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Institutional Modernization in the Philippine Public Sector: A Position Paper of Digital Governance, Procurement Ethics, and Regulatory Accountability Frameworks

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ABSTRACT

This paper synthesizes key institutional dynamics in contemporary Philippine governance, with particular attention to digital transformation, procurement ethics in both public and private sectors, and evolving accountability frameworks. Drawing on diverse organizational literature, the analysis investigates how digital tools challenge entrenched bureaucratic red tape but also face structural obstacles, including infrastructural fragility and the digital divide. The discussion contrasts the compliance-oriented deontological ethical frameworks governing public procurement under Republic Act 9184 and Republic Act 12009 with the efficiency-driven teleological paradigms prevalent in the private sector, while identifying common operational challenges related to documentation and vendor diversity. The paper also examines the shift from state-centered regulatory control to more decentralized and responsive governance structures that employ multidirectional accountability mechanisms. The findings indicate that effective systemic modernization requires more than technological adoption; it necessitates integrated capacity-building, cross-sectoral collaboration, and the creation of participatory institutional spaces.

Keywords: *Digital governance, procurement ethics, public accountability*

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INTRODUCTION

The modern public sector in the Philippines operates at a critical intersection of technological disruption, structural legal reforms, and shifting regulatory expectations. For decades, the public sector has grappled with systemic inefficiencies rooted in manual paperwork, procedural redundancies, and fragmented accountability mechanisms that together sustain a resilient culture of bureaucratic red tape. In response, contemporary governance strategies have increasingly turned toward digitalization to streamline frontline services, eliminate arbitrary delays, and restrict spaces for under-the-table transactions (Hernando, 2020; Orenca, 2025; Reñopa, 2026)

However, technology does not operate in an institutional vacuum. Its efficacy is bound to the ethical frameworks governing public resource management and the regulatory systems that enforce institutional integrity. In the arena of public procurement, recent shifts from long-standing mandates like the Government Procurement Reform Act (RA 9184) to modernized frameworks like RA 12009 highlight an ongoing effort to balance rigid legal compliance with operational agility. Concurrently, the conceptualization of public accountability has expanded from rigid, top-down state control toward decentered, multi-actor frameworks capable of governing liberalized and devolved sectors (Hernando, 2020; Reñopa, 2026)

This paper provides a structured synthesis of these overlapping dimensions. By analyzing the structural friction points of digital transformation, comparing cross-sectoral procurement ethics, and mapping the directional flows of regulatory accountability, this study clarifies the pathways and opportunities for sustainable institutional reform in the Philippine administrative landscape.

LITERATURE SYNTHESIS

1. Digital Governance Reform and the Culture of Red Tape

The traditional Philippine bureaucratic culture has historically been burdened by manual paperwork, procedural redundancies, and persistent service delays. Digitalization has emerged as a transformative mechanism to disrupt these traditional bureaucratic norms and improve operational efficiency (Reñopa, 2026).

Dismantling Redundancy: Shifting initial contact to online portals and automated databases stops citizens from physically queuing to submit preliminary paperwork. This eliminates the manual accumulation of documents that historically clogged administrative offices.

Eradicating “Come Back Tomorrow” Habits: Utilizing inter-agency electronic verification and real-time transaction tracking allows government employees to bypass multi-step physical verification processes. Citizens can track transactions online instead of moving from window to window, increasing transparency and institutional accountability.

Decentralization and Integrity: Implementing online payment gateways reduces office foot traffic and minimizes risks associated with manual cash handling, thereby reducing opportunities for under-the-table transactions.

Systemic and Operational Friction Points

Despite its benefits, digital transformation faces major structural hurdles that often cause temporary regressions to manual methods (Reñopa, 2026).

Infrastructural Fragility: Unstable internet connections and platform downtimes immediately halt digital workflows, creating bottlenecks across interconnected offices.

The Digital Divide: A lack of technological readiness or digital literacy among certain segments of the public (such as senior citizens or rural residents) forces frontline employees to manually guide clients through online processes, slowing down service queues.

Emotional Burden: Frontline workers frequently bear the brunt of public frustration during technical failures, highlighting the need for clear, proactive public communication strategies.

2. Procurement Ethics, Accountability, and Modernization

Procurement serves as a primary space where governance ethics intersect with business realities. In the Philippines, a major turning point occurred with the transition from the long-standing Government Procurement Reform Act (RA 9184) to the modernization driven by RA 12009 (Orencia, 2025).

