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A Muddled Democracy – "People Power" Philippine Style[1]

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Introduction

On January 20th, Vice-president Gloria Macapagal-Arroyo was sworn in as the 10th president of the Republic of the Philippines under the most unusual circumstances. The coalition that had lobbied and demonstrated for the ouster of her predecessor, President Joseph Estrada, accused of graft and corruption, heralded her ascension to the presidency as an example of "People Power". Speaking in Beijing on that day, UN Secretary General Kofi Annan said it was a "victory for democracy".[2] Was it a victory for democracy? What do the events of January tell us about the state of democracy in the Philippines? Can we expect a new era of "good governance" fighting corruption which has now become one of the key prescriptions for developing countries promoted by international agencies like the World Bank and our own government? What does President Macapagal-Arroyo's new government look like and what sort of economic policy and programme is likely to emerge from it? These are the questions I would like to address this evening.

The Events Leading up to Estrada's Removal from Office

Joseph Estrada made his fame as an action film star and cut his spurs in politics as the Mayor of Metro Manila's San Juan City allied to the strongman President Ferdinand Marcos. He was a political chameleon who first ran for national office in the Senate race of 1987, in the aftermath of "People Power I" when President Aquino was swept into power through mass demonstrations supporting a military stand-off with Marcos. At that

[1] A paper delivered to Chatham House, London, 19 February 2001.

time, Estrada ran for the Senate on the party ticket of Marcos' Defence Secretary Juan Ponce Enrile who had actively supported several coup attempts against President Aquino. Estrada and Enrile were the only two candidates of Enrile's, ironically named Grand Alliance for Democracy who made it into office. Once there, Estrada became a champion of some on the left when he opposed US military bases in the Philippines.

Estrada considered running for the presidency in 1992, but stepped aside after polls consistently put him in second or third place, and ran instead for the Vice-presidency. He easily won that race with 33% of the vote, garnering over a million more votes than the victor in the Presidential race, General Fidel Ramos. Estrada used the Vice-presidency to boost his image as a national figure and to lay the groundwork for the next presidential race, especially by cultivating contacts in the business community and among traditional politicians nation-wide.

In 1998, he put together a populist "pro-poor" campaign, enlisting a large cohort of respectable advisers from the business community and rallying a broad spectrum from the left to the right in the classic tradition of populist politics. The Catholic Church opposed his campaign vigorously as did former President Cory Aquino, the ranks of the elite business associations, like the Makati Business Club and the sitting President Fidel Ramos. But the elite opponents of Estrada could not unite their ranks. When President Ramos endorsed the campaign of the then Speaker of the House, José DeVenecia, a notorious traditional politician, the elite splintered its support fielding four other candidates against Estrada.[3]

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[2] *Philippine Daily Inquirer*, 22 January 2001.

[3] Between them, Jose DeVenecia, Lito Osmena, Alfredo Lim and Renato De Villa garnered 11.5 million votes just outstripping Estrada's vote by 500,000.

From the moment Estrada took up residence in the presidential palace, a relentless campaign against his wayward lifestyle and questionable business associates was unleashed in the press. Apparently, the President lived up to his reputation as a womaniser and gambler, holding late night gambling and drinking sessions in the palace and generally running the presidency as he had always run his town hall in San Juan. While he had strong economic managers in charge of key economic portfolios in Cabinet and progressive social reformers working in the Department of Agrarian Reform and parts of the Presidential Office, he never made his pro-poor campaign promises into a consistent programme of government. He had little base within the military and attempted to win their support, and reverse unexpected dips in the public opinion polls, by launching a major campaign against Muslim separatists in the south – a kind of "Wag the Dog" strategy for rejuvenating his presidency. He had some success with this, as anti-Muslim sentiments were stoked in his declaration of "all out war" against the Moro Islamic Liberation Front.

However, Estrada made a grave error by underestimating his opponents from within the elite and overestimating his own popular support. The crunch came in early October 2000 when Estrada's former confident and ally, Governor Luis "Chavit" Singson, accused the president of receiving some P220 million ($4.5 million) in proceeds from *jueteng*, illegal gambling rackets that reach into every corner of the Philippines, and some P130 million ($2.6 million) in kickbacks from tobacco excise revenues destined for the Governor's province of Illocos Sur.[4] This gave Estrada's opponents the ammunition

[4] "Singson told the Senate Wednesday that P414.3 million of the P545.2 million he collected from various jueteng financiers from November 1998 to August 2000 went to Mr. Estrada" (*Philippine Daily Inqauirer,* 15 October 1999). The motion to Impeach the president filed in the House on 18 October 2000 put a lower estimate on the amount and stated that, "From November 1998 to August 2000, Estrada received P10

they needed to mount a campaign calling for his resignation. Vice-president Macapagal-Arroyo resigned from the Cabinet to lead the movement for the President's resignation. On 18 October a motion to impeach the President was filed in the House of Representatives, but the tactics of leaders of the campaign against the President was to force him to resign, as they feared his allies in the Senate would be strong enough to block a conviction should the case come to trial there – in an impeachment process that mirrors that of the United States.

