

**OPEX MEMORANDUM No. 142\*/2010**

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**SUBJECT:** PHILIPPINE ELECTIONS 2010: DEFINITELY NOT MORE OF THE SAME, BUT CAN THE SAME BE SAID OF THE NEXT ADMINISTRATION?

**Panel:** Asia

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On 10 May 2010, the Philippines held national elections. It was the first time that elections for political offices were automated. There were initial fears that this could lead to a national disaster because of technical and mechanical failures, and the disenfranchisement and opportunities for manipulation of election results that this would bring. Instead, the process was largely successful and arguably among the most peaceful electoral exercises ever conducted in the country since the ratification of the current Constitution in 1987. The significance of these elections goes beyond a mere transfer of power and evokes images of the country finally getting over its reputation as Southeast Asia's consistently disappointing democracy. This remains to be seen, however, as much of the structural issues that bedevil the country are still in place.

**Context: Democracy, Elections and Economic Performance**

Philippine democracy has had a long-standing pattern of being dominated by entrenched political clans. These clans involve around 200-plus families, whose members have held most of the political offices, largely because of their control of vast amounts of economic resources. The issues confronting the Philippine state have much to do with the vested interests represented by these groups.

Since the Estrada Presidency, however, the most serious threat to Philippine democracy has come from abuses of power that have involved the President. The Estrada administration became noted for the lack of managerial competence at the highest levels of political leadership and for the extensive involvement in corrupt practices at different levels of government. His removal from office through street demonstrations indicated a degree of the erosion of the Filipino's trust in their political institutions. Due to various scandals the Arroyo Administration fared no better in terms of regenerating popular trust in the government.

That erosion of the legitimacy of the political authorities at the highest levels of government has hindered the economic performance of the country. In a region noted for high economic growth rates, the Philippines has largely been an outlier. The Arroyo Administration took credit for the highest annual growth achieved by the country since 1973, when the Philippine economy registered a growth of more than seven percent in 2007. This only shows how low the country has gone, considering that a seven percent growth rate has been maintained by its neighbours in the region over several decades. Furthermore, the economic growth displayed by the country in the last several months has not really made inroads into reducing the incidence of poverty in the country nor led to any significant betterment in the overall condition of Filipinos. The fact that the country's major export is labour indicates that this economic performance has failed to generate enough employment in the country. Moreover, it is very unlikely that the Philippines will be able to fulfil its Millennium Development Goals.

This dramatic situation could be prevented through the implementation of a structural economic reform, but the previous Philippine administrations have not followed this path either because of lack of interest or inability to weather the political ramifications of a reform that would damage the interests of the national elite.

**Analysis: What can be expected from the Aquino administration?**

A prospective Aquino Administration promises to be hard on corruption which, according to President-elect Benigno Aquino III is one of the main reasons for poverty in the Philippines. He has promised to pursue an investigation into the accumulated wealth of President Gloria Macapagal-Arroyo seemingly ensuring that corruption scandals that have hounded her during her presidency will likely continue to bedevil her even after.

Senator Aquino has already indicated his inclination to not recognize the last-minute appointment made by President Arroyo of Associate Justice Renato Corona as Chief Justice of the Supreme Court of the Philippines. This immediate issue does not bode well for the transition from the Arroyo to the Aquino Administration. Indeed, an anti-corruption drive that targets Gloria Macapagal Arroyo could bog down efforts to undertake the economic reforms required to attract investments and enhance the country's capacity for sustained economic growth. The most successful and optimistic period in recent Philippine economic history was during the Ramos Administration, which was characterized by an effort to unify varied political forces. All other Administrations have been beset by the hindering effects of a polarized polity which made it difficult for the incumbent authorities to undertake strategic reforms. This could be the fate of the Aquino Administration if the new president is unable to come to terms with a legislature filled with allies of Arroyo, who may not take kindly to being hounded by the next Administration.

