



NATIONAL COMPETITIVENESS COUNCIL PHILIPPINES

Dialogues

Australian Aid The Asia Foundation INTEGRITY INITIATIVE MBC Management Association of the Philippines SOCIAL WEATHER STATIONS

Topic:
SWS 2013 Enterprise Survey on Corruption

04 February 2014, 12:00 pm – 2:30 pm
 AIM Conference Center

- The 2013 Survey of Enterprises on Corruption is the 11th in a series of surveys done by SWS since 2000.
- The 2013 Survey was conducted with support from Australian Aid - The Asia Foundation Partnership in the Philippines, and in partnership with the National Competitiveness Council and the Makati Business Club's Integrity Initiative programme.

2 THE 2013 SURVEYS OF ENTERPRISES ON CORRUPTION

PRESENTATION OUTLINE

A. Survey Design

B. Survey Results

- 1) PUBLIC SECTOR CORRUPTION
- 2) SINCERITY IN FIGHTING CORRUPTION
- 3) GOVERNMENT EFFORTS TO FIGHT CORRUPTION
- 4) GOVERNMENT PROCUREMENT
- 5) ACCESS TO GOVERNMENT INFORMATION
- 6) TRANSACTIONS WITH GOVERNMENT
- 7) BUREAU OF INTERNAL REVENUE AND PAYING TAXES
- 8) SMUGGLING
- 9) ENTERPRISES SOLICITED FOR A BRIBE
- 10) PRIVATE SECTOR CORRUPTION
- 11) BUSINESS EFFORTS TO FIGHT CORRUPTION
- 12) HONEST BUSINESS PRACTICES
- 13) THE BUSINESS CLIMATE

C. Summary of Findings

3 THE 2013 SURVEYS OF ENTERPRISES ON CORRUPTION

THE 2013 SURVEY OF ENTERPRISES ON CORRUPTION: SURVEY DATES AND SAMPLE SIZES

Fieldwork Dates	Area	Total Sample	Large	Small & Medium	Error Margin
Jul 31 – Nov 29	7 areas	951	315	633	± 3%
Jul 31 – Nov 29	NCR: National Capital Region	351	116	235	± 5%
Jul 31 – Aug 30	Ang: Metro Angeles	100	33	67	±10%
Jul 31 – Sep 9	CLB: Cavite-Laguna-Batangas	100	33	67	±10%
Jul 31 – Aug 22	Ilo: Metro Iloilo	100	33	67	±10%
Jul 31 – Aug 29	Ceb: Metro Cebu	100	33	67	±10%
Jul 31 – Sep 9	CDO-I: Cagayan de Oro/Iligan City	100	33	67	±10%
Jul 31 – Aug 29	Dav: Metro Davao	100	33	67	±10%

5 THE 2013 SURVEYS OF ENTERPRISES ON CORRUPTION

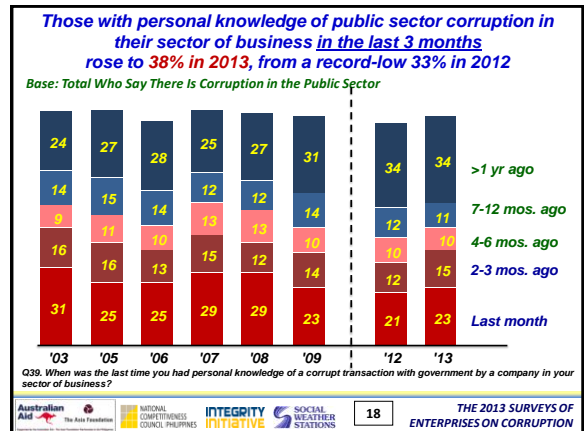
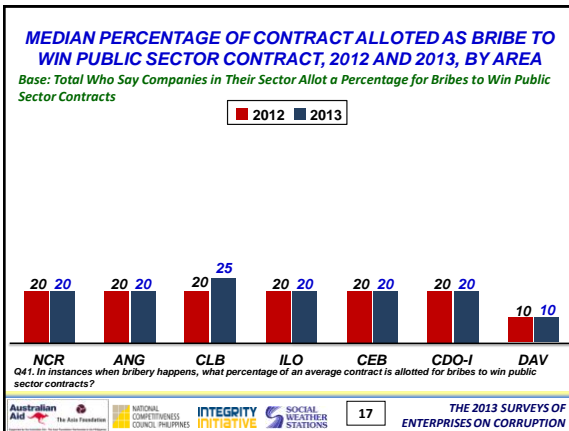
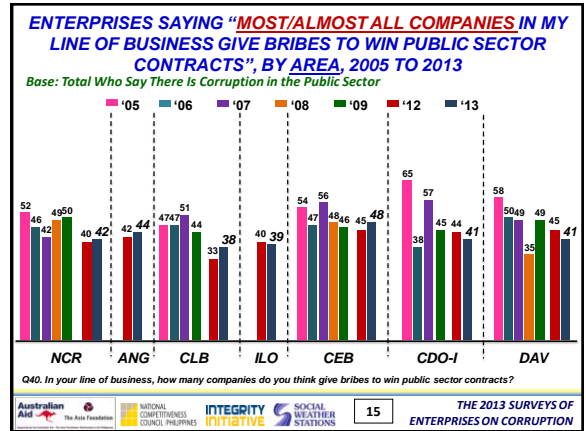
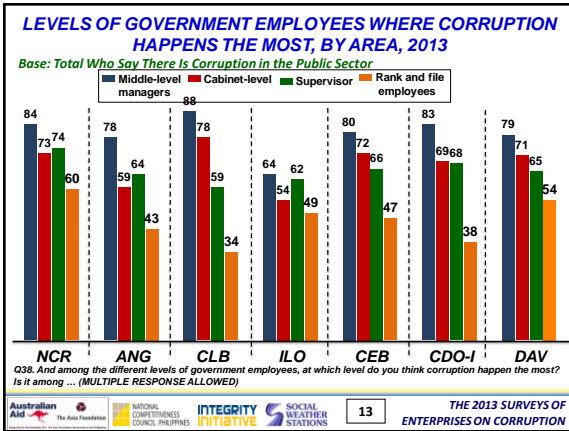
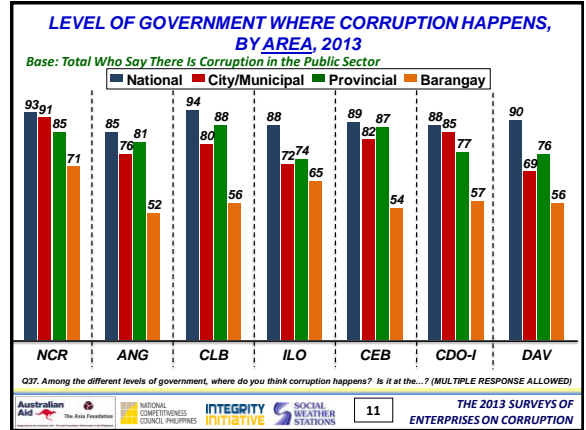
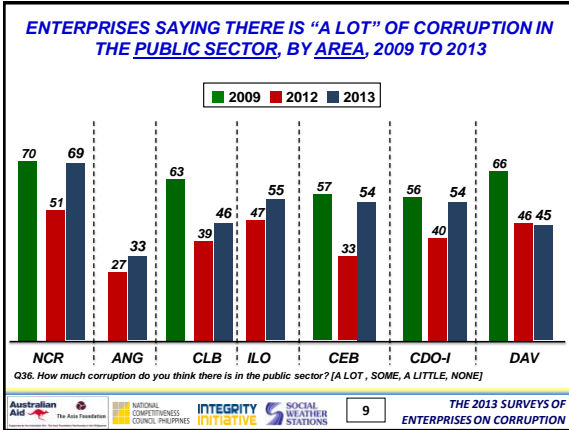
1) PUBLIC SECTOR CORRUPTION

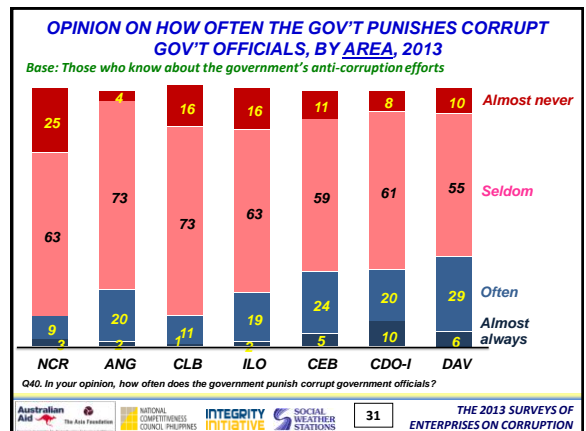
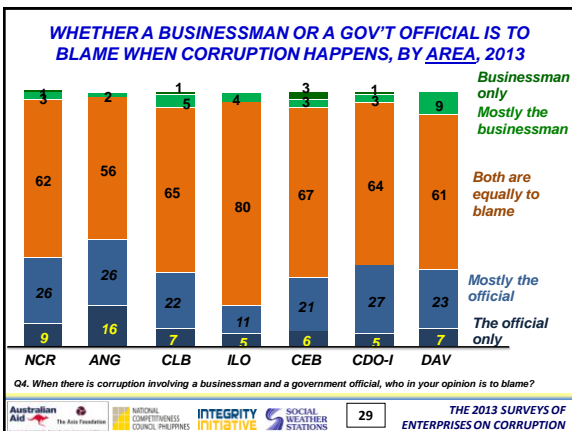
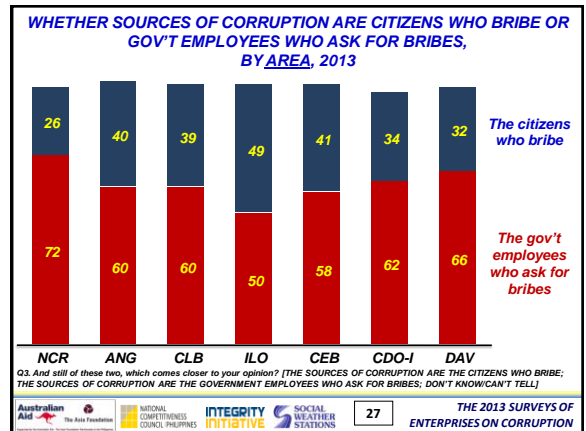
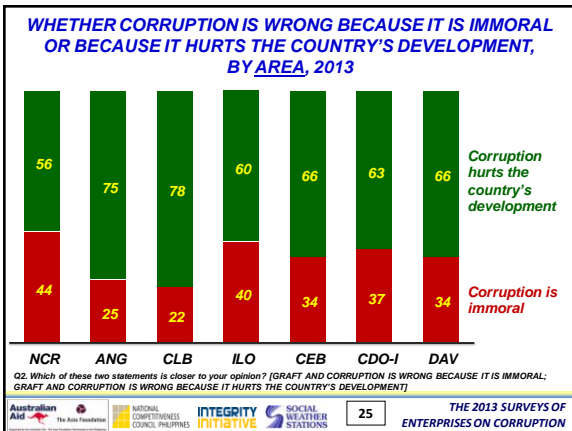
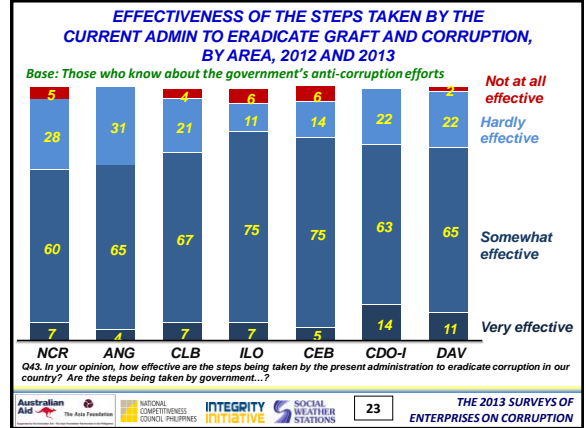
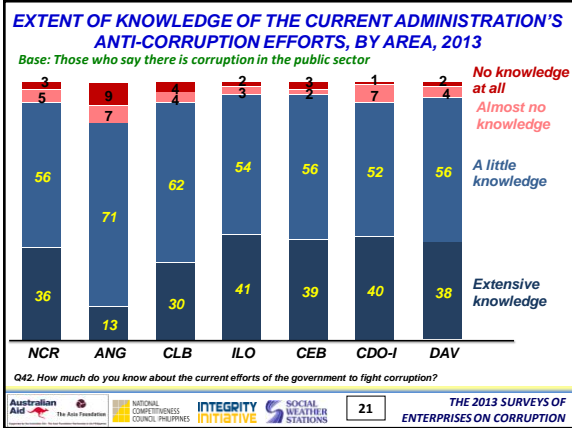
Those seeing "a lot" of corruption in the public sector rose to 56% in 2013 (second-lowest since 2000), from record-low 43% in 2012