Governor Singson had turned against his friend after the President had approved a plan to replace illegal gambling rackets with a new government sponsored game and when the Department of Audit turned over information on Singson to the Ombudsman. Over the next few months an unholy alliance was formed against the President that brought together the Catholic Church, the supporters of former President Aquino, the allies of former President Ramos and eventually almost every civil society organisation with a national voice, including militant organisations on the left, to press for the President's resignation. Mounting street demonstrations were bankrolled by the business community. Estrada, seeing that his popularity ratings were still strong – ordinary unorganised poor people remained loyal to "their mentor" in the presidential palace – ensuring the loyalty of respected members of his Cabinet, and counting on support in the Senate, thought he could imitate Bill Clinton's performance and ride out the Impeachment proceedings. When the trial was underway in the Senate in December, it became a national daily pass-time to watch witness after witness present incriminating evidence against the President.

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million a month as bribe money from "jueteng" (gambling) lords" and that, "Estrada directly or indirectly received for his personal benefit P130 million out of the P200 million released by Budget Secretary

Estrada, urged on by close friends in the Senate and bolstered by continued support among local politicians, remained convinced he could avoid conviction, if only through an appeal to technical points of the law.[5] However, his strategy came tumbling down when, in January, a majority of 11 to 10 Senators voted against admitting into evidence bank records allegedly proving Estrada's guilt. Seeing their impeachment case crumbling, House prosecutors resigned *en masse* and the opposition, led by the Vice-President, enlisted grassroots organisations in massive demonstrations in Manila.

Still, Estrada might have weathered the storm, but early on 20 January, General Angelo Reyes, Chief of the Armed Forces of the Philippines (AFP) told the president he no longer had the support of the military. It was at this point that Estrada knew he was finished and made arrangements to leave the Presidential palace as his Cabinet members all resigned. Within hours Chief Justice Hilario Davide Jr. convened the Supreme Court, which declared the Office of the President vacant and announced they would swear in Gloria Macapagal Arroyo as the new President of the Republic.

What do the events of January say about the state of democracy in the Philippines?

From one vantage point, the ouster of President Estrada indeed appears to be a victory for "people's power" – the ultimate expression of democracy - against a president who wantonly abused the powers of his office, consorted with known gambling lords and amassed property and wealth for himself, his family and his business cronies. From another, Estrada's ouster can be seen as the result of "rich people's power", achieved through extra-constitutional means by an alliance of elite actors who had opposed the

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Benjamin Diokno for tobacco farmers".

[5] According to one anonymous informant, Senators Juan Ponce Enrile and Gregorio Honasan were instrumental in convincing the President he could beat the rap and retain his position.

Estrada presidency from the moment he won a landslide victory in the elections of 1998.[6] Neither version adequately reflects the condition of democracy in the Philippines.

Ultimately, Estrada was forced from office by the defection of the military and not by Constitutional means. While the military had no intention of seizing power, as some among them had in 1986 when they finally deserted strong-man Ferdinand Marcos, they nevertheless played the determining role in ousting the President. There are only three ways in which a duly-elected President can be removed from office under the Constitution: he can resign from office; the majority of his Cabinet can attest to the fact that he is unable to "discharge the powers and the duties of his office"; or he can be impeached by the House of Representatives and face trial by the Senate.[7]

The Supreme Court sought to justify their action in declaring the presidency vacant and swearing in the Vice-President by invoking the legal principal of "*salus populi est suprema lex*," roughly translated as "the welfare of the people is the supreme law."[8] The Court did not act according to the Constitution, but instead acted to legitimise an extra-constitutional *fait accomplis* carried out by an alliance of forces in society and the state that were not content with the outcome of formal democratic procedures. In fact, the events of January showed the weaknesses of Philippine democracy and the general weakness of the Philippine state.

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[6] In the 11 May 1998 elections, Estrada won 39.6% of the vote in an eleven-way race (though with only seven serious candidates), winning more than double the number of votes of his nearest rival, José DeVenecia. Website of the Commission on Elections (COMELEC), Government of the Philippines, posted August 1999.