Sectoral Approaches to Procurement Ethics

A comparative analysis reveals distinct organizational mindsets regarding how procurement ethics are exercised:

Indicator/Core Focus	Government Sector	Private Sector
Primary Driver	Strict compliance, audit trails, and duty-bound frameworks (Deontological view).	Operational efficiency, flexibility, and cost-effective outcomes (Teleological view).
Governing Framework	Republic Act 9184 and Republic Act 12009.	Corporate Social Responsibility (CSR) and international standards like ISO 20400.
Key Indicators (Mean)	High emphasis on Transparency & Compliance ($M = 4.7$).	High emphasis on Efficiency & Adaptability ($M = 4.6$).

Source: (Orencia, 2025)

Shared Structural Hurdles

Both public and private procurement practitioners experience highly similar administrative challenges:

- **Documentation Workload:** Identified as the top operational burden due to strict audit trails in the public sector and ISO compliance in the private sector.
- **Limited Supplier Diversity:** Risk-averse tendencies cause organizations to rely heavily on familiar, previously verified vendors.
- **Technology Adoption Gaps:** Digital implementation across procurement systems remains uneven in reach and capability.

3. Public Accountability in Regulatory Governance.

Accountability frameworks have expanded from basic "centered" or state-controlled views to "decentered," collaborative paradigms involving a multiplicity of actors (Hernando, 2020).

Dimensions of Accountability

Public accountability within regulatory systems involves distinct institutional dimensions:

- **Answerability:** The statutory requirement for public officials and regulators to provide an account of their behavior and policy choices.
- **Enforceability:** The capacity to impose structural sanctions or penalties for poor performance or violations of public duty.
- **Directional Flows:** Upward accountability involves bureaucrats answering to elected leaders or citizens to representatives. Downward accountability links regulatory agencies to interest groups or delivery units to consumers. Horizontal accountability relies on inter-institutional oversight, such as the judiciary or independent constitutional bodies checking the executive.

Shifting Paradigms in Regulatory Control

Traditional top-down, command-and-control regulation can result in inefficiencies and adversarial relations when rules are excessively rigid. Consequently, modern governance frequently incorporates responsive regulatory strategies. This includes moving toward "soft rules" like standards and guidelines, enforced self-regulation, and collaborative public-private partnerships (Hernando, 2020).

In the Philippine context, this shift is visible in the deregulation or liberalization of industries like telecommunications (RA 7925) and electric power (EPIRA of 2001), alongside the devolution of specific regulatory duties to local government units via the Local Government Code of 1991 (RA 7160) (Hernando, 2020).

4. Key Synthesis & Cross-Sector Opportunities

The literature underscores that permanently dismantling institutional inefficiencies requires moving beyond simple software deployment or legal mandates. Sustained reform requires continuous capacity-building, targeted digital inclusivity, and structural change management (Orencia, 2025; Reñopa, 2026).

Pathways for Cross-Sector Collaboration

There is a strong mutual interest between public and private practitioners to learn from each other's institutional strengths:

- **Joint Ethics Training:** Aligning public sector procedural discipline with private sector innovation through interactive workshops can build a unified understanding of ethical standards.
- **Interoperable Digital Systems:** Developing shared electronic procurement platforms, templates, and e-logs can effectively lower documentation burdens and elevate transparency.
- **Participatory Accountability Spaces:** Integrating citizens and civil society groups into evaluation processes—via public hearings, open consultations, or participatory auditing—confers stronger public legitimacy on regulatory outcomes.

CONCLUSION

True institutional reform in the Philippine public sector cannot be achieved by addressing administrative challenges in isolation. The integration of digital governance, ethical procurement modernization, and multi-actor accountability frameworks demonstrates that structural

improvements are deeply interdependent. While digital platforms offer powerful tools to bypass traditional red tape and curb manual irregularities, their success remains vulnerable to technical disruptions, uneven societal access, and the emotional strains placed on front-line personnel.

Similarly, the evolution of procurement laws from RA 9184 to RA 12009 signals an urgent need to harmonize strict, deontological public compliance with the flexible, outcome-oriented teleological strategies characteristic of the private sector. Ultimately, as regulatory frameworks continue to shift from rigid state-centered controls toward decentered, responsive paradigms, the definition of accountability must similarly expand. Ensuring answerability and enforceability requires mapping multidirectional flows—upward, downward, and horizontal—while actively embedding participatory governance spaces for civil society and market actors. Moving forward, the path toward a more efficient, transparent, and resilient administrative state relies on breaking down these sectoral silos, fostering cross-sectoral digital collaboration, and anchoring technological tools within clear, strictly enforced ethical standards.

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Declaration of the Use of AI

In this manuscript, AI tools such as Gemini and Quill Bot were utilized solely for language editing and to improve sentence and paragraph structure. No part of the actual content or data was generated by these tools. The authors reviewed and revised the output as necessary and take full responsibility for the content of the manuscript.

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