Another area of concern for the elected president is peace and order. Engaging in peace talks with rebel groups is a priority issue for the incoming administration. In this context, Aquino has emphasized the need to reform the state's security forces and to strengthen security governance in the country. This would mean ensuring that civilian control over the military is maintained and exercised properly. The emphasis on anti-corruption and security sector reform shows recognition of the importance of strengthening governance in the country as a pre-requisite to foster economic development.

**Recommendations: What is the significance of foreign friends in the immediate future of the Philippines?**

1. – Corruption must be fought, but not at the expense of political concord. What the country does not need is more years of polarized and polarizing politics. While corruption cases must be investigated, these must only be pursued where the evidence is overwhelming. Investigations must be thoroughly and professionally conducted, otherwise charging political leaders from the past Administration with corruption will be largely a political exercise with no direct benefit to the country. This is an area where assistance from foreign friends could be helpful. The European Union and its member-states have invested quite a bit in strengthening governance structures. Because of the emphasis on democracy, voter education and political party institutionalization have been among the key areas where the European Union and its members have tried to exert some influence. Assisting the national government and local government units in strengthening their capacities to fight corruption is an area that would dovetail the emphasis of the EU on strengthening governance structures with Aquino's electoral platform. Strengthening the capacity of the government to investigate cases of corruption (and therefore make it evident that charges have a basis in fact and are not just politically-motivated) would also reduce the political polarization that could result from the strict enforcement of an

anti-corruption policy. In this context, specific assistance on advanced training on investigation for personnel of the Office of the Ombudsman, especially at the local level would be an area that could be explored.

2.- The intention to pursue peace talks with rebel groups is also a welcomed policy, but civilian control over the security forces must be strengthened to ensure the viability of this policy. This task can be facilitated by the EU and its member states, thanks to their experience in this area. There are plans for the Commission on Human Rights of the Philippines to put together a training program on security sector governance. This program would include training seminars to both security forces and civilian agencies involved in oversight of the security forces. EU participation in terms of helping organize some of these seminars and sending experts to be part of the training itself would be very helpful. At the political level, two important ways by which the EU could help is by discussing the importance of such a program with both the security forces (through discussions with high level officials in the military, the police, the coast guard, and the intelligence services), and, more importantly, with the government agencies (including Congressmen and Senators). The latter is particularly important because of the mistaken notion that security sector reform entails efforts at reforming only the uniformed services when the key factor in democratic governance is the ability of civilian oversight to perform its functions in a way that is credible to the uniformed services. The politicization of the uniformed services is less a case of generals wanting to play politics as politicians and appointed government officials using the uniformed services for their political purposes.

3. – Another key area where EU assistance could be a key component is education. This is an area where the country has slipped badly in the last few decades. From a country noted for its highly educated population to one where functional literacy has become a major problem indicates an education sector that has been allowed to drift despite the Constitutional injunction that this sector is supposed to annually receive the largest share of the government's budget. The most vital area is very basic – the provision of quality education at the primary and secondary levels. This simply means better teachers (not just more) and better facilities. The latter is an easy area of EU intervention because it points to assistance in terms of helping build more classrooms and providing more modern teaching tools (such as computers) to public schools outside of Metro Manila (especially in Mindanao). This seems so easy and seems like a capital intensive form of assistance but this is a very basic area that the Philippines needs help in. The necessity of better teachers indicates training in and greater exposure to the use of more modern teaching equipment, tools and methods. The EU could facilitate arrangements where teaching institutes would be able to host short –term courses involving these areas wherein the trainers are from Europe. There could also be programs that involve institute-to-institute types of exchanges (with teachers from the Philippines going to European institutes of teacher training for familiarization tours and vice versa).

4. – The items in 2 and 3 could also be married in one program. There is an initiative to establish a Peace Studies Centre in Mindanao State University as a centre for not just studying peace but also becoming a platform for disseminating the ideas of the peaceful management of conflict. The location of the Centre becomes important because it would mean reaching out to both Christian and Muslim populations in a war-torn Mindanao. The EU could not only support the initiative but also look towards helping its sustainability.

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