Assessment of the Anti-Red Tape Act Implementation for the Ease of Doing Business Act: Lessons from a Mixed Methods Approach

Authors: Czarina Medina-Guce, Kidjie Saguin, and Kathleen Jovellanos
With Thinking Machines Data Science

Presenter: Kathleen Jovellanos

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Highlights

1
- Introduction: Objectives, Approach & Design

2
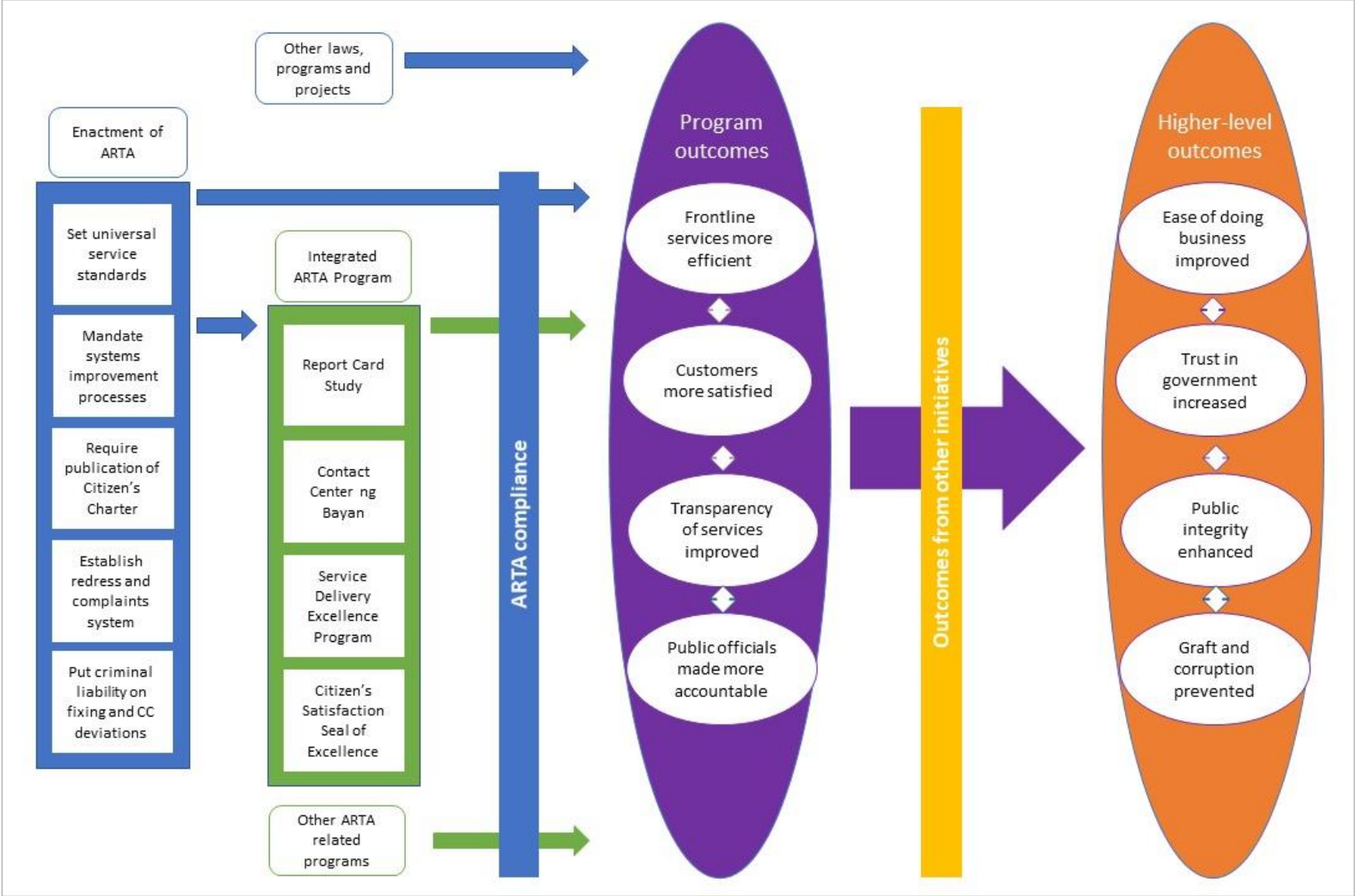- Summary of Assessment Findings

3
- Lessons from Statistical Analysis
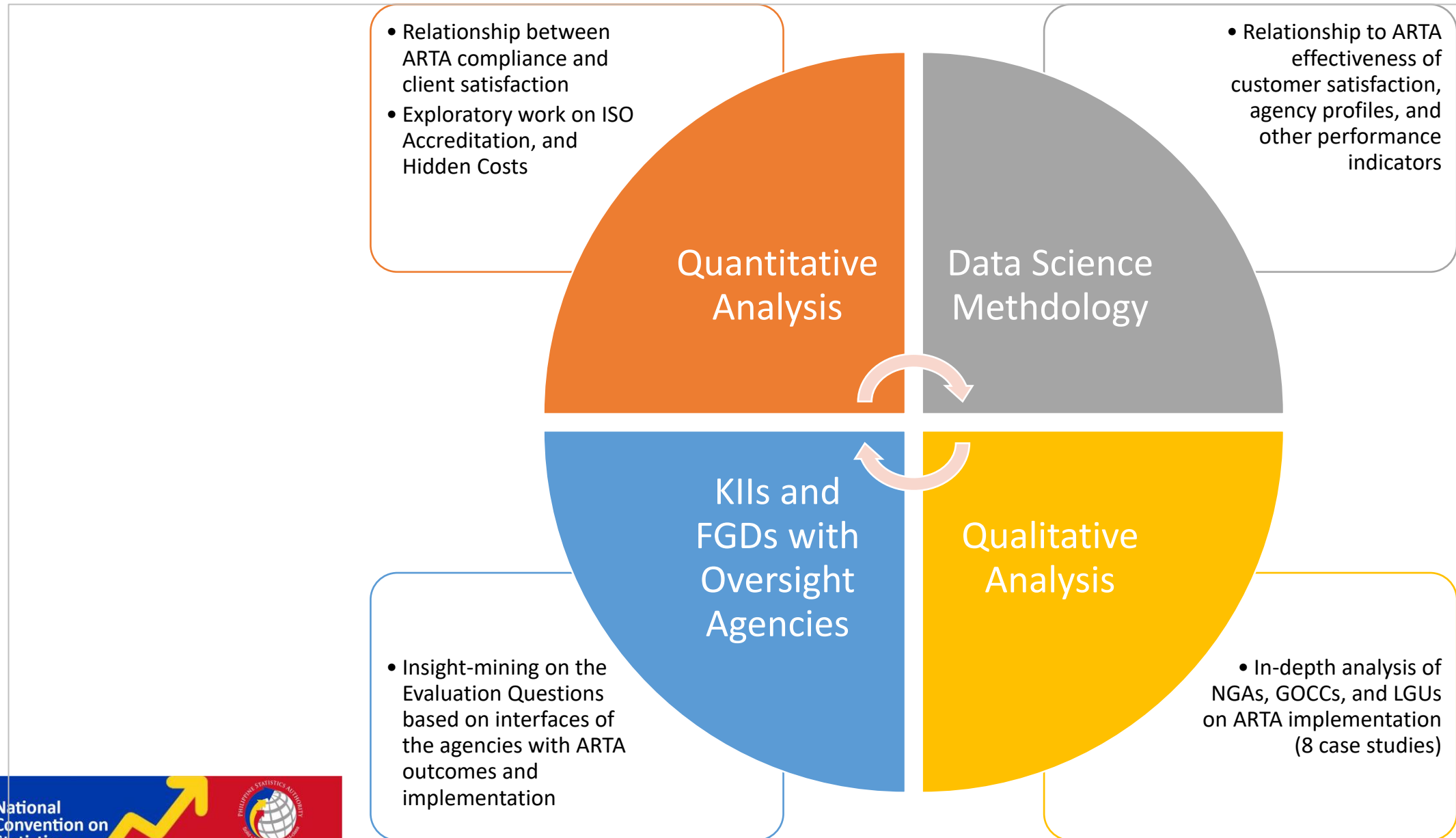- Lessons from Data Science Methods