Year	A lot	Some	A little	None
'00	63	25	10	2
'01	77	19	4	0
'02	60	29	10	1
'03	66	26	6	2
'05	66	28	5	1
'06	67	28	5	0
'07	61	33	5	1
'08	64	31	4	1
'09	64	32	3	1
'12	43	44	12	1
'13	56	38	5	1

Q36. How much corruption do you think there is in the public sector? (A LOT, SOME, A LITTLE, NONE)

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2) SINCERITY IN FIGHTING CORRUPTION

Ratings of sincerity of 24 government institutions in fighting corruption: **Status in 2013**

- **1 Excellent (+70 and above):** Office of the President
- **4 Very Goods (+50 to +69):** DTI, DOH, SSS, DSWD
- **4 Goods (+30 to +49):** DepEd, DOLE, Supreme Court, DOJ
- **5 Moderates (+10 to +29):** city govt, Ombudsman, COA, DILG, Sandiganbayan
- **6 Neutrals (+9 to -9):** trial courts, DBM, DOTC, Comelec, DENR, Senate
- **4 Pooors (-10 to -29):** BIR, DPWH, PNP, House of Reps
- **1 Bad (-30 to -29):** LTO
- **1 Very Bad (-50 to -69):** BOC

Ratings of sincerity of 24 government institutions in fighting corruption: **Movements from 2009/2012 to 2013**

- **5 upgrades:** SSS, Supreme Court, DOJ (up 2 grades), COA, Comelec
- **11 no-change or first-time ratings:** OP, DTI, DOH, DSWD (new), DOLE (new), city govt, Sandiganbayan, DENR, BIR, DPWH, PNP
- **10 downgrades:** DepEd, Ombudsman, DILG, DBM, DOTC, Senate (down 2 grades), trial courts, House of Reps, LTO, BOC

NET SINCERITY RATINGS IN FIGHTING CORRUPTION: **UPGRADES in 2013 vs 2012** 2009, 2012, AND 2013

	2009	2012	2013
SSS	+40 G	---	+52 VG
Supreme Court	+40 G	+24 M	+36 G
DOJ	-5 N	---	+35 G
COA	+8 N	---	+22 M
COMELEC	-8 N	-13 P	+7 N

EX – Excellent +70 and above; VG – Very good +50 to +69; G – Good +30 to +49; M – Moderate +10 to +29, N – Neutral +9 to -9; P – Poor -10 to -29; B – Bad -30 to -49; VB – Very bad -50 to -69; EC – Execrable -70 and below.

NET SINCERITY RATINGS IN FIGHTING CORRUPTION: **NO GRADE-CHANGE IN 2013 vs 2012** 2009, 2012, AND 2013

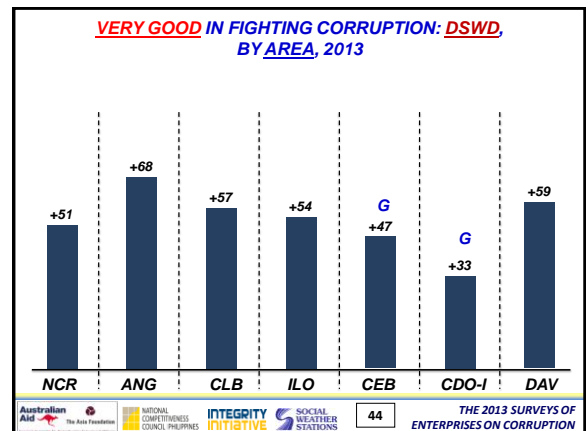
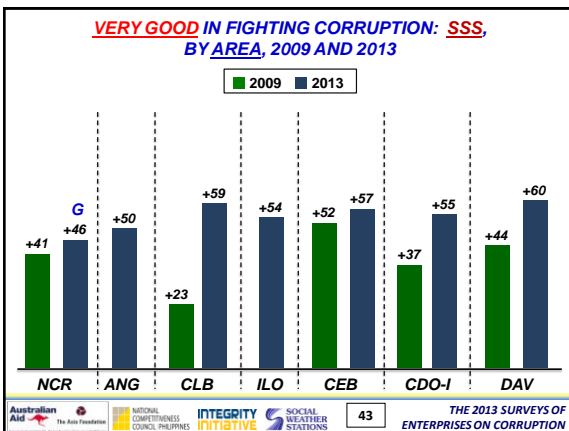
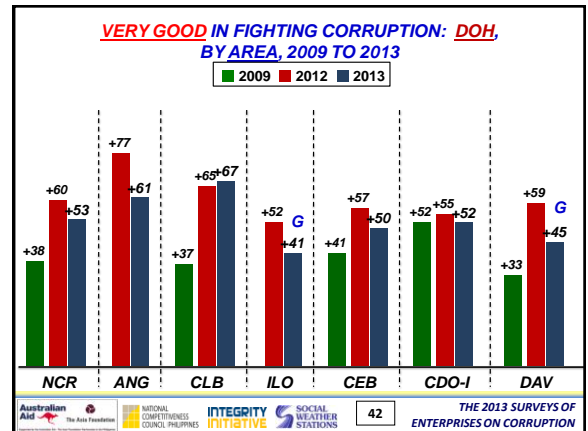
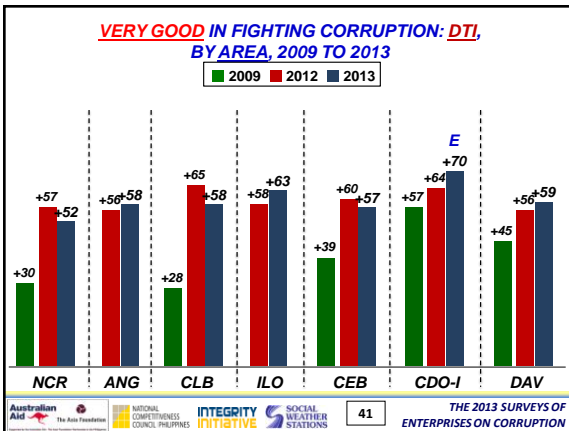
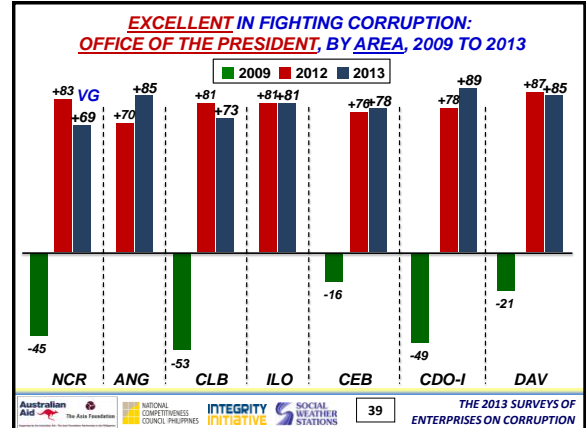
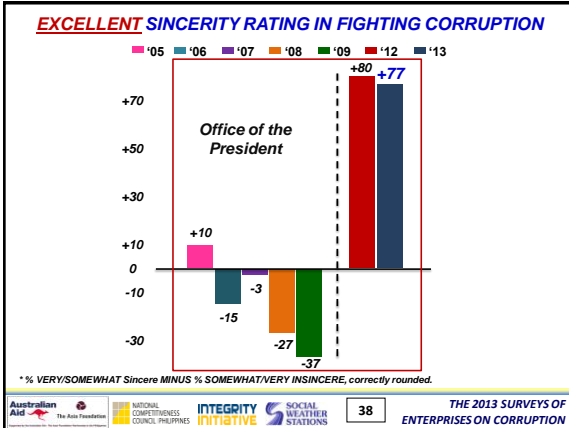
	2009	2012	2013
Office of the President	-37 B	+80 EX	+77 EX
DTI	+38 G	+59 VG	+58 VG
DOH	+37 G	+61 VG	+53 VG
DSWD	---	---	+52 VG
DOLE	---	---	+43 G
Your City govt	+35 G	+21 M	+23 M
Sandiganbayan	+8 N	+27 M	+15 M
DENR	-34 B	+1 N	-4 N
BIR	-57 VB	-20 P	-10 P
DPWH	-65 VB	-21 P	-22 P
PNP	-17 P	-12 P	-24 P