[7] Article VII of the Constitution. In the second case, the Vice-president only becomes Acting President until the President returns to office or is deemed to be permanently incapable of discharging the powers and duties of his office by Congress.

[8] Amando Doronila, "People's coup: Bloodless, constitutional, democratic", *Philippine Daily Inquirer* (20 January 2001).

One of the most enduring legacies of the long years of dictatorship under President Ferdinand Marcos who ruled the country for almost 20 years (13 years under dictatorial power), was the politicisation of the military. The military's role in ousting Marcos was pivotal and the military subsequently constrained the scope of transformation of the country's political fabric under President Aquino by blocking more radical changes through successive coup attempts. Since that time, retired officers have played an inordinate role in civilian politics, epitomised by the election of General Ramos to the Presidency. Since that time numerous retired officers have been elected to the Senate and the House of Representatives, including most notably the election of former Col. Gregorio Gringo Honasan to the Senate, despite the fact that he led a failed coup d'etat against President Aquino in 1989, which killed and wounded scores of people.

The election of Estrada, and in fact Estrada's overwhelming popularity amongst the poor, was itself a sign of the weakness of democracy. There are three ingredients that determine who can win national office in the Philippines: an appeal to traditional networks of patronage politics that reach from the capital down into the provinces, towns and villages; a populist appeal to the floating mass of voters particularly in the large urban areas; and command over state resources and patronage. All three are accompanied by the command of money.

Political programmes play almost no part in electoral competition and political parties come and go, representing little more than shifting coalitions around well-known personalities. In a country like the Philippines, where income is among the most unequally distributed in Asia, and where poverty is persistent in both underdeveloped rural areas and the rapidly expanding urban slums, the dependence of the poor inhibits

the full development of democracy. Of course, all these characteristics can be found to varying degrees in the most developed of democracies in the West. After the recent election in the United States, we are reminded of just how fragile and subject to manipulation our 'developed democracies' are.

Can we expect a new era of clean government and one determined to fight corruption as advocated by the World Bank and our own Department for International Development?

In her inauguration speech, President Macapagal-Arroyo echoed the buzz word of the aid agencies, saying:

> To ensure that our gains are not dissipated through corruption, we must improve (moral standards). As we do so, we create fertile ground for good governance based on a sound moral foundation, a philosophy of transparency, and an ethic of effective implementation.

This call for an end to corruption in public office is not a new one in the Philippines. President Marcos, when he first ran for office in 1965, did so on an anti-corruption and reformist platform. No less than José Maria Sison, before he went underground to lead the Communist Party of the Philippines, in a speech in 1967 said:

> Let us take the issue and problem of graft and corruption. It has become the traditional basis for throwing out or retaining a political party or person in public office. Generally, however, despite our moral pronouncements about honesty, we have only perpetuated a system wherein the conservative political parties play what we call an in-and-out confidence game on our people. Whatever party gets in goes out later, but only after perpetrating graft and corruption, perpetrating a malevolent tradition of graft and corruption. Why is there so much lack of uprightness and integrity?[9]

He went on to trace the routes of corruption back to colonial administrations, drawing on the lively portraits drawn in the novels of José Rizal, and plentiful examples from the

post-independence period where government and private sector bled the country. Of course Sison's own conclusions about socialism offering an alternative to corruption have long since been disproven, not only by the record of the fast-disappearing socialist world, but even in his own revolutionary organisation.

Nonetheless, we have to ask ourselves if the battle against corruption waged by Transparency International, the World Bank, DFID and others is being raised in the right terms, with the right priorities and the appropriate targets. What will prevent the administration of Gloria Macapagal-Arroyo behaving as every other Filipino administration has behaved in the past?

At the moment, there is a clamour for Estrada to be brought to justice, tried and imprisoned. However, a deeper probe into his nefarious activities could begin to encroach on the practices of many that have thrown their political support behind the new President. Some would ask how Estrada can be tried for graft and corruption when not only have the members of the Marcos family, including his profligate wife Imelda, never been brought to justice for the millions (and some say billions) they stole while in office, but most of the Marcos family and their erstwhile supporters are now back in the Philippines, in business, and holding elected positions in several parts of the country.

