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## **i-GOVERNANCE IN NAGA CITY, PHILIPPINES**

### **An Innovations in Technology and Governance Case Study**

*For the past decade, Naga City has harnessed information technology to improve, enhance, and redefine traditional notions of governance. The city's i-Governance initiatives seek to engage individual citizens in civic affairs and increase their access to the local decision-making process. The program is motivated by the conviction that encouraging participation in governance leads to a more accountable and responsive government and fuels innovative approaches in city management. Innovative services like TextServe allow citizens to send requests and complaints to city officials using cellular phone-based text messaging. A richly featured city website offers residents the ability to access critical information on local services.*

Naga City was in shambles. Years of overspending had saddled the city with a PhP 1 million deficit. Business confidence was low, unemployment was high, and tax revenues were in decline. It was the 1980s and all of the Philippines was immersed in political and economic turmoil. Naga's once vibrant central business district was suffocating from overcrowding and excessive traffic. Basic city services, particularly in health and education, had deteriorated. A full quarter of the city's population was homeless and crime was on the rise. Naga appeared to be headed down a ruinous path.

But Jesse Robredo had a different vision for his city. Born into a family of traders of Chinese descent, Robredo had earned a graduate degree from the nation's premier state university before working as a project manager of the local Bicol River Rehabilitation Project. As a longtime resident of Naga, he was distressed by the struggles facing his city and frustrated at the inefficiencies and unresponsiveness of the local Naga government. Local government seemed to make the problems worse, not better. He knew that something had to be done. In 1988, the 29 year old Robredo ran for mayor of Naga on a bold platform of reform and inclusive governance — and won.

Robredo believed that the city government should belong to the people. For too long, government officials and bureaucrats had run the city in the absence of transparency or accountability to its citizens. Over his first two terms as mayor, Robredo was able to harness emerging information technologies to implement his vision to improve, enhance, and redefine traditional notions of governance. The city's i-Governance initiatives seek to engage individual citizens in civic affairs and increase their access to the local decisionmaking process. These programs are motivated by the conviction that encouraging participation in governance leads to a more accountable and responsive government and fuels innovative approaches in city management. Today, the city's official website offers its citizens the ability to not only access critical information on

local services, but also to communicate requests and complaints in a cost-efficient and rapid manner.

### **Improving Governance through Increased Efficiency and Local Participation**

Among the oldest cities in the Philippines, Naga City traces its roots back to the late 16<sup>th</sup> century. It is located approximately 450 kilometers south of Manila on the main island of Luzon. Despite a proud and rich history, Naga is a landlocked city lacking a seaport or airport, severely limiting its opportunities to catalyze trade and commerce. While it possesses a rich endowment of fertile soil and mineral resources, agricultural productivity has historically been low, requiring an increasing dependence on neighboring towns to meet its local rice requirements.

Once in office, Mayor Robredo instituted a range of innovative initiatives to increase efficiency in city operations and promote local participation in all civic affairs. His **Productivity Improvement Program** was launched to enhance the productivity of Naga's 400 city workers. By instituting a merit and results-oriented assessment system, employees were rewarded and motivated to pursue higher levels of productivity. The establishment of a Personnel Selection Board did away with political patronage in hiring personnel, further improving worker productivity.

In 1995, the city initiated wide-ranging efforts to computerize city government operations. This has resulted in the streamlining of internal processes and improved information access to support local decision-making. The Naga City Government **Information and Communications Technology Development Program (ICT-DEV)** has resulted in the computerization of all important activities of the city government, the establishment of a local database with essential information on the household population in every barangay (a village or the smallest unit of local government), and the creation of technical assistance services to line departments with all their hardware and software needs.

For more than five years, Naga has pioneered a system of partnerships through the Naga City People's Council, a local federation of close to 100 non-government and people's organizations in the city. Through the program, NGOs can observe, vote and actively participate in the deliberation, conceptualization, implementation and evaluation of projects, activities and programs of the city government.

In 2000, the Ramon Magsaysay Award for Government Service cited Mayor Robredo for "his giving credence to the promise of democracy by demonstrating that effective city management is compatible with yielding power to the people." The citation went on to mention that "he further enshrined citizen empowerment through the distinctive ordinance creating a People's Council that would explicitly ensure the continuing participation of NGOs and POs in all future city deliberations."

Yet even with these participatory mechanisms in place, many of Naga City's citizens remained uninvolved in local governance issues. Whether by choice or circumstance, most citizens did not participate in organized groups and remained far removed from the

activities of the city council. Because working partnerships are biased towards organized groups for practical and operational reasons, Robredo sought to overcome this inherent limitation by opening wider avenues for participation of individuals in governing the city.

### ***i*-Governance: Putting People at the Center**

On December 15, 2001, with President Gloria M. Arroyo in attendance, Naga City launched its ***i*-Governance Program** during the celebration of its 53rd charter anniversary. Representing a new framework for approaching the challenges of local governance, the *i*-Governance Program incorporated the city's ICT-DEV initiatives while placing a new emphasis on greater participation of individual citizens in all governance matters.