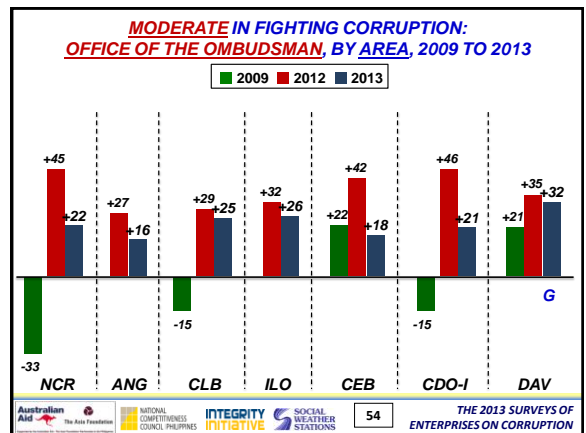
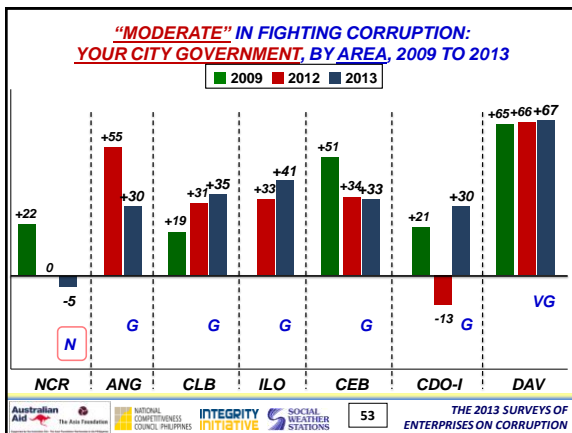
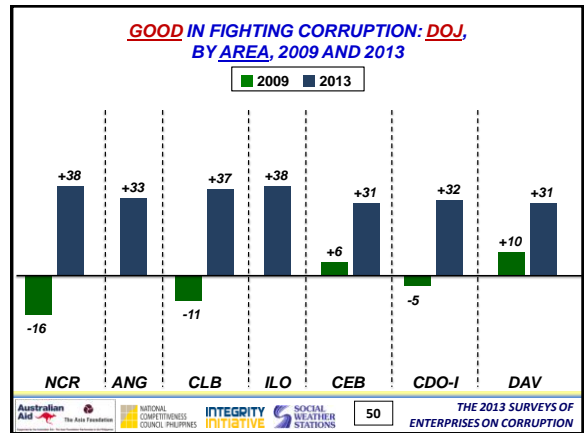
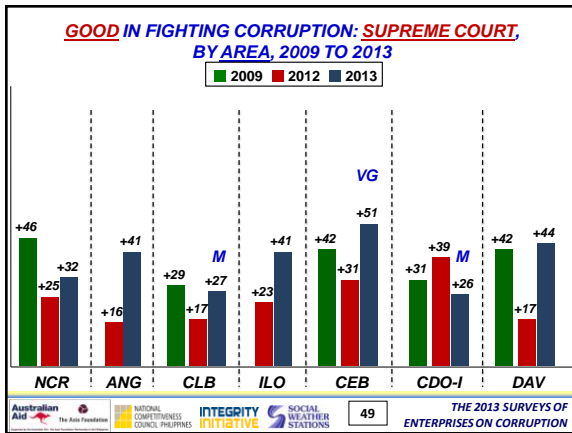
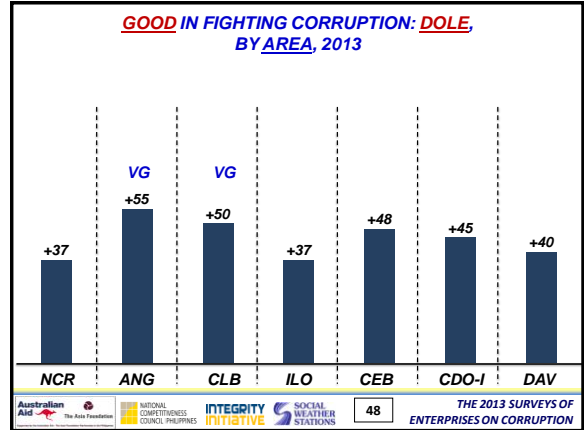
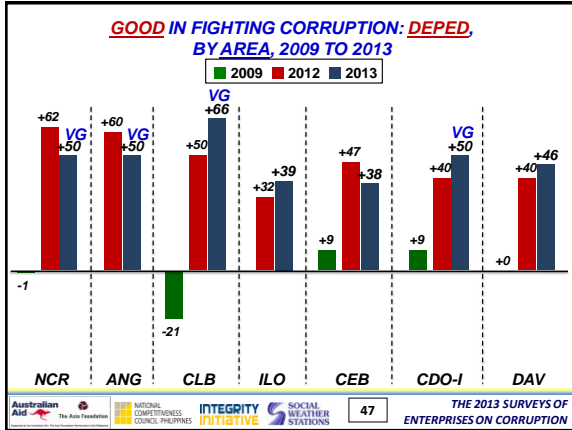
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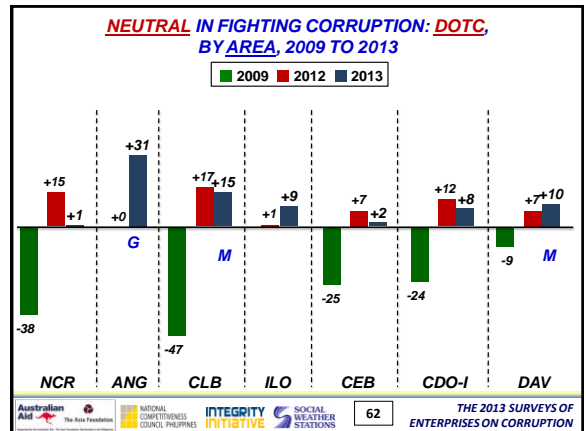
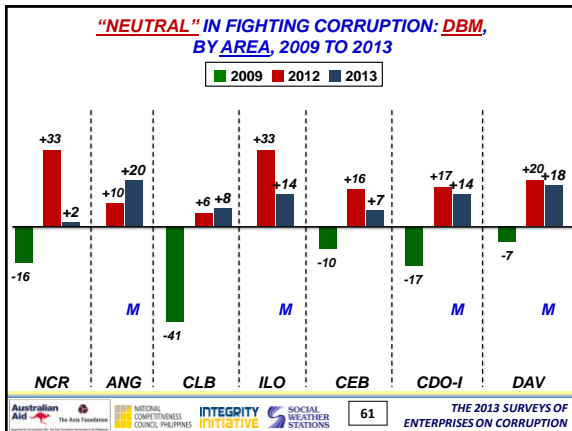
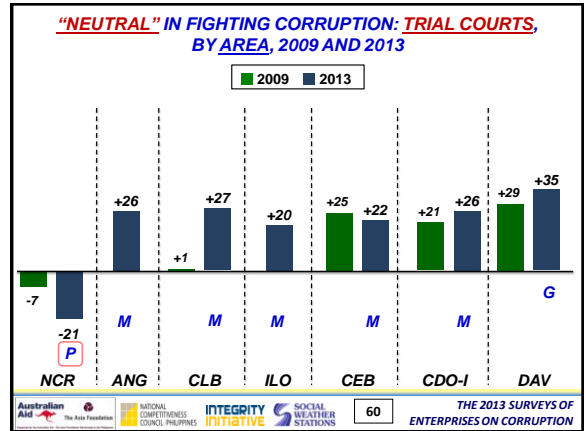
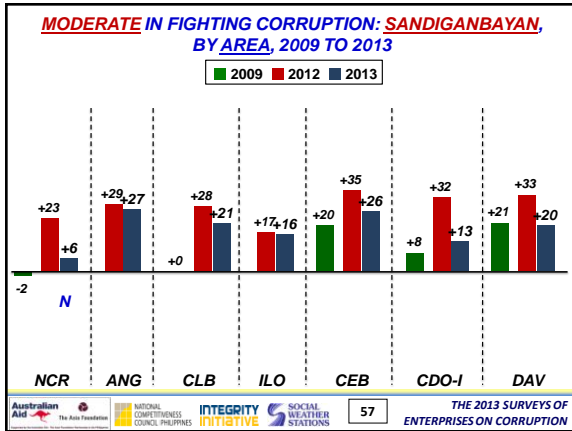
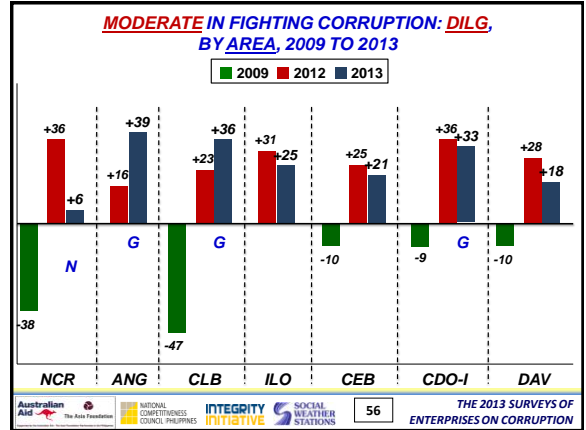
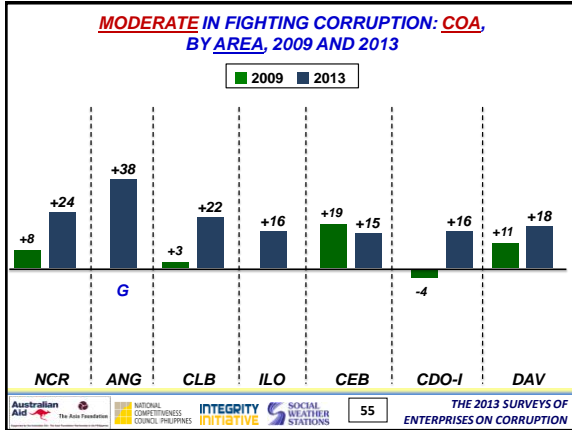
NET SINCERITY RATINGS IN FIGHTING CORRUPTION: **DOWNGRADES in 2013 vs 2012** 2009, 2012, AND 2013