The trial and conviction of a former President would send a strong message to the country, but only if it represented the beginning of a well-targeted effort to begin to put the country's fiscal resources into shape. The trial of Estrada himself might serve more to highlight an injustice, where the Marcoses are still at large and enjoying the proceeds of their ill-gotten gains. Regardless of the fate of Estrada, what would represent a clear

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[9] José Maria Sison, "On the Standard Issues of the Day", speech delivered at Silliman University, Dumaguete City, 9 March 1967.

break from the worst aspects of corruption in the country would be to finally put some expertise, resources and real power in the Bureau of Internal Revenue and the taxation laws. During the presidency of Fidel Ramos, a Comprehensive Taxation Reform Programme was drawn up by the Department of Finance, but by the time it was passed into law by the Philippine Congress it had been so emasculated that the tax effort continued to limp along and the fiscal position of the state remained reliant on what has become a dwindling set of privatisation programmes, dubious in their execution.

Developing countries like the Philippines do not need any more moral and generalised campaigns against corruption. They need to institute targeted programmes to build up the expertise and fiscal power of the state. This cuts against the grain of small and lean government that has informed most of the public sector reform programmes instituted in recent years. They need to have judicial systems and police enforcement that do not focus their justice only on imprisoning the poor, but subject the rich to pubic authority. If Macapagal-Arroyo can move in this direction, there may be some progress in cleaning up government. However, upon assuming office, she appointed former Governor Joey Lina to head the Department of the Interior and Local Government, and he enlisted Governor "Chavit" Singson, the self-confessed gambling lord who ratted on his former friend, as the Department's consultant to root out illegal gambling. At the same time, President Macapagal Arroyo appointed Singson's sister, Viviana "Honeygirl" Singson to the Board of the Philippine Charity Sweepstakes.

What does President Macapagal-Arroyo's new government look like and what sort of economic policy and programme is likely to emerge from it?

Most of the President's appointments to her new Cabinet represent the confluence of three goals: (1) to reassure the international community that the Philippines is

committed to continuing the process of liberalisation and privatisation; (2) to reward those who brought her to power; and (3) to bring together a winning coalition for the Congressional and local elections in May 2001. Applying these objectives, the President precipitated an early dissolution of the coalition that brought her to power, alienating many of those from the grassroots who formed the rank and file for her demonstrations against Estrada.

The new Cabinet relies overwhelmingly on those associated with former Presidents Ramos and Aquino and on retired military officers. Given the constitutional infirmity of her claim to the presidency, Macapagal-Arroyo seems set on courting and keeping on side the officers that made her ascension to power possible. The second most powerful position in government, Executive Secretary, was given to retired general and Ramos Defence Secretary, Renato DeVilla. Her Acting Defence Secretary almost certainly to be named her National Security Adviser is retired General Eduardo Ermita and, much to the dismay of civil society groups who endorsed her take-over bid, she seems set to appoint outgoing AFP Chief of Staff, General Reyes, as Secretary of Defence despite calls for a civilian to occupy that post.

The most powerful economic portfolios have been allocated to people committed to continuing the macroeconomic management strategies of the past. Former Senator Alberto Romulo, who was Aquino's first Budget Secretary and who is a prominent member of the Makati Business Club and well respected by the international business community, has been made Secretary of Finance. For the moment, Rafael Buenaventura's tenure at the Bangko Sentral will be respected, and Manuel Roxas III keeps his post as Trade Secretary in reward for being the second after Macapagal herself to quit Estrada.

The Department of Budget Management was given to Emilia Boncodin, who was an influential Undersecretary there during the Ramos administration.

Of the nineteen Cabinet level posts so far announced, seven served the Ramos government and four served the Aquino government and many are important traditional politicians. Out-going Senator Raul Rocco has been appointed Education Secretary, perhaps with the view of giving one of her primary rivals in the 2004 presidential race a difficult Cabinet portfolio from which to mount a successful presidential bid.[10] Her Solicitor General, Simeon Marcelo, who was the lead private lawyer for the prosecution in Estrada's impeachment trial, is the one Cabinet member whose loyalty is to her alone.

Significantly, three Cabinet posts have gone to those associated with the grassroots that marched for Estrada's ouster. Corazon Soliman, a long-time NGO activist, was made Secretary of the Department of Social Welfare and Development, while the youthful congressman Hernani Braganza, a former student activist who happens also to be a nephew of former President Ramos, was given the portfolio of Agrarian Reform.[11] In what is perhaps her single most surprising appointment, the leader of the Federation of Free Farmers, Leonardo Montemayor, was given the Department of Agriculture – perhaps the first time ever that Agriculture will be led by a farmer leader rather than an instrument of agribusiness.