Objectives

- Draw lessons from the implementation of Anti-Red Tape Act over the past eight years of implementation, particularly, analyzing trends, identifying the elements and practices that helped improve the efficiency of frontline services and those which constrained the effectiveness of anti-red tape interventions;

- Explore the law's unintended consequences; and,

- Propose a standard framework and methodology for the conduct of future impact evaluations on the implementation of the Expanded ARTA.
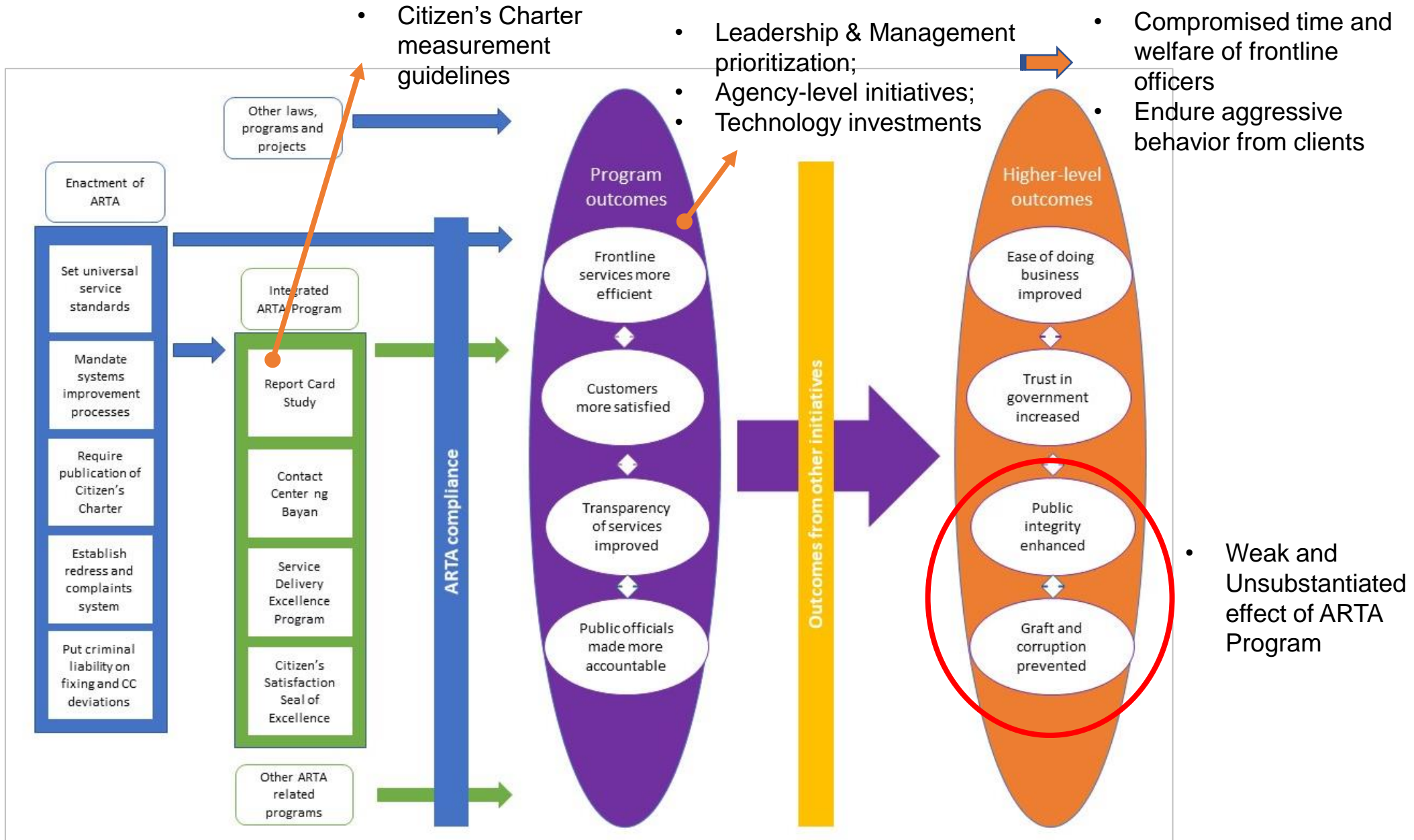
Looking back (RA 9485 or ARTA)

Evaluation via Mixed Methods

Looking forward (RA 11032 or EODB)