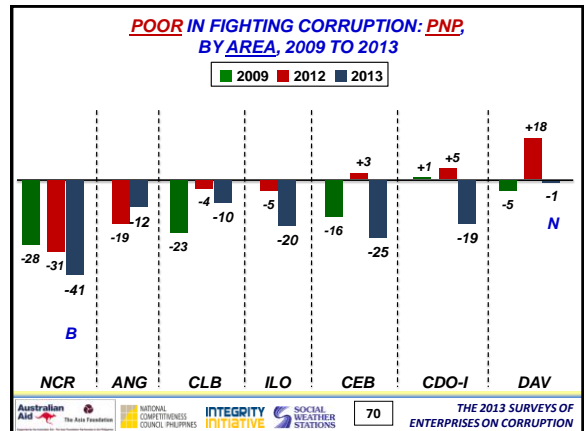
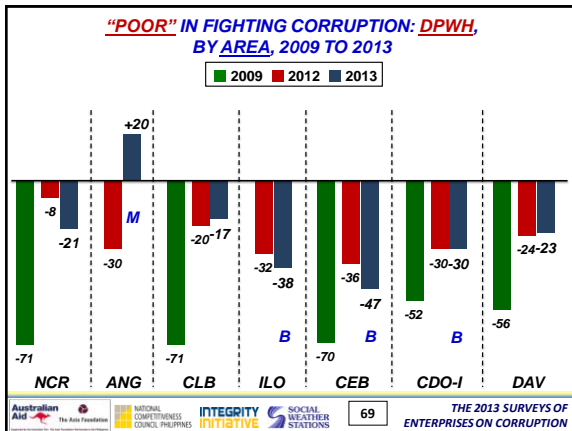
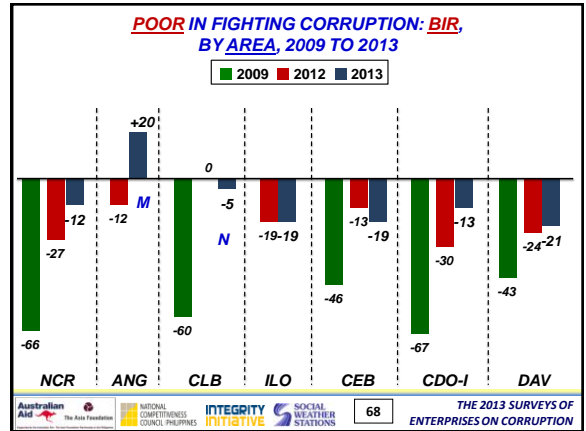
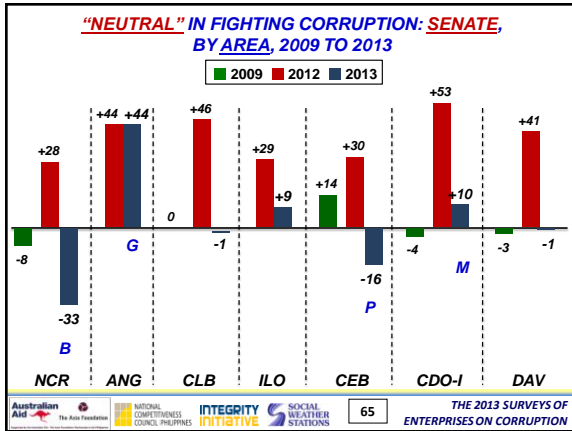
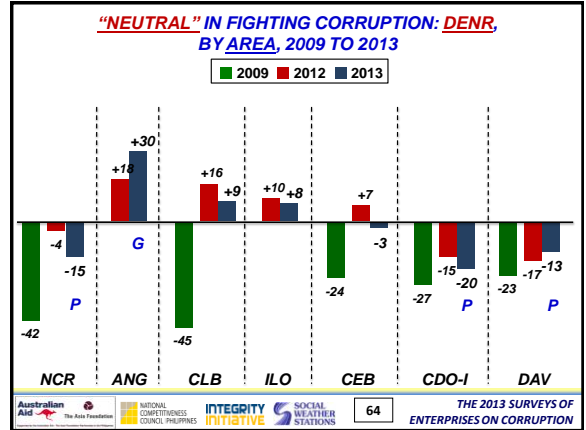
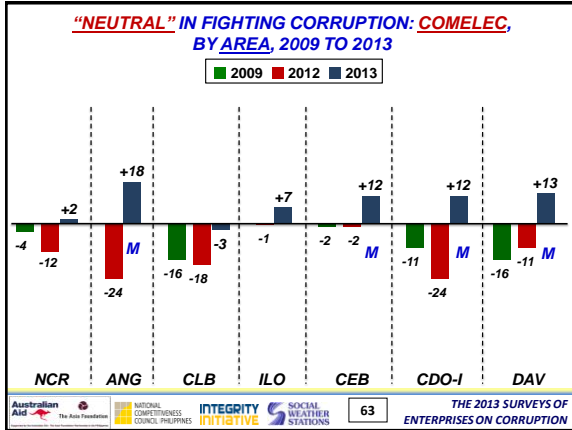
	2009	2012	2013
DepEd	net 0 N	+51 VG	+49 G
OMB	-8 N	+39 G	+23 M
DILG	-25 P	+30 G	+20 M
DBM	-17 P	+23 M	+9 N
Trial Courts	+11 M	---	+9 N
DOTC	-30 B	+10 M	+8 N
Senate	-1 N	+36 G	-8 N
House of Reps.	-34 B	-6 N	-28 P
LTO	-39 B	-26 P	-32 B
BOC	-69 VB	-46 B	-63 VB

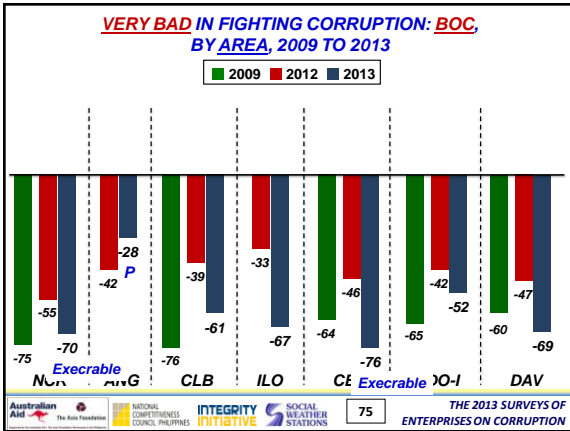
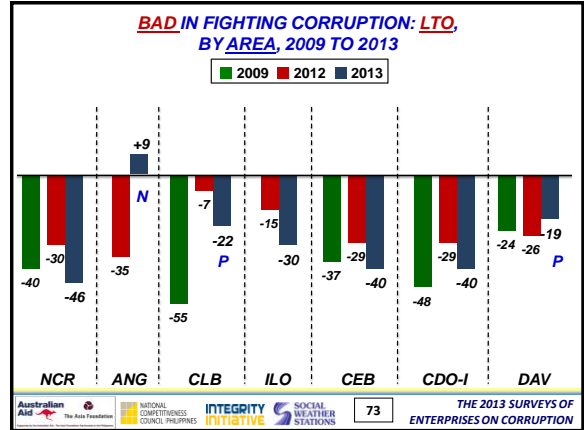
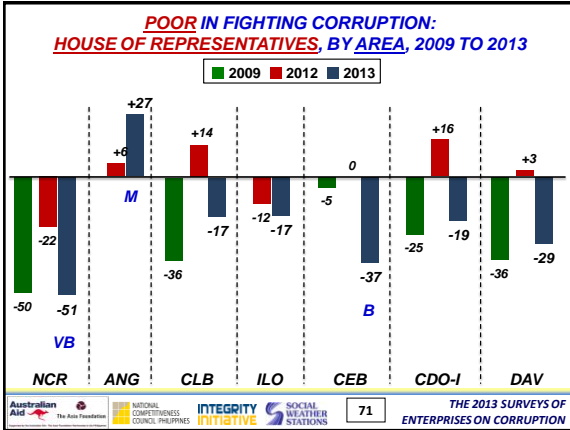
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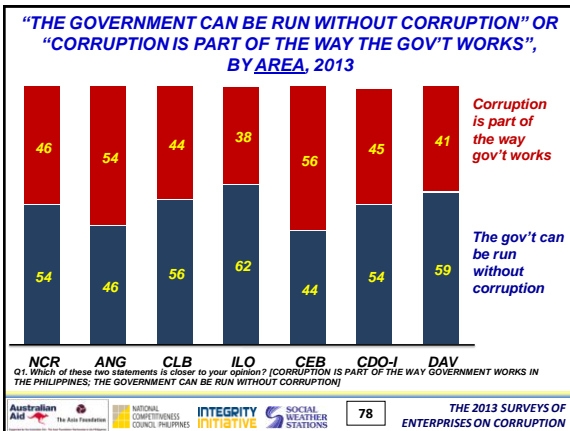