At its core, *i*-Governance stands for:

- *inclusive governance*, which seeks to embrace, rather than exclude, individuals, peoples and sectors in running government
- *information openness*, which demonstrates that information is power, and truly empowering when placed in the hands of citizens
- *interactive engagement*, which prioritizes the need for continuing dialog and exchange of information between authorities and constituents, and
- *innovative management*, which commits the city to a culture of excellence sustained by creativity and innovation.

At the operational level, *i*-Governance is manifested in the following online and offline projects of the city government:

The city government's newly revamped website ***Naga.gov*** ([www.naga.gov.ph](http://www.naga.gov.ph)) harnesses cutting-edge IT to provide accurate, relevant and engaging information about Naga to web-enabled Naga residents. This includes essential information about the city; an extensive city profile, urban indicators and statistics; tourism assets; investment opportunities; and downloadable maps and tables.

As an online component of *Naga.gov*, ***NetServe*** provides an extensive catalog of the services provided by the city government — including procedures, response time and responsible personnel for each type of service; information about city finances, including details about the annual city budget; postings of biddings and public offerings and their outcomes; city ordinances and resolutions; and a directory of city officials, their contact numbers and email addresses.

The services listed on *NetServe* are directed equally at investors and the upper class as it is to the urban poor, social welfare beneficiaries, and recipients of education programs and health services. By providing information on service standards, the program has removed the “whom you know” mentality in government. Through a predictable service delivery schedule posted on the website, all citizens are afforded the same level of

service. Requests for streetlight maintenance are acted upon within 24 hours for both the businessman and the urban poor. All jobseekers have an equal opportunity of being referred to prospective employers.

The “Performance Pledges” in *NetServe* act as a contract by which constituents can measure whether they are being given the same quality of city services and pinpoint people responsible for ineffective service delivery as a basis for grievances.

*TextServe* is another innovative *i-Governance* service. Using cellular phone-based short messaging service (SMS), *TextServe* allows citizens to send queries and feedback to the city government at a cost of PhP2.50 per message sent. These messages are connected and registered in the city’s email inbox and are responded to within the day. Follow-up actions are soon directed to the relevant city agency. Launched in April 2003 in collaboration with a major private commercial digital phone company, *TextServe* is being used regularly by citizens to register their views, comments, and complaints to the city. These range from views about development programs and policies to complaints about drainage systems and collection of fees.

For Naga residents who lack access to the Internet, the city government has created the *Naga City Citizens Charter*. This guidebook describes the key services of the city government, written for the benefit of its local constituents. Its strength lies in the way the services are presented: along with a detailed description of each service is a step-by-step guide for how to use the service, the standard response time for its delivery, and the city hall officers and staff responsible for its operation. This information is complemented by a list of requirements that a customer must comply with to facilitate service delivery. Maps sketching the location of the department handling the service enrich these checklists.

### **Results and Outcomes**

Overall, the combination of program innovation and efficiency gains proffered by the use of information technology has resulted in significant gains along the following indicators:

- Improved local finances: *i-Governance* and ICT-DEV have contributed to an increase in local revenues from PhP 13M in 1988 to PhP 132M in 2002, thus, sustaining the growth of Naga City (economic growth is estimated by the Asian Development Bank at an average of 6.5% annually). ICT-DEV was instrumental in increasing local government income by 76 to 112% and reducing operating costs through reduction in manpower and improved personnel productivity. This has provided the city with more funds for its growth and equity-building programs
- The transparency mechanisms introduced by ICT-DEV and *i-Governance*, especially with regard to bids, awards and city procurement, has led to reductions in procurement costs.
- More effective and efficient service delivery: Streamlining of processes and the computerization of common applications has improved service delivery times. This is

particularly evident for frontline services such as:

- Determination of business and real property tax due: from 4 hours to 1 minute
- Issuance of birth certificates: from 1 week to 30 minutes
- Processing of Mayor's Permit: from 2 hours to 30 minutes
- Processing of Building Permit: from 15 days (as mandated by the National Building Code) to five days

These results have led to Naga being chosen by the Philippine Chamber of Commerce and Industry as the "Most Business-Friendly City" in the Philippines in 2002. In the same year, the city was selected by the DILG as the regional model for its Anti-Red Tape Campaign.

These improvements are also being felt at the household level. The average annual family income of Nagueños is 126 percent higher than the average family in the greater Bicol region. At PhP 174,500, it is also 42 percent higher than the national average and comparable with the average urban family income.

Posting of the city budget on the Internet has instilled further consciousness among city government agencies about the need for streamlining and continuous improvements in efficiency and productivity. A larger share of the city budget is now being allocated away from personnel services and into capital expenditures and maintenance and operating expenses. In effect, more funds are now channeled to programs. Even with reductions in the city's workforce brought about by budgetary constraints this year, performance targets and standards of city departments were raised.