ARTA Outcomes

Evaluation Approach & Methodology

- Relationship between ARTA compliance and client satisfaction
- Exploratory work on ISO Accreditation, and Hidden Costs

Quantitative Analysis

Data Science Methdology

- Relationship to ARTA effectiveness of customer satisfaction, agency profiles, and other performance indicators

KIIs and FGDs with Oversight Agencies

Qualitative Analysis

- Insight-mining on the Evaluation Questions based on interfaces of the agencies with ARTA outcomes and implementation

- In-depth analysis of NGAs, GOCCs, and LGUs on ARTA implementation (8 case studies)

Summary of Assessment Findings

- Citizen's Charter measurement guidelines

- Leadership & Management prioritization;
- Agency-level initiatives;
- Technology investments

- Compromised time and welfare of frontline officers
- Endure aggressive behavior from clients

- Weak and Unsubstantiated effect of ARTA Program

Other laws, programs and projects

Enactment of ARTA

Program outcomes

Higher-level outcomes

Set universal service standards

Mandate systems improvement processes

Require publication of Citizen's Charter

Establish redress and complaints system

Put criminal liability on fixing and CC deviations

Integrated ARTA Program

Report Card Study

Contact Center ng Bayan

Service Delivery Excellence Program

Citizen's Satisfaction Seal of Excellence

Other ARTA related programs

ARTA compliance

Frontline services more efficient

Customers more satisfied

Transparency of services improved

Public officials made more accountable

Outcomes from other initiatives

Ease of doing business improved

Trust in government increased

Public integrity enhanced

Graft and corruption prevented

✓ Results Framework that spells out the priorities of EODB implementation

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Lessons from Statistical Analysis

Usefulness of governance statistics

- **Post-intervention analysis** – to understand whether compliance to ARTA improves quality of frontline services

- **Hidden cost analysis** – to examine the unexpected administrative burden in availing public services

	Model 1	Model 2	Model 3
ARTA compliance	0.209 (0.020)**	0.199 (0.019)**	0.139 (0.014)**
2015		0.555 (0.249)*	0.758 (0.150)**
Age		0.049 (0.031)	0.207 (0.019)**
Age squared		-0.001 (0.000)	-0.002 (0.000)**
Sex (1=male, 0=female)		-0.211 (0.136)	-0.003 (0.078)
Civil Status (1=married, 0=never married)		0.399 (0.165)*	0.146 (0.102)
Hidden cost (1=paid hidden cost, 0=otherwise)		-10.166 (1.966)**	-4.674 (0.924)**
Agency			
SSS		-4.803 (0.422)**	-2.180 (0.274)**
BIR		-5.984 (0.512)**	-1.687 (0.289)**
LRA		-2.649 (0.534)**	1.932 (0.299)**
PAGIBIG		-3.525 (0.514)**	-0.971 (0.339)**
GSIS		-1.077 (0.486)*	-0.667 (0.283)*
Service Quality			
Timeliness – Response Time			5.845 (0.264)**
Timeliness – Attention			2.475 (0.268)**
Outcome			3.238 (0.130)**
Knowledge			1.987 (0.270)**
Competence			1.496 (0.282)**
Courtesy and extra mile			1.768 (0.123)**
Fairness and ethical treatment			2.228 (0.130)**
Education attainment	No	Yes	Yes
Region	No	Yes	Yes
_cons	58.00 (1.877)**	59.531 (2.543)**	14.276 (1.799)**
R^2 /Adjusted R^2	0.03	0.09	0.52
N	40,271	39,962	35,621

*Reference agency is Philhealth. Clustered robust standard errors in service office are in parenthesis. * $p<0.05$, ** $p<0.01$*

Figure 4. Distribution of the Types of Hidden Costs by Agency, 2014-2015

Legend:
- Registration and penalties
- Extra services
- Extra requirements
- Food and transportation of employee
- Grease money
- Different from CC
- Don't know why
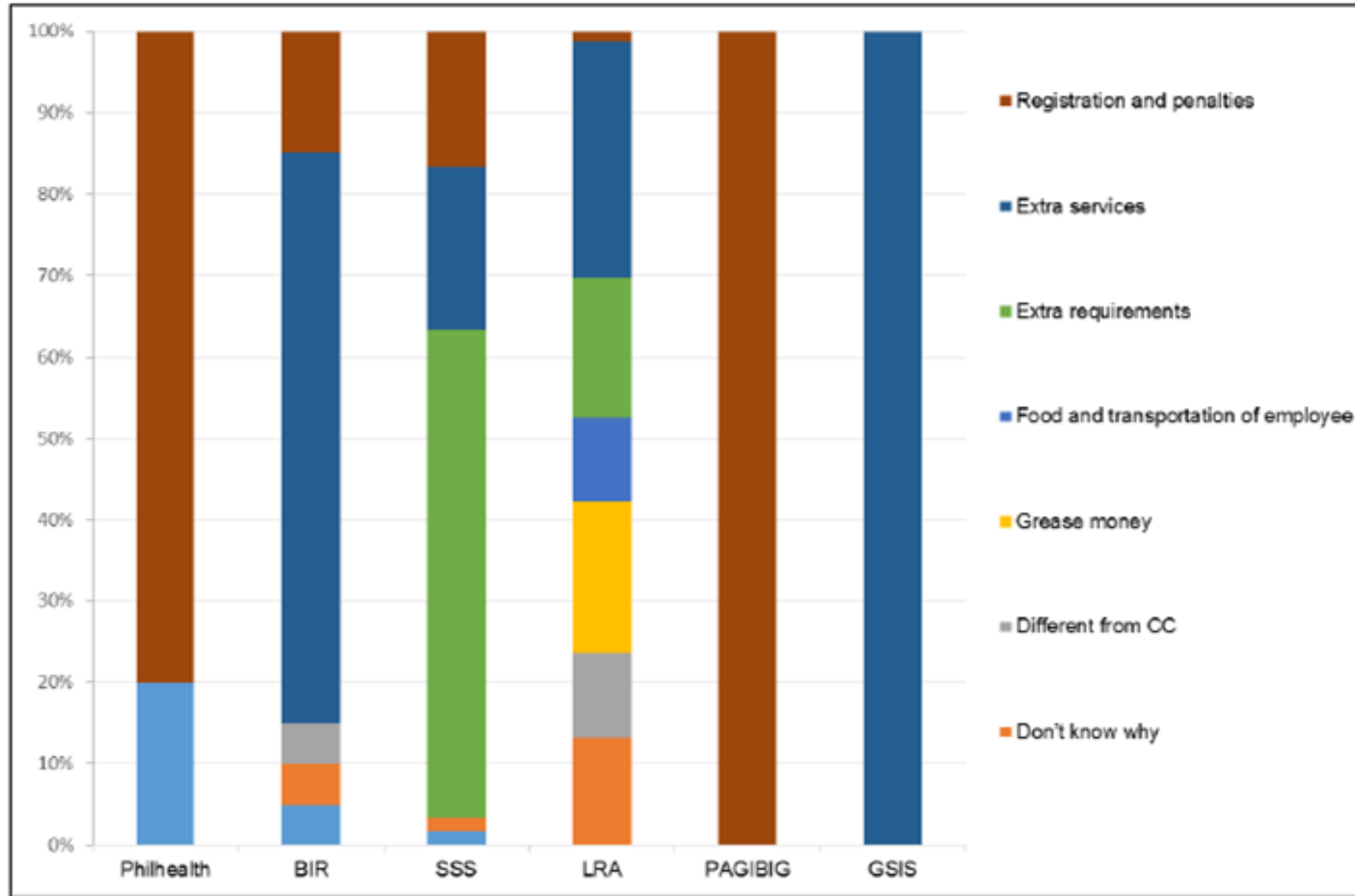
- 173 cases of paying 'hidden costs'