3) GOVERNMENT EFFORTS TO FIGHT CORRUPTION

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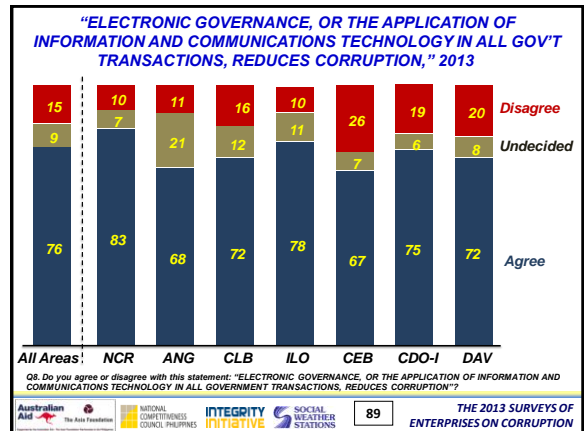
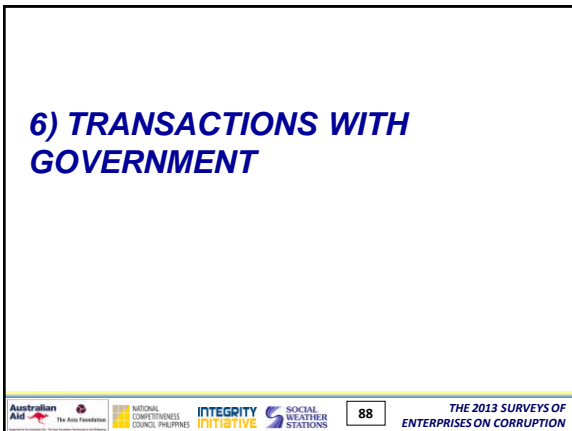
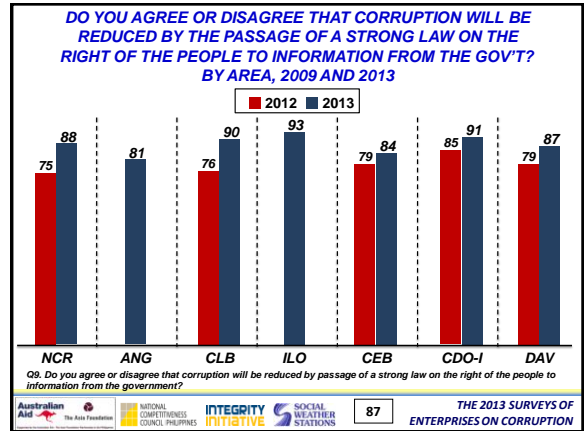
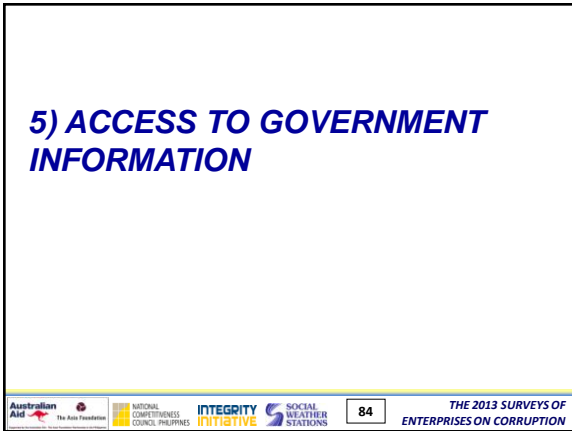
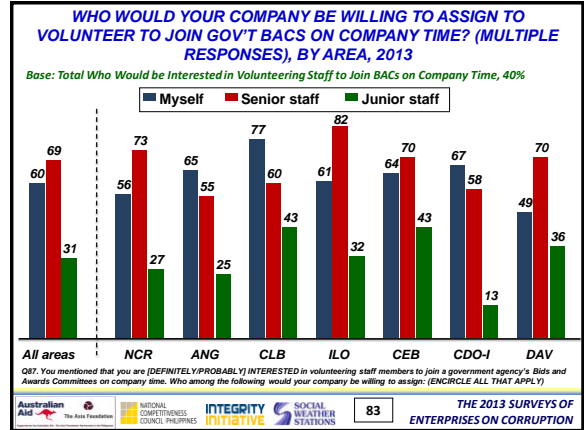
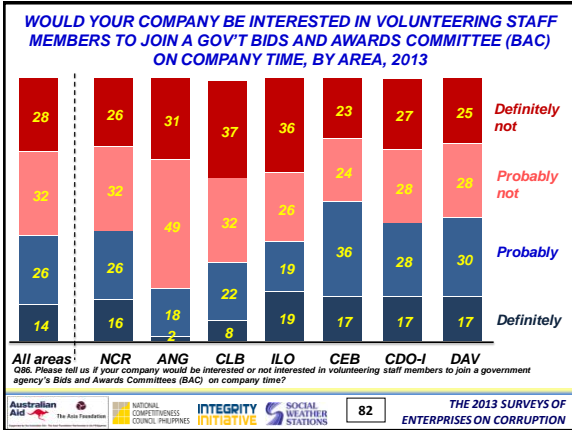
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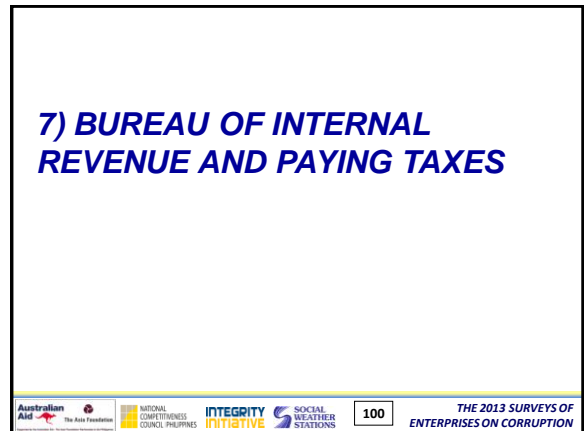
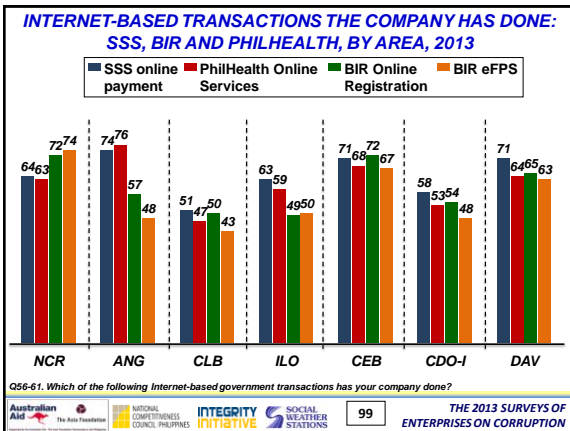
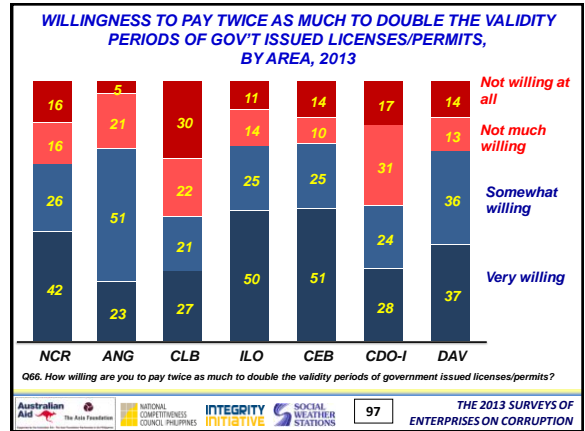
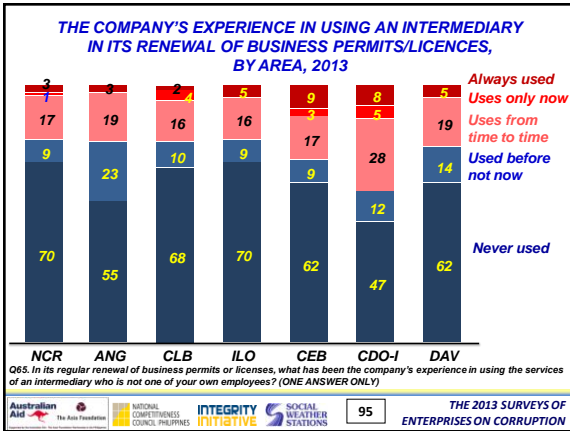
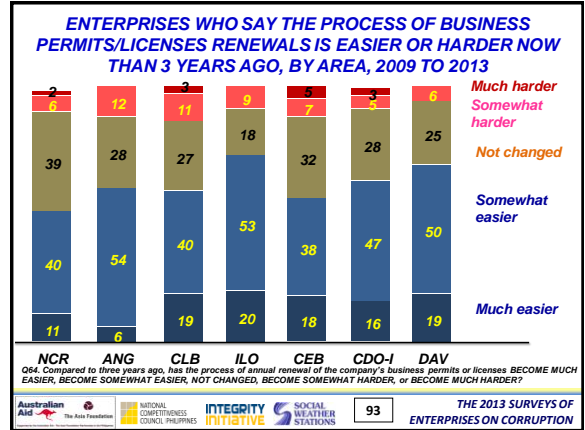
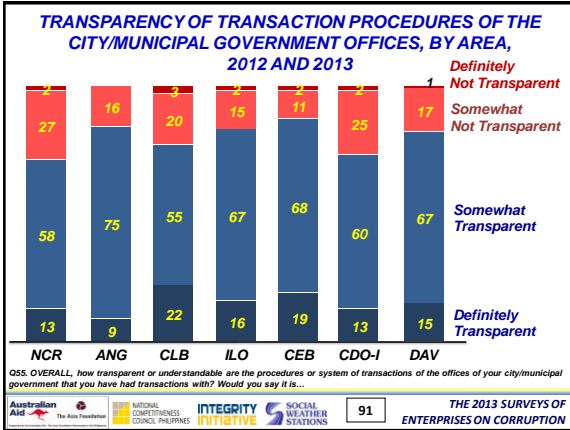


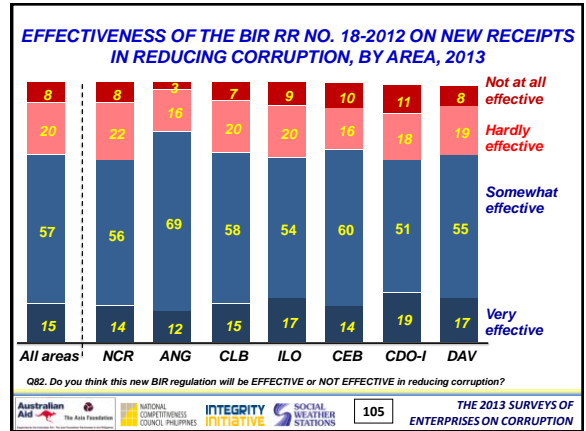
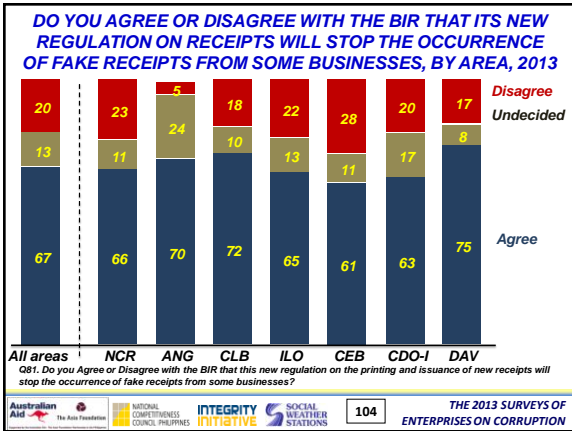
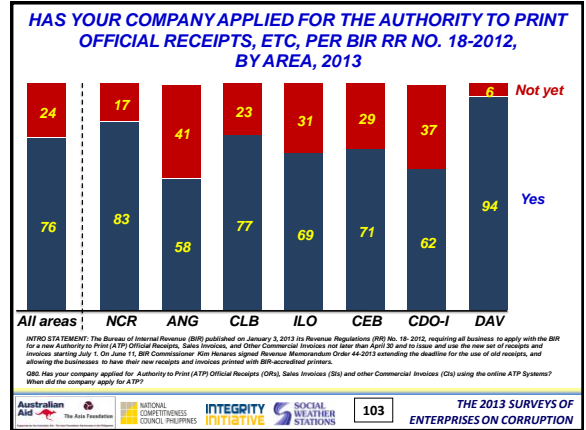
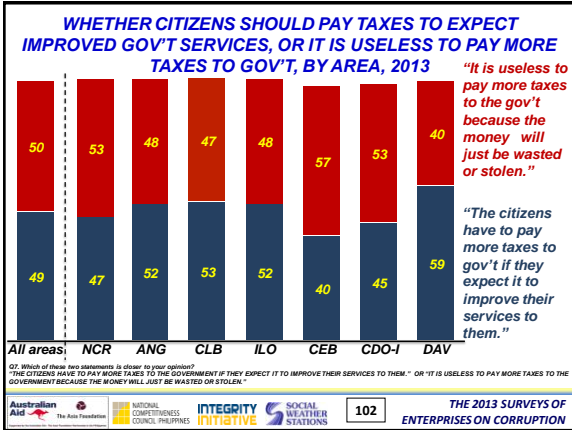
4) GOVERNMENT PROCUREMENT

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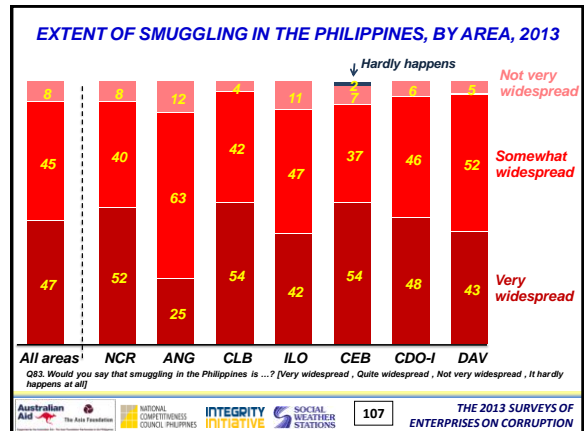


