

Keynote Message
8TH National Convention on Labor-Management Cooperation
Theme: LMC: New Perspectives Towards
Stronger Partnerships
Avenue Plaza Hotel, Magsaysay Ave., Naga City
November 8, 2011

**Good Governance,
Good Business**
Hon. Jesse M. Robredo
Secretary, Department of Interior and Local Government

Appropriate greetings...

Governments and corporations are similar in many ways. At their core, they aim to create places of growth and development for people. They are paths that lead to the good life.

The road that leads to the creation of these places of personal advancement and collective happiness can take different tracks. But we prescribe the track of good governance where power is shared and performance is measured.

Good governance is more than the fight against corruption or dishonest leadership through transparency and accountability. It is also being consensus-oriented, equitable, inclusive and participatory, as well as effective and efficient.

Both for a corporation and a local government unit, this means giving people a seat at the table and giving them a chance to intervene in the affairs of what used to be the territory of a powerful few. As you can imagine, this is quite a difficult idea to some, especially those who have everything to gain from closed-door deals and secret transactions.

Those who are serious about real development, however, will go for good governance. The process may be messy and lengthy, but we showed in Naga City how this provided outcomes that changed lives for the better. People were healthier, well educated, more empowered.

Good governance is the focal point of the Aquino administration, as well. There has been widespread frustration and disgust with the *daang baluktot*. You have seen that in the past; you must have felt that kind of revulsion too. Its time government proves that we as a people can put corruption and mediocrity behind us, giving hope that we can soon reap the kind of development and growth that we deserve through the *daang matuwid*.

Good governance is not just a slogan, however. We mean business and we are serious about instituting reforms. In fact, in the past year,

we have been establishing systems and metrics to show how this can be done in local governments across the country.

Under “Byaheng Pinoy: Tapat Na Palakad, Bayang Maunlad,” we challenged local governments to strive for the Seal of Good Housekeeping by complying with the DILG’s Full Disclosure Policy. By providing metrics and showing the clear paths to good governance, we hope to instill a culture of excellence, evidence-based policy-making, and performance-based rewards as opposed to patronage and politics.

We have around 1,600 LGUs in the country and around 75% of them have complied with the Seal of Good Housekeeping this year. For this achievement, they will be rewarded with their share of the Performance Challenge Fund—funds that they can use for projects that will truly impact on peoples’ lives.

This year’s budget includes a half-a-billion for the Performance Challenge Fund. The money is there for the taking. All that LGUs have to do is to abide by transparency and full disclosure policies of the Commission on Audit. To show that it is serious about the reforms, the Aquino administration has increased the fund to P750 million next year.

We have rewards for performance, but we also have a measure to make LGUs accountable for their slippages. On top of that, we are also gradually letting those who are ready to move on to higher levels of governance achieve more and get more rewards. We will soon issue new guidelines for SGH First Grade to Second Grade and so on. A covenant among government, civil society, and multilateral donors has just been signed to operationalize good governance. That's daang matuwid at work.

Beside the SGH, the crown of our good governance programs, we have many others. We have programs to reduce red tape, we are streamlining local business processes to make the Philippines a better place for doing business, we are turning municipal, city, and provincial halls friendlier to civil society to make policy-making truly participatory, along with many other programs.

Our world is changing before our eyes. We cannot afford to live in the mediocrity of the past. Economic growth and corporate profit are no longer the ultimate goals. The financial crisis sweeping across the United States and Europe shows that without good governance, economic and development gains may one day prove meaningless.

In the corporate world, this means transparency and sharing power—exactly the things that labor-management cooperation value. We

know that when LMC partnerships are stronger, policy making is biased towards the common good, not the benefit of the few. We know that when LMC partnerships work, those who are marginalized are protected.

When businesses are growing and their people are contented and satisfied, the LGU is happy. You have our support in all that you do for the benefit of your people, especially during this more difficult time of global integration.

May we all be successful in creating this happy and peaceful place for Filipinos across the country. Thank you for this chance to address you and good luck with the rest of your conference.