Another significant appointment was former Representative Simeon Datumanong, a prominent Muslim politician and ally of former President Ramos, who was appointed as

[10] With the nation's schooling system in disarray and an active, vocal trade union movement among highly politicised teachers the Education portfolio may be a poison chalice. For Rocco, however, who has come to the end of his second term as Senator, the national level exposure will be important to maintain his position leading up to the presidential campaign of 2004. Rocco came in as a close third in the 1998 election with 14% of the vote.

Secretary of the Department of Public Works. This was clearly an appeal to the Muslim community of the South, as the new President seeks to reinitiate peace talks and bring an end to the conflict that escalated into full-scale warfare under her predecessor. Almost as a counter-balance, she chose Senator Teofisto Guingona, a prominent Christian from Mindanao, as her Vice-President and Secretary for Foreign Affairs.

There is some talent in this Cabinet and the heavy reliance on those associated with the Ramos government is clearly an effort by Macapagal-Arroyo to try to achieve the efficiency for which the Ramos administration became known. In her inauguration speech, the President said:

> The first of my core beliefs pertains to the elimination of (poverty)…. To extend the opportunities to our rural countryside, we must create a modernized and socially equitable agricultural sector… To address the perils, we must give a social bias to balance our economic development, and these are embodied in safety nets for sectors affected by globalization, and safeguards for our environment.[12]

It remains to be seen if Macapagal-Arroyo can make progress in poverty reduction. Her choice of Agricultural Secretary is positive in this regard – and may avoid her falling into the same error as President Ramos whose blind spot was agriculture. However, her economic strategy is too narrow, based as it is on the thinking of the previous administrations that the key to promoting growth remains simply liberalisation and privatisation. One of the lessons of the Asian Financial Crisis of 1997 must be that pinning all goals for growth on efforts to attract footloose capital into Philippine markets is a misguided strategy. While trade liberalisation in all but basic agricultural food products seems wise, the country needs to articulate a strategy for economic development

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[11] Soliman was leader of the Kongreso ng Mamamayang Pilipino (Kompil) II that played a pivotal role in the demonstrations against Estrada. She made her fame as the key figure in the Congress for a People's Agrarian Reform in the the 1980s.

that offers some hope for promoting a dynamic process of accumulation at home. So far, it is too early to pass judgement on the administration's economic management prospects, but the new government seems anxious only to prove that it will implement an austerity programme to bring down the ballooning government deficit and quickly move on power sector reform as demanded by the International Monetary Fund. This hardly amounts to an economic strategy.

What of the future prospects of democracy under this government?

When she assumed office Macapagal-Arroyo said:

> Politics and political power as traditionally practiced and used in the Philippines are among the roots of the social and economic inequities that characterize our national problems. Thus, to achieve true reforms, we need to outgrow our traditional brand of politics based on patronage and personality… We need to promote a new politics of true party programs and platforms, of an institutional process of dialogue with our citizenry.[13]

This is a promising vision, but it remains to be seen if Macapagal-Arroyo will use the presidency, as none of her predecessors have done, to contribute to the advancement of programmatic politics. This is a basic condition for the deepening of democracy in the Philippines, as elsewhere. The great political parties of history have been built both from within government, as in the late eighteenth and nineteenth century in United Kingdom before the age of the mass franchise, and later from within government and among the social movements as universal suffrage became the norm and those who aspired to state power needed to convince an increasingly literate population of their fitness to rule and to win their votes. Advancing programmatic politics over traditional politics and the "cinematic politics" of modern populism is the great challenge in the struggling

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[12] Inauguration speech of President Gloria Macapagal-Arroyo, Edsa Shrine, Jan. 20, 2001.
[13] Inauguration speech of President Gloria Macapagal-Arroyo, Edsa Shrine, Jan. 20, 2001

democracies in the developing world, and perhaps is even becoming a challenge again in our own polities.[14]

However, the President of the Philippines must be prudent here and deliver on what she promises, to avoid doing more damage than good to the prospects for democracy. In the wider world today it has become clear that by conducting politics based on hyperbole, great damage is done to democracy, just as damage is done when politicians run for election by always running down the institutions and organisations of the state. Democracy becomes denigrated in the eyes of the people and this opens up the possibilities for non-democratic alternatives once the system fails. The wild swings in public opinion toward particular politicians are indications of a shallow politics that can be easily manipulated. Rather than euphoria, over the manner in which President Macapagal-Arroyo came to power, the middle classes in the Philippines should be worried.

[14] On “cinematic politics”, see Putzel, "Democratisation in Clan Politics: The 1992 Philippine Elections," *Southeast Asia Research* (March 1995), pp.18-45.