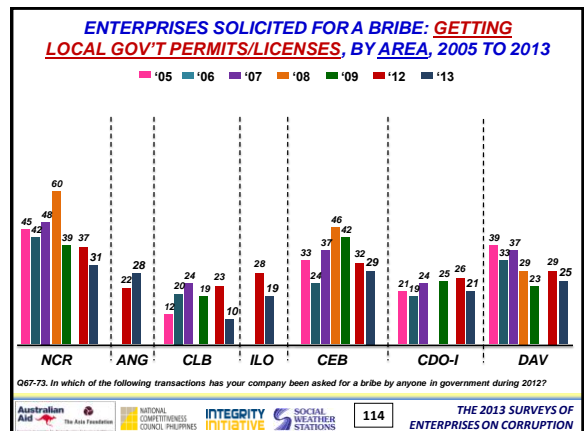
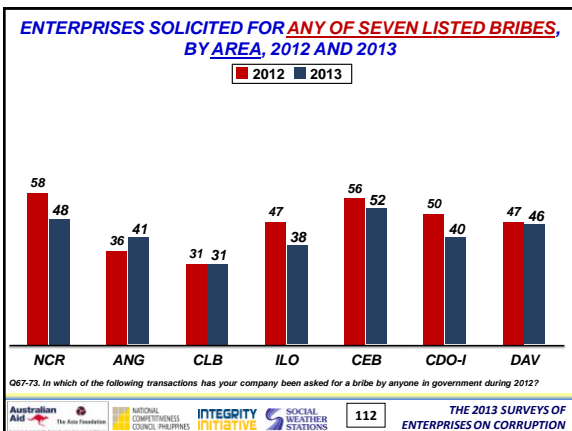
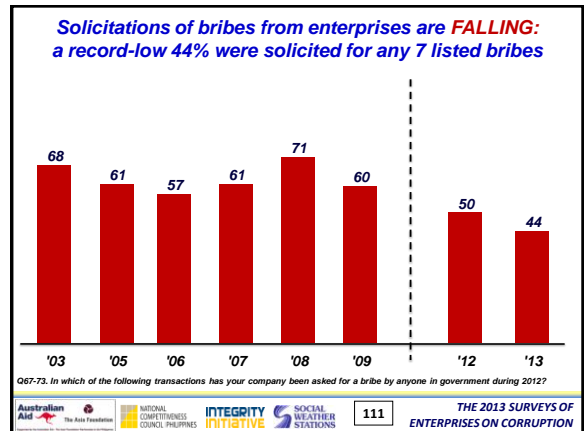
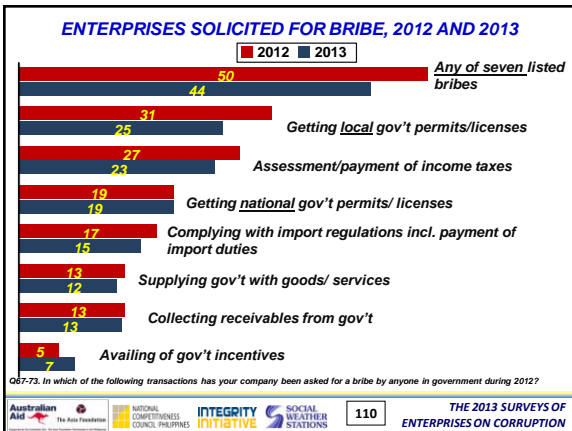
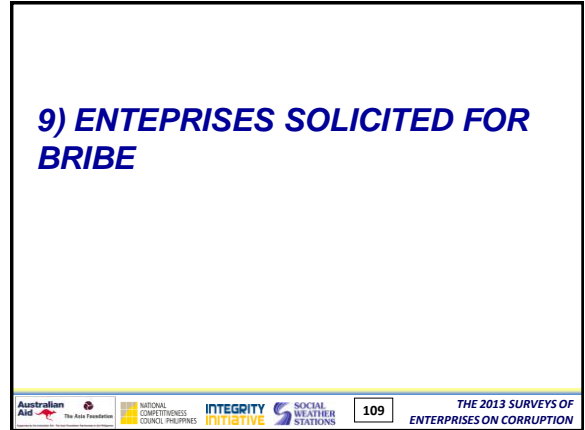
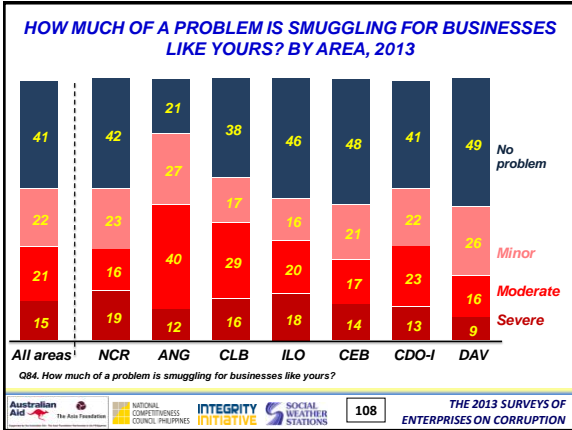


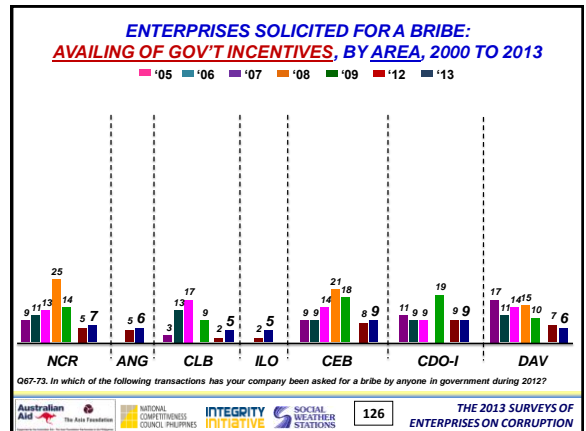
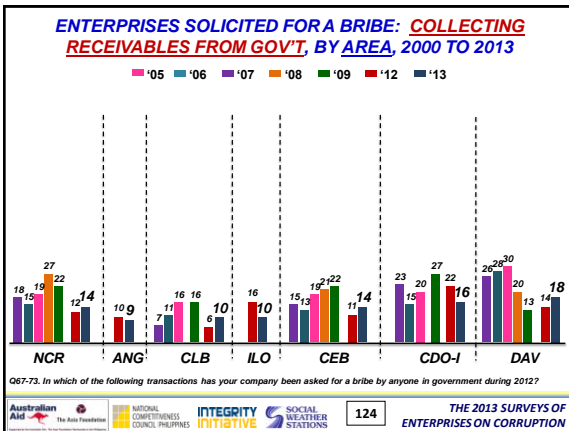
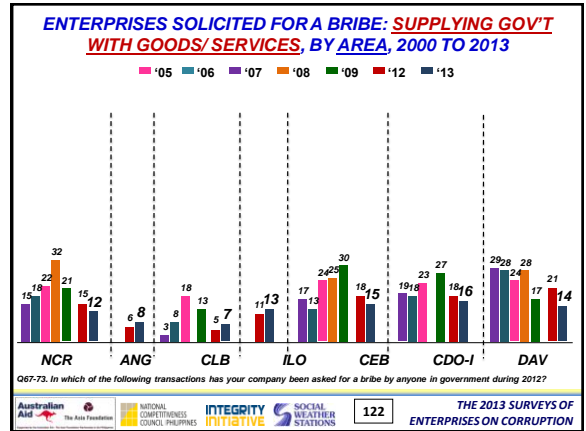
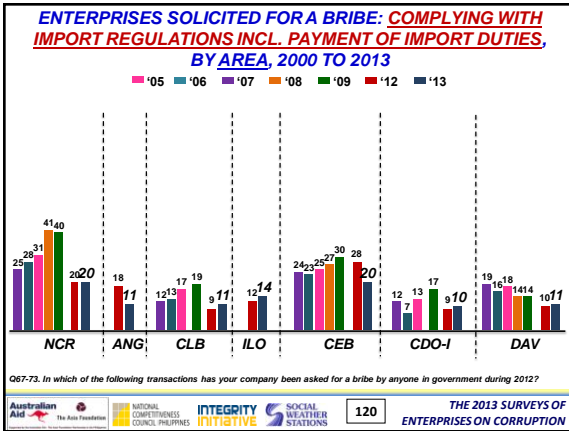
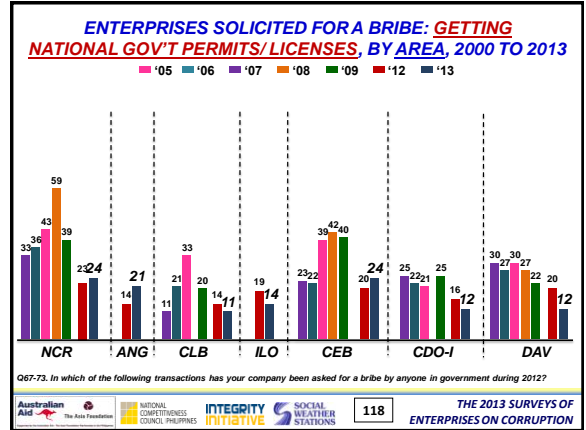
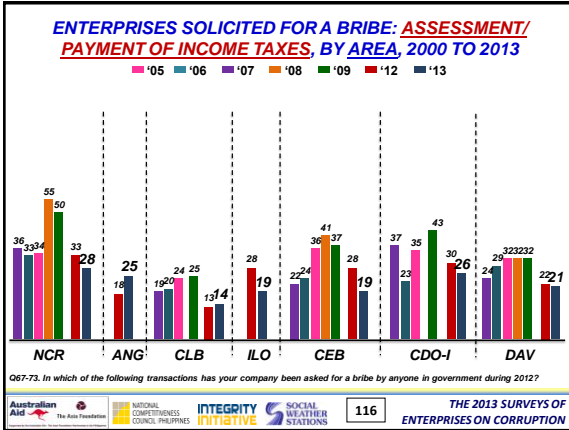


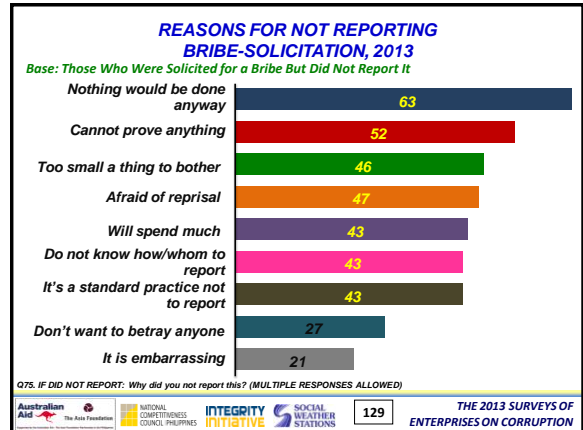
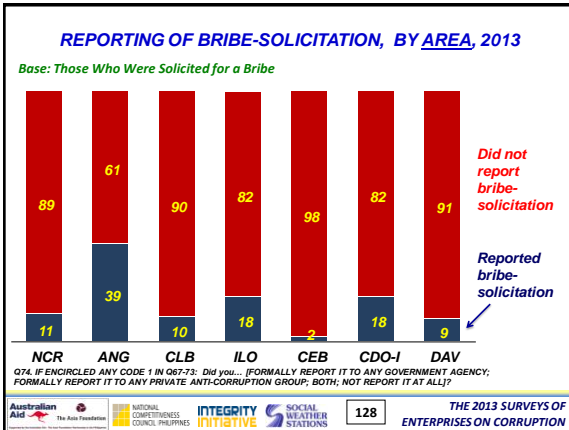
8) SMUGGLING

