

	2011 (PGS begins)	2016 (Cortes' final year)	2018 (under Quisumbing)
Gross sales of registered firms	120b	203b	262b
Total capitalization of NEW businesses	3.7b	6.4b	7.2b
Days to get building permit	15	7	6
Total revenues by LGU	994m	1.60b	1.92b ²
Business tax collected	278m	471m	830m
Real property tax collected	80m	336m	450m
Total budget of LGU	953m	2.7b	3.4b ³
No of police	379	447	473
Public secondary schools	16	17	23

Note: Monetary units are current Philippines pesos. b = billion; m = million. LGU = local government unit. Source: Mandaue Investment Promotions Action Center, "National Competitiveness Council Cities and Municipalities Competitiveness Index," n.d. (2019?), rounded by the author.

Cortes had campaigned against Quisumbing on improving Mandaue's governance. The campaign was bitter, and it did not lack for family drama.

Dr. Norberto Quisumbing, the patriarch of that family, split with his grandson the mayor after the mayor vanquished an establishment owned by another member of the family for allegedly distributing recreational drugs such as Ecstasy.

"Economic Dynamism is usually associated with activities that create stable expansion of business and industries and higher employment." Indicators include Size of the Local Economy (as measured through business registrations, capital, revenue, and permits), Growth of the Local Economy (as measured through business registrations, capital, revenue, and permits), Capacity to Generate Employment, Cost of Living, Cost of Doing Business, Financial Deepening, Productivity, and Presence of Business and Professional Organizations."

"Government Efficiency refers to the quality and reliability of government services and government support for effective and sustainable productive expansion. Conceptually, this factor looks at government as an institution that is generally not corrupt; able to protect and enforce contracts; apply moderate and reasonable taxation and is able to regulate proactively." The ten measures include Capacity of Health Services, Capacity of Schools, Security, Business Registration Efficiency, Compliance to BPLS standards, Presence of Investment Promotions Unit, Compliance to National Directives for LGUs, Ratio of LGU collected tax to LGU revenues, Most Competitive LGU awardee, and Social Protection.

"Resiliency is the capacity of a locality to facilitate businesses and industries to create jobs, raise productivity, and increase the incomes of citizens over time despite of the shocks and stresses it encounters. This implies that the role of local governments is critical in ensuring a competitive environment to make businesses sustain their profits, create jobs, and increase the productivity of its people. In order for localities to be able to do this, it must be resilient in its infrastructure, governance, social and environmental systems." The ten indicators include ratings of a city's Land Use Plan, Disaster Risk Reduction Plan, Annual Disaster Drill, Early Warning System, Budget for DRRMP, Local Risk Assessments, Emergency Infrastructure, Utilities, Employed Population, and Sanitary System <https://cmci.dti.gov.ph/pages/indicators/>

² This is the average of 2017-18. In 2017, the figure had dropped to 936m, and then it rose to 2.91b in 2018, so one may suspect a data or aggregation anomaly here.

³ This is the average of 2017-18. In 2017, the figure had fallen to 2.50b, and then it rose to 4.23b in 2018.

Aside from the rift in their family, the older Quisumbing also lashed out at his grandson for allegedly engaging into “dirty politics.”

“I now put my vote and now support Jonas Cortes as mayor of Mandaue City and the rest of Team Mandaue because I believe Luigi (Quisumbing) no longer deserves to be Mayor as he has been corrupted by greed and influence. Too much power went to his head and he is now managing Mandaue City wrongly in every way,” the Quisumbing patriarch said in the statement which was printed in a local daily.

Cortes, for his part, thanked Dr. Quisumbing for his support and vowed to “bring good governance back to Mandaue City.”⁴

“We have a priority for the PGS,” said Mayor Cortes told the author in early July 2019. “Good governance is good politics.”

Back in Office and Finding Backsliding

Jonas Cortes officially assumed his duties as mayor on Sunday, June 30, 2019. The next week, he and his team were pulling together all the city’s financial data. And the head of the Office of Strategy Management, Genee Nuñez, prepared a briefing about what had happened to the Performance Governance System since Cortes left office in 2016.