- Average hidden cost paid is PhP 773 but the payments varies quite extensively (SD: PhP 3,730), which ranges from PhP 3 to PhP 45,015.

- On average, grease money and fees for registration and penalties were the most expensive.

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Challenges in Using Governance Statistics

- **Threats to measurement error**
  Lack of consistency in scope and instrument, potential sampling error

- **Validity threats**
  No measure of quality of frontline service independent of client satisfaction or ARTA compliance

- **Lack of agency-level outcome variables**
  Need to relate to broader governance measures but information not currently widely available

Recommendations

- **On the RCS questionnaire:**
  - ✓ Include measures of expectations, transaction complexity and efficiency

- **On RCS methodology**
  - ✓ Create a universe of public services and ensure consistent measurement across time and agencies

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Using Machine Learning and Data Visualization for evaluation and insight generation

How can the CSC and related government agencies improve the quality

of all government services, in line with the upcoming implementation

of the Ease of Doing Business Law?

Analyzing drivers of customer satisfaction using Decision Trees

- Performance indicator: **Overall customer satisfaction**

- Features: Specific components of satisfaction, customer characteristics, agency surveyed, etc.

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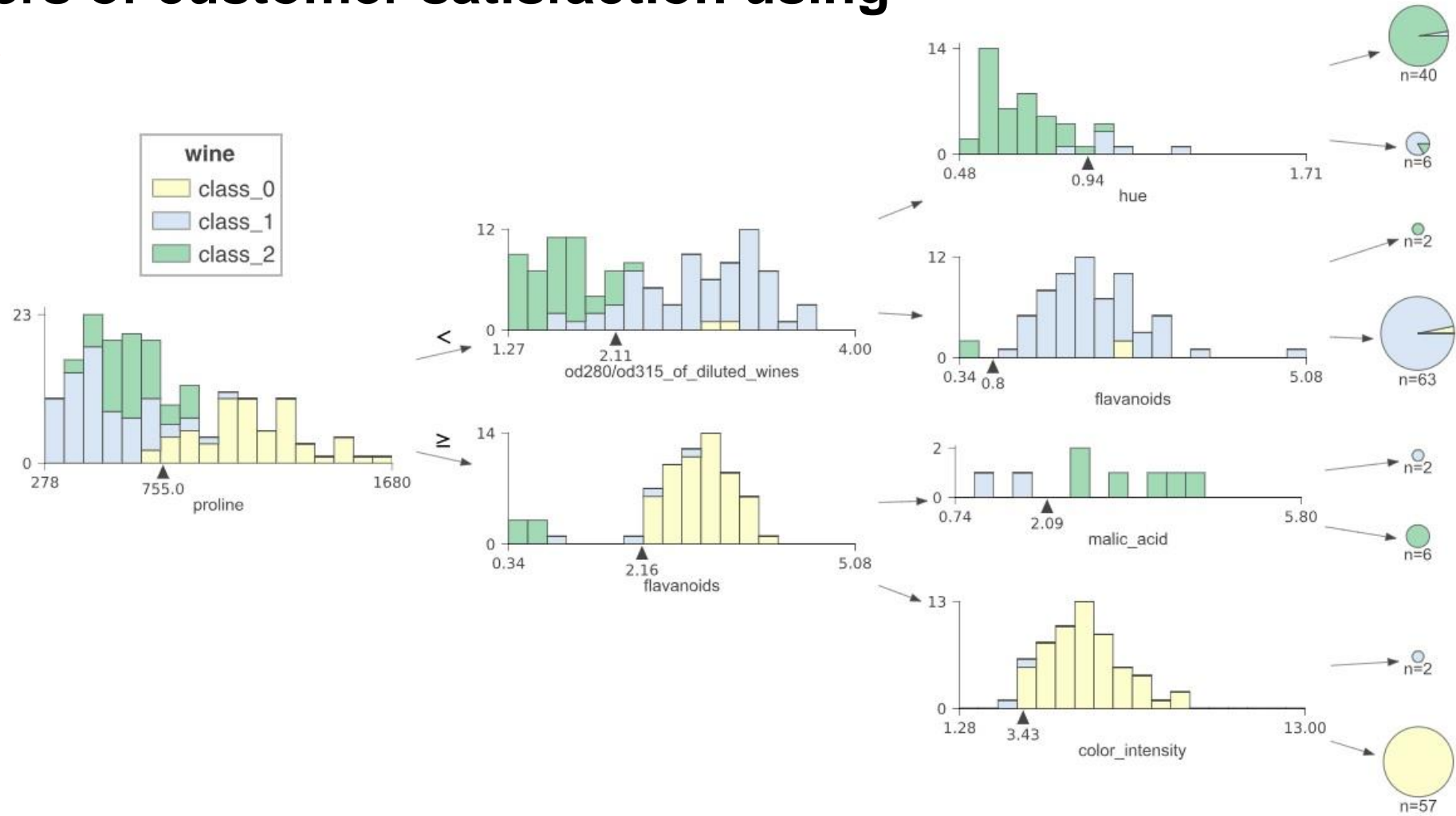
Response time, outcome, and overall time are most important drivers of customer satisfaction
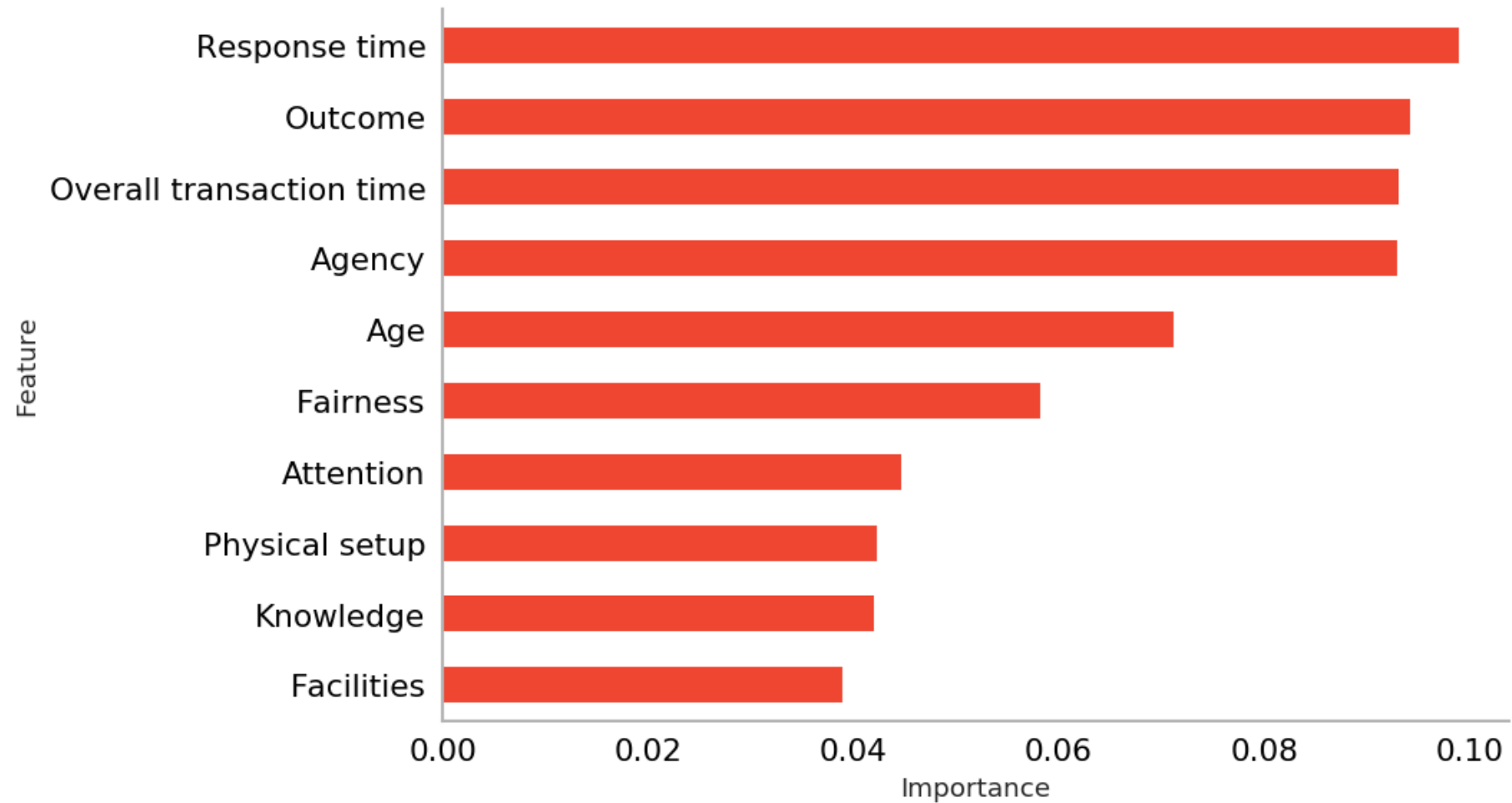
Finance-related agencies typically rank higher; local-level agencies mostly rank lower

