

## Background:

Over the past 35 years, the number of government employees grew at a faster rate than did the population. Philippine population grew 160% between 1960 to 1997 but total government personnel more than doubled in size from the 360,000 employed in 1960.

Expressed in terms of ratio to the total population, the growth in the size of the Philippine government personnel lends some firm basis for the popular perception of a bloated bureaucracy. In 1970, the ratio of government personnel to the total population is 1:90. By 1990, the ratio stood at 1:52.

The most telling indicator of the period of rapid expansion of the bureaucracy is reflected in the growth rate of government's cash disbursements for personal services. Yearly incremental rates between 1980 to 1991 were in double figures, averaging 21% during the 11-year period, and grew as high as 35.8% in 1984-1985.

In the immediately preceding years, the increase in government expenditures for personal services is accounted for by the implementation of the second phase of the Salary Standardization Law which provided for yearly increase in basic salaries of government personnel over four years.

This is because since 1992, growth in size has been arrested due to the combined effects of a number of right-sizing initiatives which include: the 5-year effectivity of RA 7041 or the Attrition Law; agency-specific streamlining programs; changes in budgetary allotments which funded only the filled positions; and to some extent, the exit of positions in the disposed or privatized units of government.

In the last four years, increases in number of personnel have been attributed to the population-based personnel teachers and policemen and to the local government units, the last due to devolution by the national government of certain functions and activities. Outside of those classes of personnel, the increase in national employees (NGAs) and those employed by government-owned or controlled corporations (GOCCs) has switched into a decelerating mode.

The size, distribution, and general profile of government are given in statistical data derived from the yearly inventory of government personnel conducted by the Commission. The inventory is based on actual occupancy of positions at the end of each year.