The overall picture was one of backsliding. Instead of pursuing the PGS as he had promised when running in 2016, Mayor Quisumbing had sidelined it.

“The mayor gave us minimal support,” Nuñez said. “There were limited resources for the PGS; the budget was reduced. But we were adaptable. The Vice Mayor was now our champion.”

Inside City Hall

In 2016, the strategic roadmap was revised (see Exhibit 1 for the strategy maps of 2014 and 2016). The vision changed: “Mandaue 2020: Home of High Value Manufacturing Serving the Global Market.” The phrase “high-value manufacturing” was being advocated by the Department of Trade and Industry. “Some people found it confusing, and even we weren’t quite sure what it meant,” Nuñez said.

Lacking the support of Mayor Quisumbing, the PGS was not used as the basis for most personnel decisions or budgetary allocations. One result was “demotivation” among employees. They gave less attention to the balanced scorecards of the PGS—and indeed to the collaborative initiatives represented by the Vision-Aligned Circles (VACs) for strategic initiatives across departments. In fact, the cross-departmental VACs languished. In 2018, only five of the 16 VACs had completed their strategic initiatives, and four had shown no progress at all.

There were unobtrusive indicators of backsliding. The #iamMandaue Transformation Program was abandoned. The OSM’s office, which “used to be the coolest,” was vacant. The roof was leaking, and the office still awaited renovation.

More importantly, a silo mentality had emerged within city hall. “The culture changed after 2015,” Nuñez observed. “Before, everyone was included, and everyone was collaborating. But now, departments were thinking of survival instead of collaboration. There was a culture of fear.”

⁴ Abatayo, Rosalie O. 2019. “Quisumbing hopes rift in family will ‘heal in time’” *Cebu Daily News*, 25 April. <https://cebudailynews.inquirer.net/230356/quisumbing-hopes-rift-in-family-will-heal-in-time>

In this atmosphere, the OSM shifted focus and tried to help the city's 30 departments develop their own plans and roadmaps—in effect, recreating within those silos the four stages of the PGS. “It was a tedious process that took 1½ years.” In 2018, a stocktaking of the 30 departmental development plans showed that 19 departments had completed their plans, six departments were “on-going,” and five had shown no progress.

Outside City Hall

A vital component of the PGS is the Multi-Sectoral Governance Coalition, where citizens and the private sector work with the city government to make governance a shared responsibility. Under Cortes, the MSGC had grown and contributed to the city's vision of becoming the Philippines' leading producer of high-quality manufactured consumer products by 2020.

But under Quisumbing, the MSGC had become defunct.

Moreover, the exciting concept stores, launched with vigor in 2014, had closed after a year, and with them the hope of showcasing a variety of those Mandaue-made consumer products. One of the sites was taken over by the cooperative of retrenched workers from a private furniture company.

The public revalidas were replaced by written reports for the departments and the intra-departmental Vision-Aligned Partnerships (VAPs); these reports were studied by “panelists” who gave them grades. Revalidas were no longer high-profile, public hearings.

Guerrillas for Good Government

Faced with these realities, Nuñez and the OSM tried to find focus and create venues for collaboration. For example, building on the city's previous collaboration with the local foundation RAFI, the OSM sponsored the workshops for city employees. “We tapped RAFI and emphasized the development of skills, such as interpersonal communication and strategic thinking and change processes.”

“Since we lacked the mayor's support, we did some guerrilla activities!” Nuñez joked. “We discerned and took advantage of some bright spots. Our two successes were the river and the dump.”

Bayanihan sa Butuanon

“We tried to find one area where the departments could collaborate successfully,” Nuñez explained. “Eventually, we chose the Butuanon River.”