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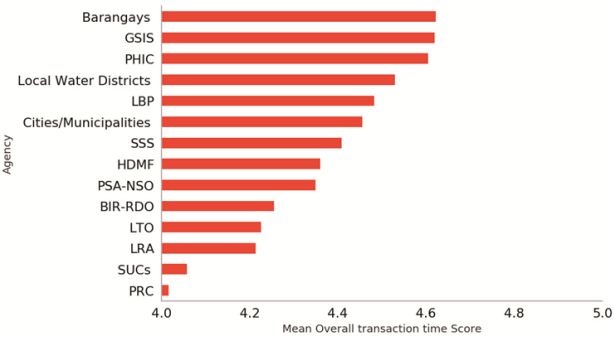1-3 October 2019 | Crowne Plaza Manila Galleria
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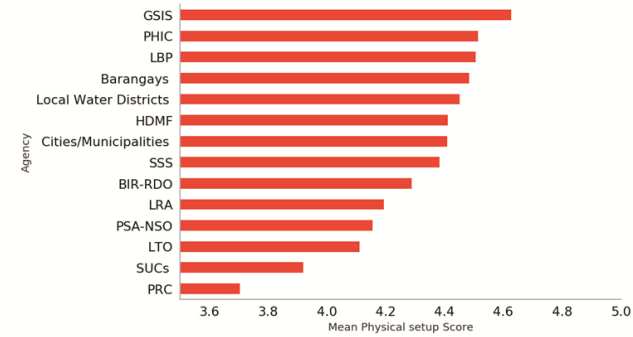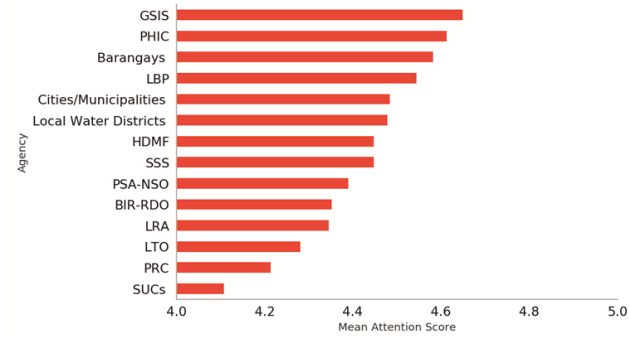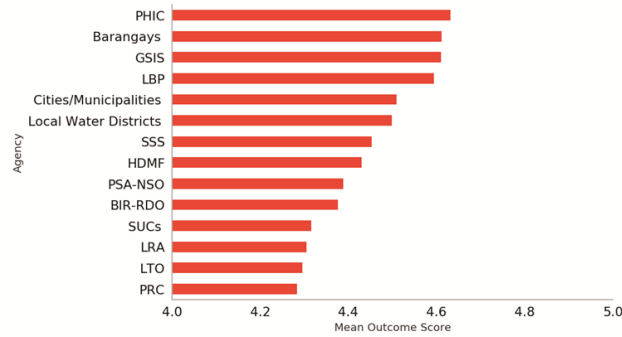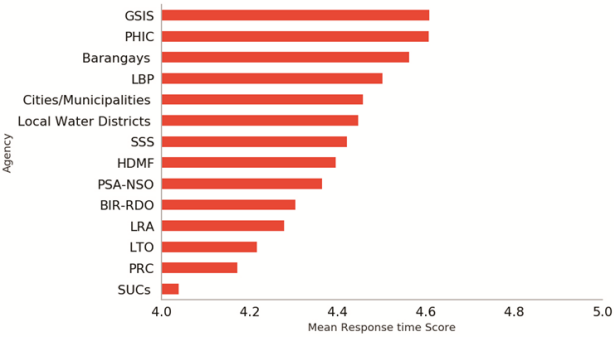Spearheaded