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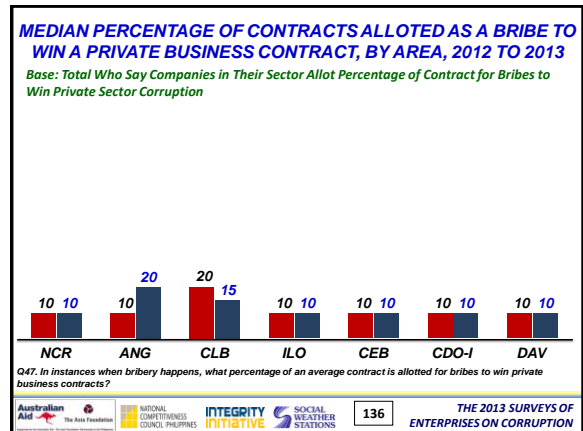
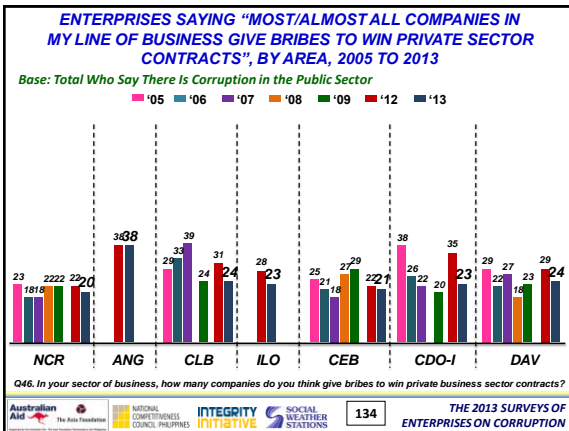
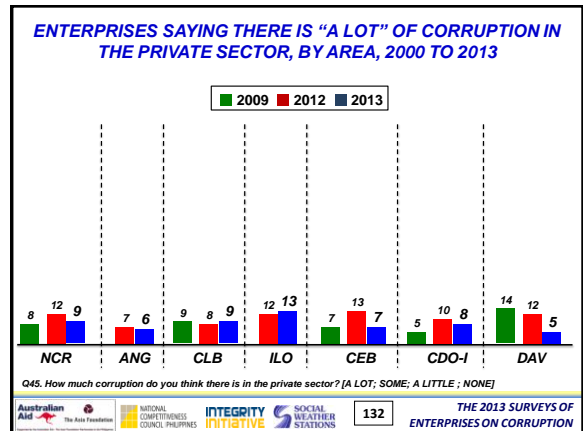








10) PRIVATE SECTOR CORRUPTION

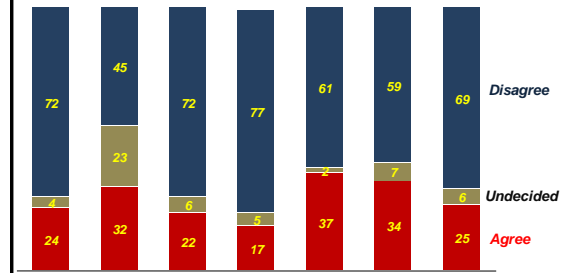




11) BUSINESS EFFORTS TO FIGHT CORRUPTION

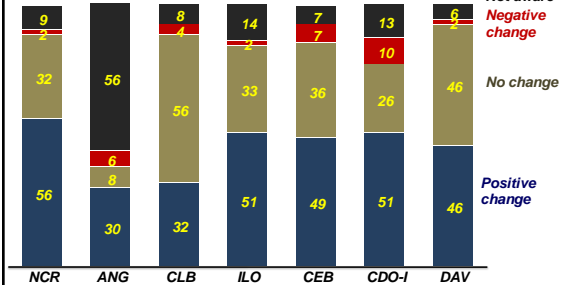
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"A PERSON LIKE ME CANNOT DO ANYTHING TO REDUCE CORRUPTION IN THE GOVERNMENT," BY AREA, 2013



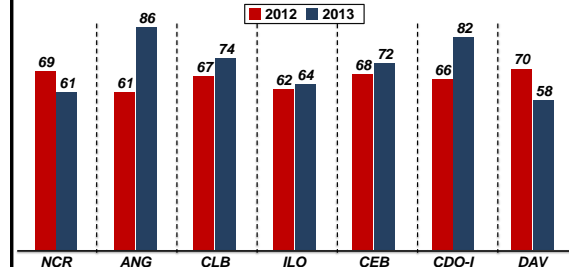
Q5. Do you agree or disagree with this statement: "A PERSON LIKE ME CANNOT DO ANYTHING TO REDUCE CORRUPTION IN THE GOVERNMENT"? THE 2013 SURVEYS OF ENTERPRISES ON CORRUPTION 139

EXPECTED CHANGE IN NET INCOME, IF CORRUPTION IS REDUCED TO THAT OF SINGAPORE, BY AREA, 2013



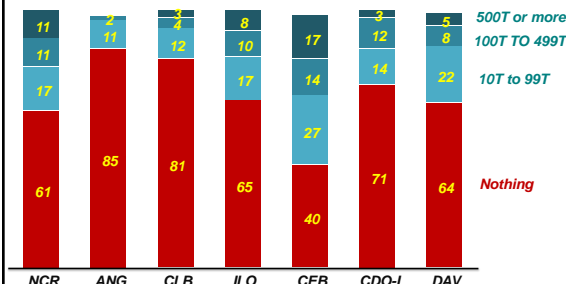
Q90. Should it happen that the amount of corruption in government here in the Philippines were to be reduced to what it is reported to be in Singapore, do you think that it would affect the net income of your company? IF YES, by how much percent do you think your company's net income would increase or decrease compared to the present situation? THE 2013 SURVEYS OF ENTERPRISES ON CORRUPTION 141

ENTERPRISES WHO ARE WILLING TO CONTRIBUTE A PERCENTAGE OF THEIR NET INCOME TO FUND A PROGRAM THAT WOULD HALVE PUBLIC-SECTOR CORRUPTION IN 10 YEARS, 2000 TO 2013



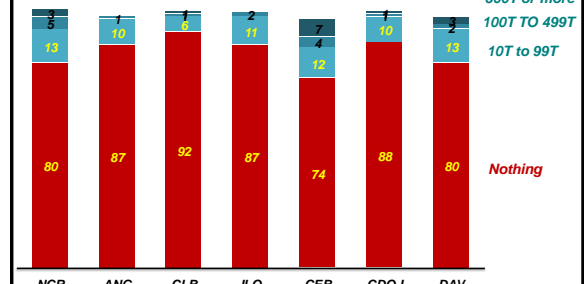
Q93. In case a Program is devised which you believe would reduce public-sector corruption by half within the next ten years, what percentage, if any, of your company's Net Income each year would you be willing to pay to fund the program? THE 2013 SURVEYS OF ENTERPRISES ON CORRUPTION 143

SPENDING IN THE LAST 2 YEARS TO COMBAT FRAUD AND CORRUPTION IN OWN COMPANY, BY AREA, 2013

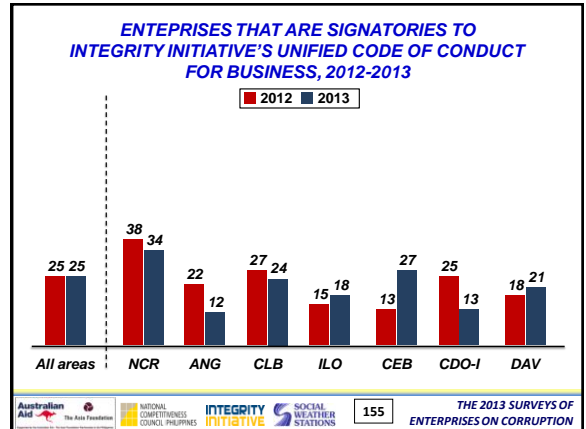
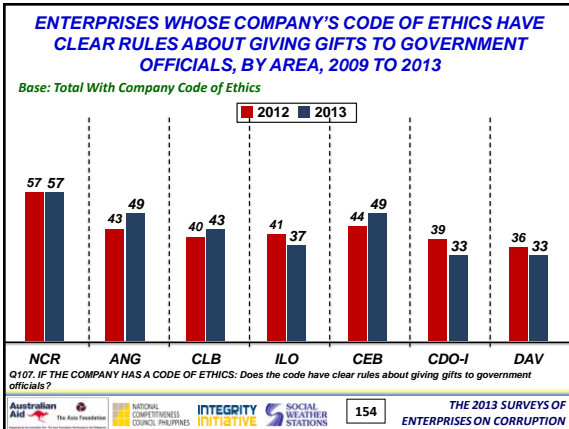
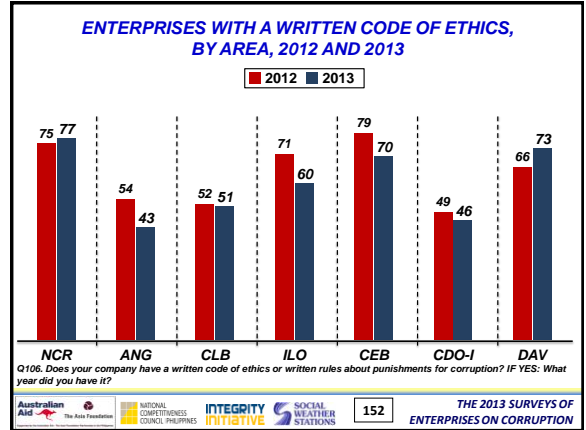
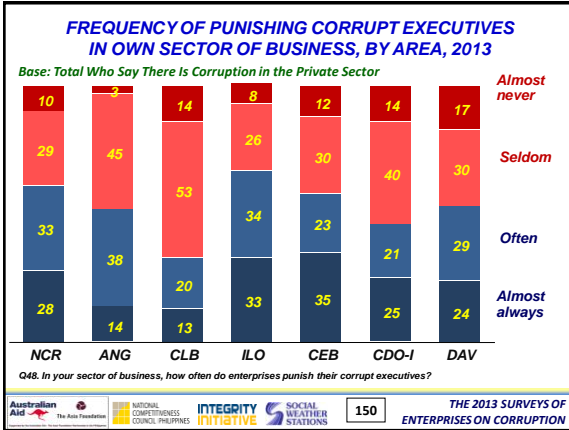


Q92. In the last 2 years, how much, more or less, has your company spent for combating fraud or corruption INSIDE your OWN company, such as doing private investigations, prosecution or getting security services? Total over the last 2 years THE 2013 SURVEYS OF ENTERPRISES ON CORRUPTION 145

THE COMPANY'S CONTRIBUTION TO ANY PRIVATE ANTI-CORRUPTION PROGRAM IN THE LAST 2 YEARS, BY AREA, 2013



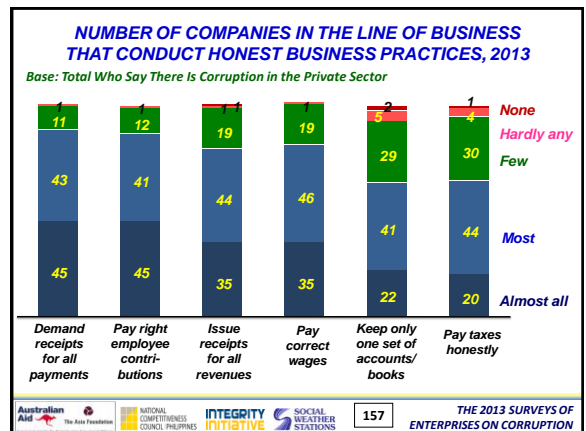
Q92. In the last 2 years, how much, more or less, has your company spent for combating fraud or corruption INSIDE your OWN company, such as doing private investigations, prosecution or getting security services? Total over the last 2 years THE 2013 SURVEYS OF ENTERPRISES ON CORRUPTION 147