This river has 160 different companies discharging waste water into it, noted Araceli Barlam, formerly of the OSM but now head of the city's Environment and Natural Resources Office. “But only 93 of the companies actually comply with the regulations. Enforcement is the problem. Some of the companies have all the federal papers saying they are compliant, but they aren't compliant.” Meanwhile, along the slopes of the river, at many places citizens and businesses discarded their solid waste. The river also was subject to flooding, which endangered the people who illegally lived alongside it.

The OSM asked different departments to think of what they could do to help with the river. Their joint efforts became known as the Bayanihan sa Butuanon.

One success involves a conspicuous spot on the river near two principal roadways. It was cleared of rubbish and re-landscaped, including with plants funded by voluntary contributions from city employees. In partnership with the Mandaue Chamber of Commerce and Industry, a series of attractive wooden landings were built. They descend from roadside to riverside, connected by stairways. Shady and comfortable, this new area attracts young and old Mandauehanons. (For a before-and-after perspective, see Exhibit 2.)

Other areas along the river were cleared of rubbish. Even so, a visit by the author in July 2019 confirmed that massive mounds of trash remained in some places; and some people had returned and rebuilt sketchy, illegal dwellings.

The Dumpsite

Progress with citizen relocations continued. The Lower Tipolo Homeowners Association, Inc., continued to develop. A new relocation called 6.5 in Barangay Paknaan was progressing. Both involved people who relocated from dangerous and illegal dwellings along flood-prone waterways. Both incorporated the assistance of local architects and NGOs; the involvement of departments of the city of Mandaue; and the self-help of the citizens, who assisted in the construction of their dwellings using hollow bricks made on site.

The Umapad dumpsite had been cleared of organic waste. On one side of the road, a large park had been created, including playsets for children and many trees and shrubs. A new daycare center was adorned in bright, friendly colors. On the other side, the land, though cleared of trash, remained vacant in July 2019. Plans existed for an expansion of the park. At the end of the road through Umapad were small reprocessing facilities for various kinds of waste. And along that road before the parks and daycare center were one after another small businesses, some focusing on recycling metals, some on plastics and other wastes.

Exhibit 3 provides a before-and-after perspective of Umapad.

Revival

Mayor Cortes and his new City Administrator (and former head of the OSM) Jamaal James Calipayan could already see that many things had changed radically since they left office in 2016.

“We have to revive the PGS,” said Mayor Cortes.



His administration will rework plans for a new government center, a one-stop shop to include municipal and national offices. “We’ll finance it differently, as a public-private partnership instead of with a loan.” It will be four stories, and it can be an iconic building that might be a tourism opportunity as well. “It can include design elements that recall the famous watch tower of old Mandaue, the Bantayan sa Hari, which is on our city seal. And it will be a green building.”

Speaking of green, waste remains a priority. “Segregation of garbage begins at home, but our citizens are having trouble getting it done. Let’s have our own employees take the lead. Let’s provide leadership by example—it’s important that we practice what we preach, and that people notice.”

Other priorities included the perennial challenge of traffic. Now anyone wishing to get from Cebu Island to the airport has to come through Mandaue. A big project is underway with the Japanese to build a fourth bridge and a coastal road that will enable that traffic to go around Mandaue.

Cortes also mused about creating more one-way roads, perhaps on some of them reversing their direction of traffic in the morning and in the evening in order to alleviate rush hour congestion. He wondered if the future might involve electric vehicles. He also pointed to a plan to relocate a provincial

bus station from Mandaue to a neighboring town, which that town likes because it will create business for their stores. “It will get some of those long-haul buses out of Mandaue.”

“To achieve good governance, we have to revive the PGS,” the Mayor said again. But how to revive the PGS and its vital external and internal components?

At the end of her briefing about the PGS from 2016 to 2019, Nuñez suggested three ideas for moving forward: clarify vision and strategize, find partners for collaboration inside and outside city hall, and organize community-led MSGC.