by the Philippine Statistics Authority
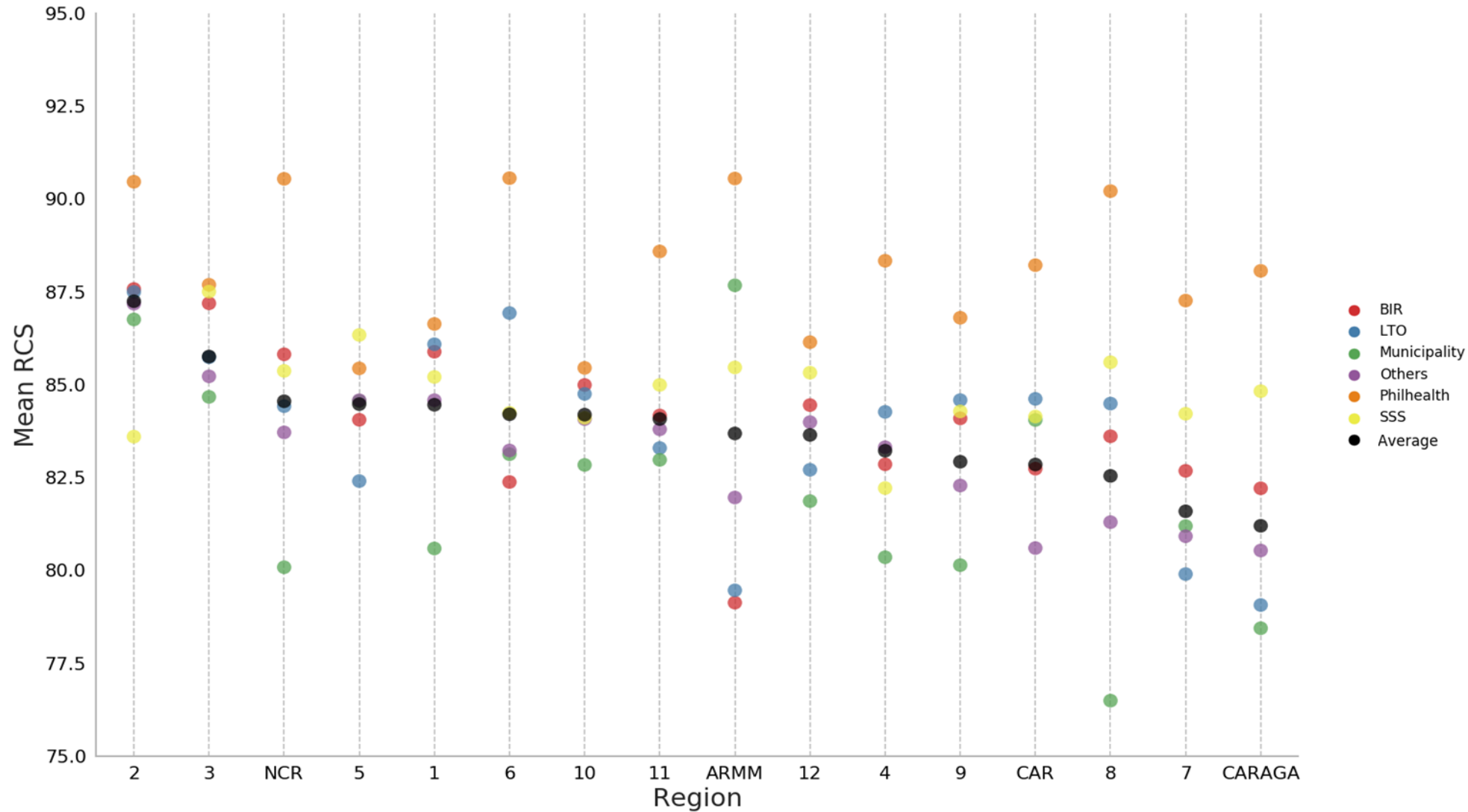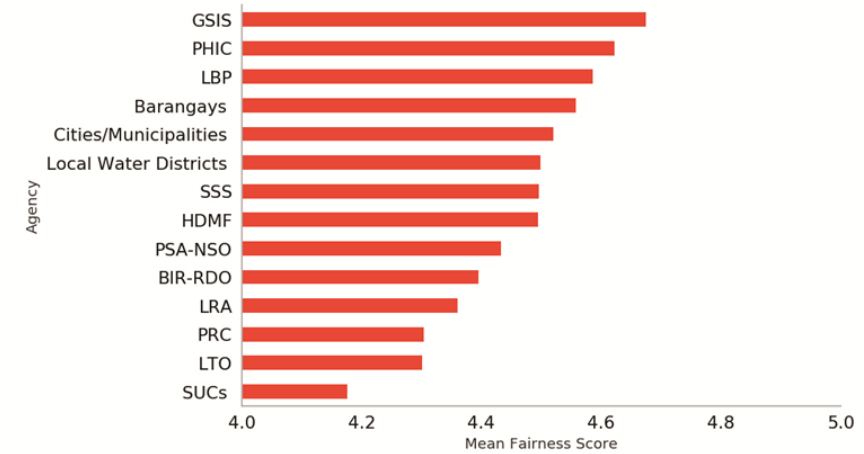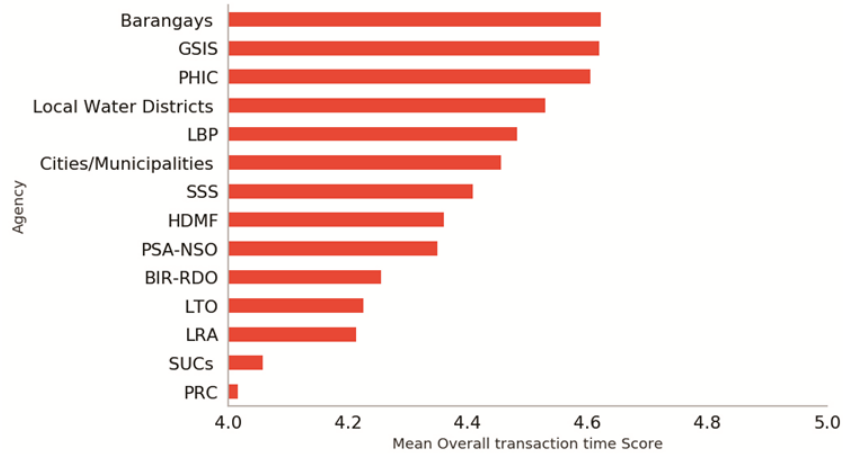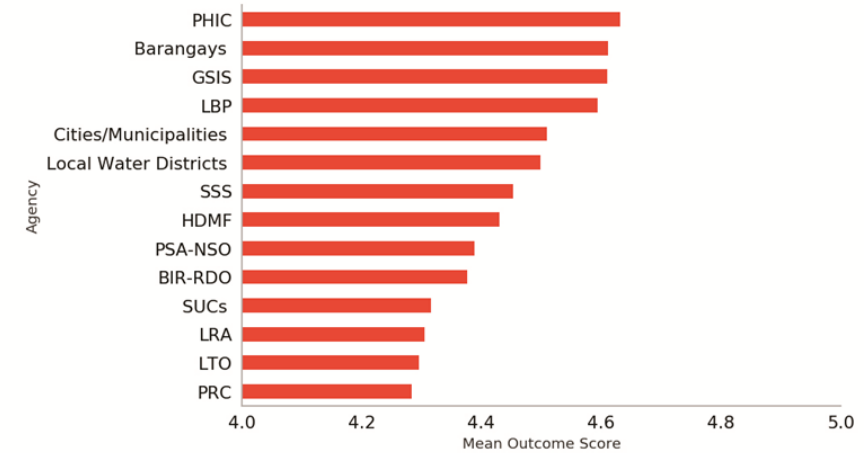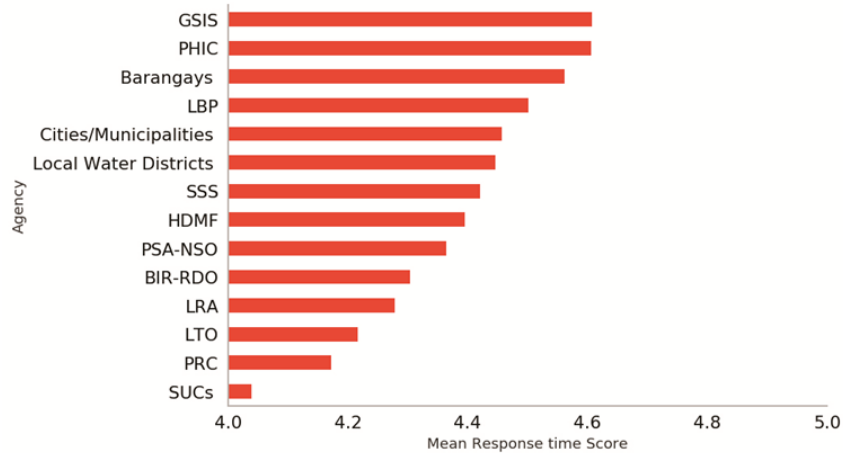
High-performing agencies consistently did well across satisfaction criteria