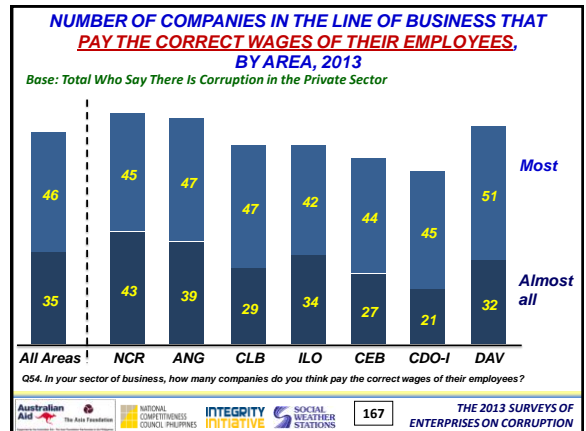
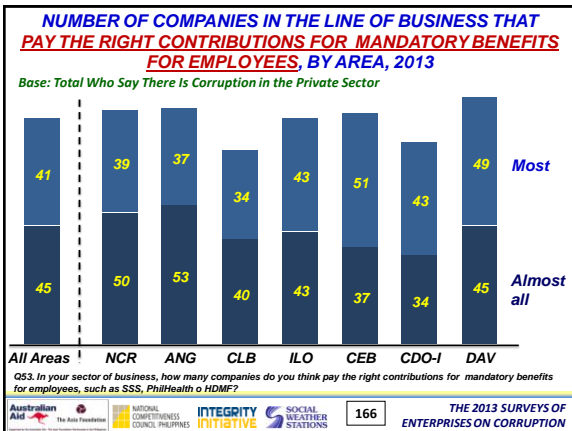
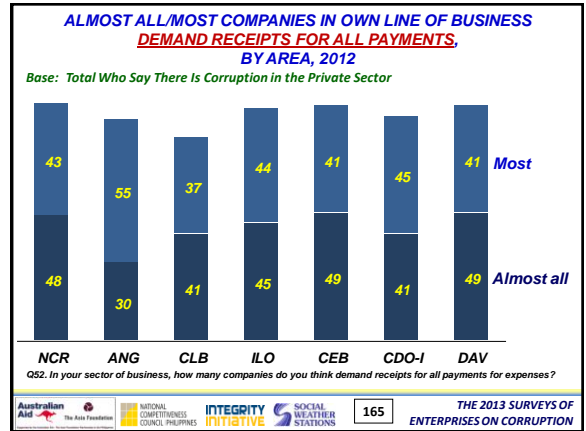
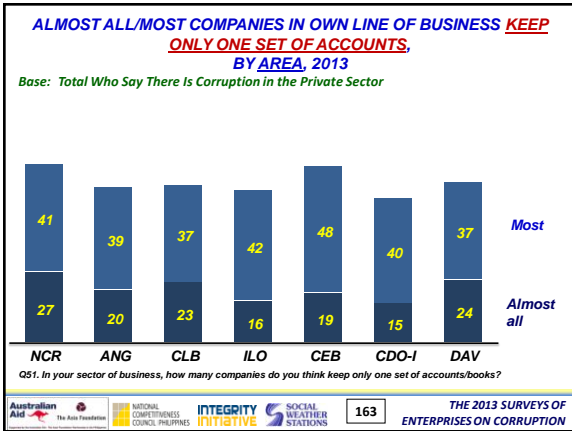
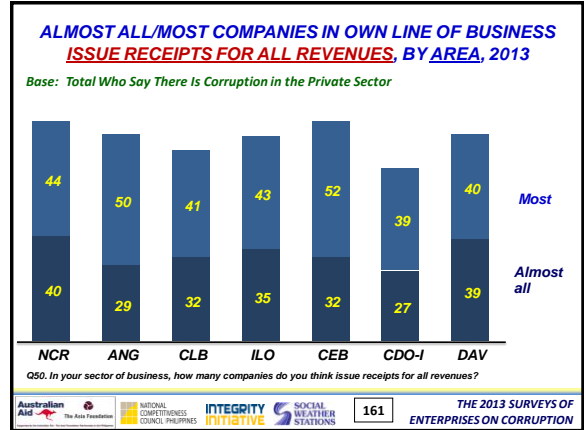
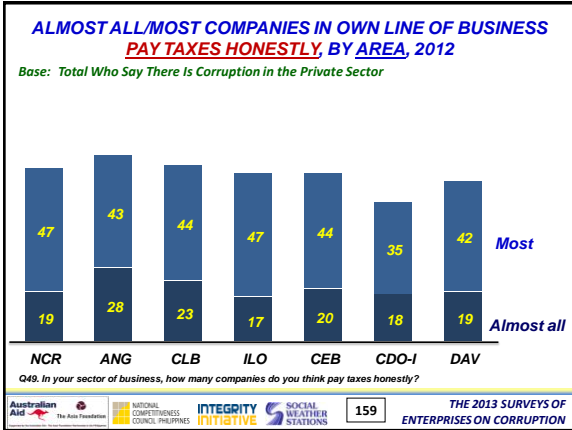


12) HONEST BUSINESS PRACTICES

Citations that "almost all" companies in my line of business conduct honest business practices are **FLAT**

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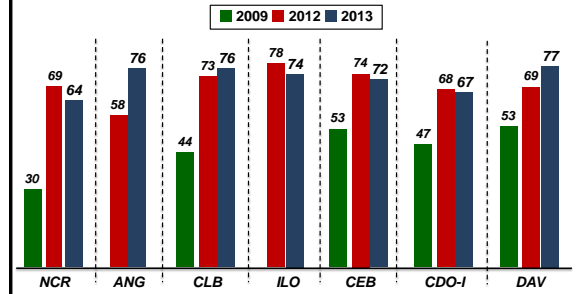




13) THE BUSINESS CLIMATE

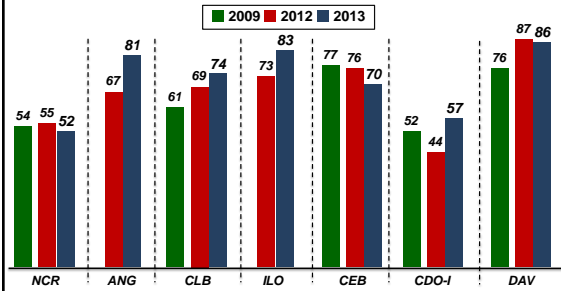
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PERCENT SATISFIED WITH THE NATIONAL GOVERNMENT IN PROMOTING A GOOD BUSINESS CLIMATE, BY AREA, 2009 TO 2013



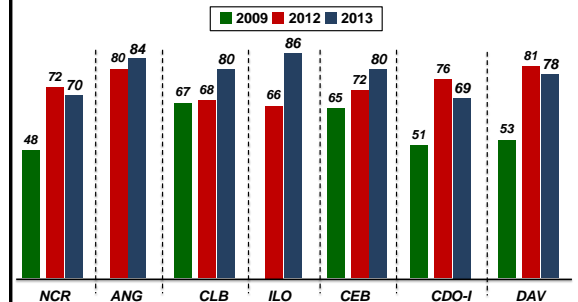
Q128. How satisfied or dissatisfied are you with the National Government's performance in promoting a good climate for business in the Philippines? THE 2013 SURVEYS OF ENTERPRISES ON CORRUPTION 170

PERCENT SATISFIED WITH YOUR CITY GOVERNMENT IN PROMOTING A GOOD BUSINESS CLIMATE, BY AREA, 2009 TO 2013



Q129. How satisfied or dissatisfied are you with the City/Municipal Government's performance in promoting a good climate for business in this City/Municipality? THE 2013 SURVEYS OF ENTERPRISES ON CORRUPTION 172

PERCENT EXCELLENT/GOOD BUSINESS EXPECTATIONS IN THE NEXT 2 YEARS, BY AREA, 2012 AND 2013



Q130. In the next 2 years, do you expect that business conditions will be...? THE 2013 SURVEYS OF ENTERPRISES ON CORRUPTION 174

Summary of Findings (1):

- Those seeing "a lot" of corruption in the public sector rose to **56% in 2013** (second-lowest since 2000), from **43% in 2012** (record-low).
- **42%** say "most/almost all" companies in my sector of business give bribes to win govt. Contracts, practically the same as the record-low 41% in 2012
- Those with personal knowledge of public sector corruption in their sector of business in the last 3 months rose to **38% in 2013**, from record-low 33% in 2012

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Summary of Findings (2):

- Those with "extensive knowledge" of the administration's anti-corruption efforts fell slightly to **35% in 2013**, from 37% in 2012.
- Those saying that the administration's steps to eradicate corruption are "somewhat/very effective" fell slightly to **73% in 2013**, from 78% in 2012.
- Those saying that government "often/almost always" punishes corrupt govt. officials fell to **20% in 2013**, from 27% in 2012.

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Summary of Findings (3):

Ratings of sincerity of 24 gov't institutions in fighting corruption:

- 1 **Excellent** (+70 and above): Office of the President
- 4 **Very Goods** (+50 to +69): DTI, DOH, SSS, DSWD
- 4 **Goods** (+30 to +49): DepEd, DOLE, Supreme Court, DOJ
- 5 **Moderates** (+10 to +29): city govt, Ombudsman, COA, DILG, Sandiganbayan
- 6 **Neutrals** (+9 to -9): trial courts, DBM, DOTC, Comelec, DENR, Senate
- 4 **Poors** (-10 to -29): BIR, DPWH, PNP, House of Reps
- 1 **Bad** (-30 to -29): LTO
- 1 **Very Bad** (-50 to -69): BOC

Summary of Findings (4):

- In 2013, 53% say it is "easier" to get information for bidding on gov't contract – down from a record-high 60% in 2012
- In 2013, 88% say corruption will be reduced by passage by a strong Freedom of Information law – up from 78% in 2009
- In 2013, 77% say transaction procedures in city gov't offices are somewhat/definitely transparent – up from 73% in 2012 and 74% in 2009
- In 2013, 67% are willing to pay twice as much for a double-period of validity of a gov't license/permit – up from 63% in 2012
- Solicitations of bribes from enterprises are **FALLING**:
 - For any of seven listed types of bribes: 2013 44% (new all-time low) vs 2012 50%, 2009 60%.

Summary of Findings (5):

The fight against private sector corruption is generally favorable:

- Citations of private sector corruption being "a lot" is 9% in 2013, more or less flat since 2003
- Citations that "most/almost all" companies in their sector of business give bribes to win private sector contracts fell from 27% in 2012 to 23% in 2013, but still higher than all in 2006-2009
- Citations that corrupt executives in their sector of business are "often/almost always" punished fell from record-high 60% in 2012 to 55% in 2013
- Enterprises with clear rules on giving gifts to government officials are 48% in both 2013 and 2012

Summary of Findings (6):

- Citations that "almost all" companies in my line of business conduct honest business practices are **FLAT**
- The business climate is **GOOD**
 - Satisfaction that the **national government** is promoting a good climate reached new record- high 70% in 2013, versus 69% in 2012
 - Satisfaction that the **city government** is promoting a good climate reached new record -high 67% in 2013, versus 64% in 2012.
 - Business expectations for the next two years are excellent/good – reached new record- high 76% in 2013, versus 74% in 2012.

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Quot homines tot sententiae

As Many Opinions As There are People