“We have a ‘bright spot’ for that kind of MSGC,” Nuñez noted. “It’s called the People’s Alliance for a Resilient Jacobiao, in Barangay Jabobiao [PARJ]. Here a community organized itself, with the help of the Dutch NGO Catholic Organization for Relief and Development Aid. It’s a livelihood program and more based on resiliency. They’ve identified needs in clean water, greening, waste packing, livelihood, etc. And it’s worked.”

“We in OSM helped, as did the City Planning and Development Office and the Disaster Risk Office, but since the area had voted in opposition to Mayor Luigi’s party, our collaboration was secretive. For example, we helped them with information about flooding. So, we know them and their model.”

City Administrator Calipayan said, “Maybe we could create five or so pilots of MSGC’s at the barangay level, using the PARJ model. Sixteen of the 27 barangays supported Mayor Cortes. We might begin there.”

Calipayan went on to offer a slightly different three steps.

“Going forward, we have to refresh our vision and strategy. We can try to have a new strategy map by Charter Day, August 30, which is Mandaue’s 50th anniversary. It’s a long, tedious process, so we have to begin doing it right away.

“Second, we have to build up the OSM, add more of the right kind of people.”

Nuñez laughed. “OSM people need a certain level of craziness.” Calipayan added, “And thickness of skin!” Barlam said, “And resilience!”

Calipayan said, “We have to build and capacitate the OSM. We can use ISA and the University of Asia and the Pacific to train in strategic management. We still have RAFI, which is a unique resource for team-building.

“And then, third, we have to create personal scorecards all the way through city hall. We need to do this to reach the fourth level of PGS certification, the institutionalization stage. We might try to achieve that by March 2020, when ISA will make those awards.”

Discussion Questions

1. How might Mayor Cortes invite Mandaue's private sector to help refresh the city's strategy and also rekindle the MSGC in pursuit of city priorities such as traffic, waste management, risk management and resilience to natural disasters, and the alleviation of poverty?

How might the model of "Creating Shared Value" be more successful in generating resources than the model of "Corporate Social Responsibility"?

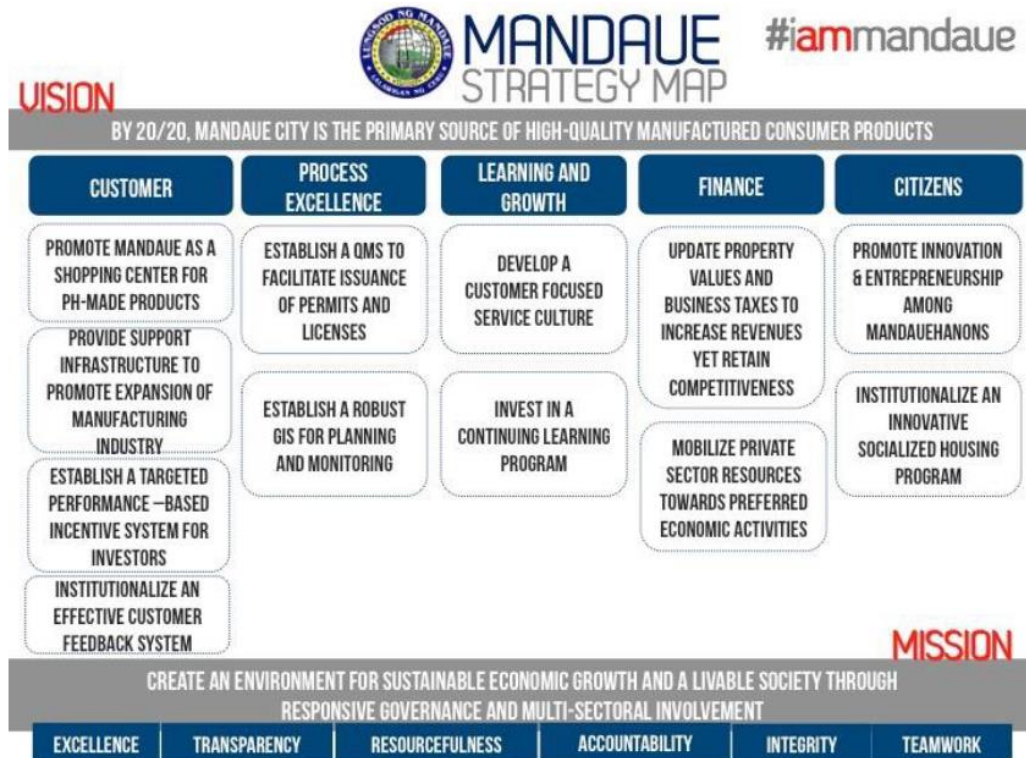
2. How might the Office of Strategy Management help the Mayor identify international donors whose interests and expertise align with Mandaue's priorities?