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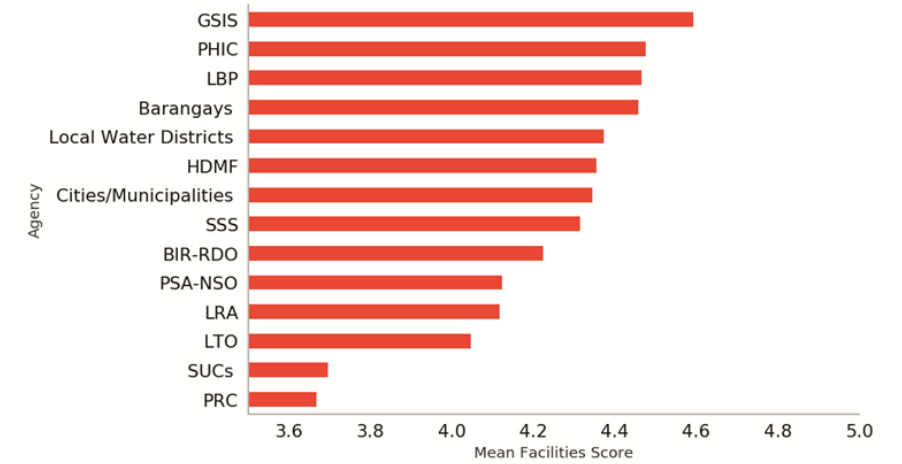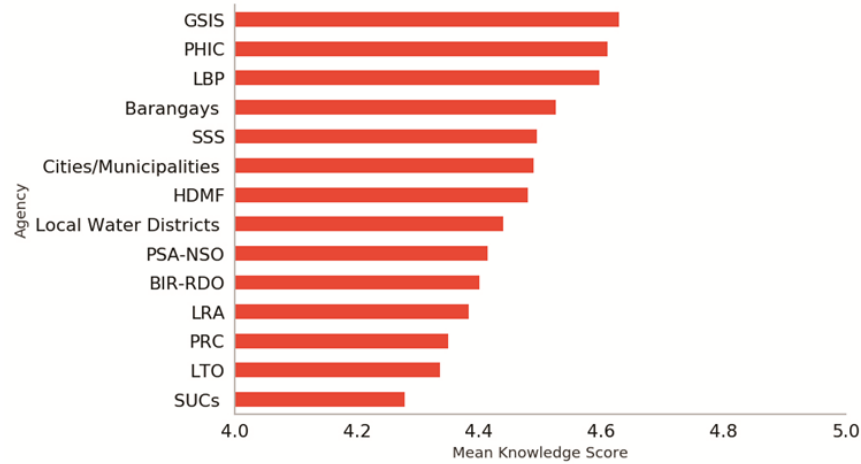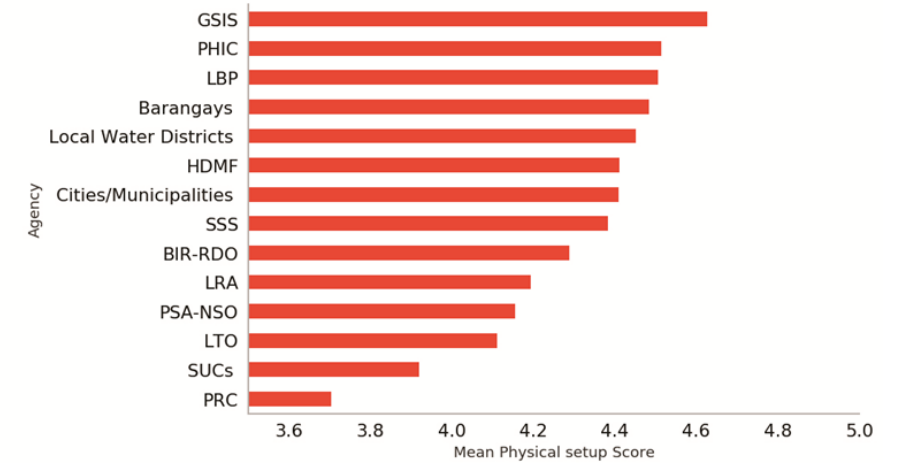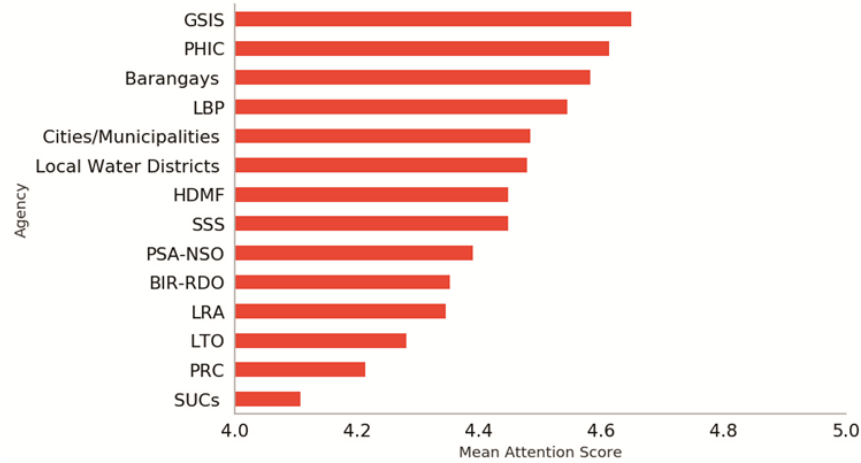
High-performing agencies consistently did well across satisfaction criteria
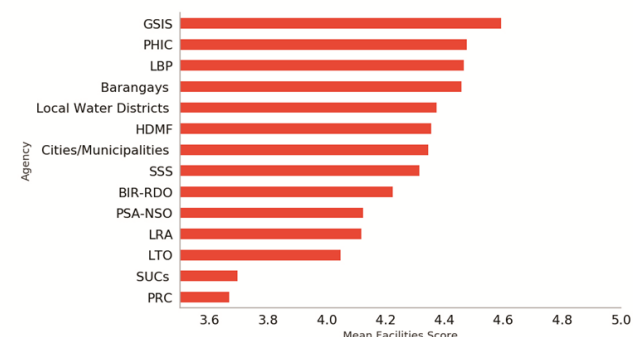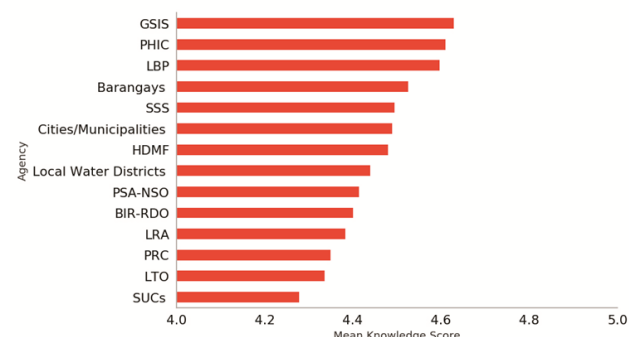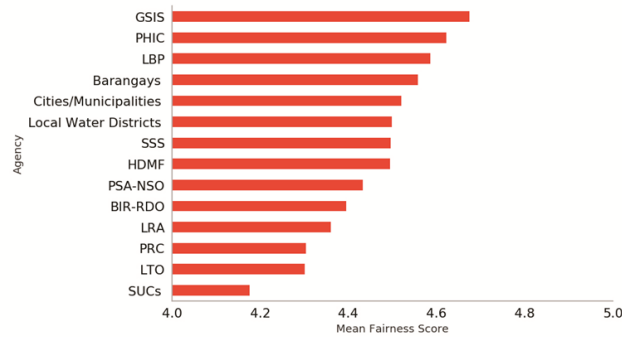
Actionable insight: Conduct knowledge-sharing between high- and low-performing agencies

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Recommendations

- **Data Collection**
  - Standardize methodology and sample sites (offices)
  - Avoid aggregation
  - Limit response types

- **RCS Scoring**
  - Weight satisfaction components based on feature importance

- **Data Analysis**
  - Time-series analysis when applicable
  - Include more possible drivers of agency performance and customer satisfaction

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Thank you!

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