3. Internally, what dramatic steps might the Mayor and OSM consider to involve city employees once again in the Performance Governance System and help them succeed in their departmental and professional tasks as well? (Note that the resources that might be generated from steps 1 and 2 might catalyze collaboration inside and outside city hall: "Collaboration is much easier when there is a pot of money in the middle of the table.")

4. How might the Mayor draw on the assets and expertise of the Institute for Solidarity in Asia, the University of Asia and the Pacific, the University of San Carlos, and the RAFI Foundation?

Exhibit 1

(a) Mandaue's Strategy Map (2014)



(b) Mandaue's New Strategy Map (2016)

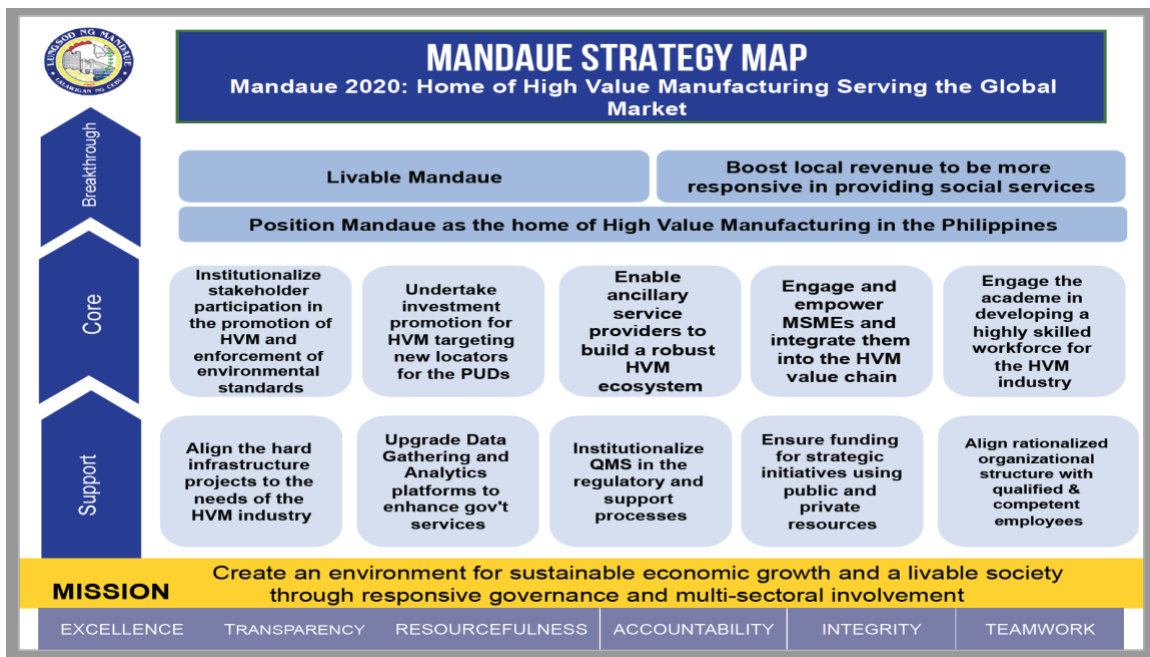


Exhibit 2

Along the Butuanon River



Exhibit 3

Umapad Dumpsite

