Unpacking Democratic Transitions: The Case of Philippines

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Philippines: Economics
Erin Orr

The global economic downturn in 2008 has been considered the worst financial crisis since the Great Depression in 1929.¹ The collapse in the financial market caused a worldwide decline in Gross Domestic Product (GDP).² A state's performance since the aforementioned recession can determine the efficiency of their working economic system and illustrate the future progression of the states national and international economic growth. The Philippines presents a case of slow but steady progression towards economic development. The Philippines' economy was more resilient than analysts predictions the economy slowed to 1% GDP growth during the winter months following the recession, while other countries during the same time period were posting a negative GDP growth rate.³ The downturn in trade and investment were the main contributors to the slowed GDP rate.⁴ The 40% decrease in total exports certainly generated the slow in the GDP growth rate, in particular the 47.6% decrease in exports of electronic equipment.⁵ The nearly flattened GDP growth rate in the Philippines was also impacted by the recession in major international markets for Filipino labour, most notably in the US, Japan and Taiwan.⁶ The growth of deployment with the Philippine Overseas Employment Administration slowed by 5.8% in 2009.⁷ As discussed above, the Philippines lackluster financial performance is due largely to international factors.

The growth rate stayed above the point of recession due to the success of the internal markets. The internal markets did not suffer thanks to a stronger rate of consumption tied to the continual fall in CPI inflation and the accommodative fiscal monetary policy.⁸ The Philippines government managed to keep control of extreme changes in their economy with concentration on domestic affairs, funds were reallocated towards the internal markets to help their own citizens. Unfortunately the financial aid and contributions to the market lead to a growing governmental budget deficit, which was $1.6 billion US in 2008 – roughly PHP78 billion.⁹ In 2009, the Filipino economy maintained its' path towards recovery with continually

² Ibid.
⁴ Ibid.
⁶ Ibid.
⁸ Ibid.
⁹ Ibid.
rising GDP growth at around 3%. Yet the governmental budget deficit remains and is growing rapidly, by November 2009 it hit PHP272 billion – roughly worth US$6.2 billion in 2010. Expenditures were raised because of weakened domestic demand plus higher spending on economic stimulus and typhoon-relief related spending.

Today the Philippine economy has shown further resilience. The budget deficit has reach a low PHP53.22 billion in 2013. This budget deficit may have decreased in comparison to the recession but according to the Department of Finance, the Philippine government experienced a dramatic increase from the 2012 deficit of PHP39.25 billion. The real GDP growth is at a rate of 6.8%, heightened since the recession, is matched with a lower inflation rate. After the recession the CPI inflation rate was at 7.1%, which was continuously falling since 2008, finally reaching 3.1% in 2012.

The exports have since recovered from the recession. The latest data from 2012 shows that electronic products consist of 43% of total exports while garments, coconut oil and petroleum are between 3% and 1%. The leading markets with which the Philippines trade are as follows: Japan at 19%, the United States at 14%, China at 12%, and Singapore at 9%. Their major imports are capital goods at 26.7%, mineral fuels at 20.9%, chemicals at 9.6%, and manufactured goods at 7.9%. The imports are supplied by the following countries in order from largest sellers to lowest: the United States, China, Japan and South Korea. The Philippines is economically secure concerning their exports and imports. Philippines has received a global ranking for “Foreign trade & exchange controls” of 7.8 out of 10 between the years of 2008 and 2012. Export of labour from the Philippines has also recovered from the recession. The Philippines export over 11 million Filipinos to live and work overseas, the majority are going to the US and Saudi Arabia.

The current levels of GDP are at a continuously growing rate of 250.265 billion of U.S. Dollars, ranking 39th worldwide. The GDP per capita is at a slowly growing rate of US$4,410,

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11 Ibid.
12 Ibid.
13 Ibid.
14 Ibid.
16 Ibid.
17 Ibid.
18 Ibid.
19 Ibid.
20 Ibid.
21 Ibid.
22 Ibid.
ranking 122. With a moderately high global standing and a gradually progressing national economy, the Philippine's has managed to recover from the economic downturn and is heading towards.


http://data.worldbank.org/indicator/NY.GDP.PCAP.CD.
Colonial History and the Roman Catholic Church
Melissa Buscar

An overview of the Philippines’ colonial history highlights the tensions between the different religious groups. Essentially, the origins of the current religious and political situation of the Philippines can be split up into four periods. These include: the Islamic, the Spanish, the American, and the post-independence periods. The Islamic period lasted from the thirteenth century to the sixteenth and beyond, making it the longest one out of the four. It was not nearly as aggressive or forceful as the following periods, but it managed to place a qualitative and unshakable hold on the people in the areas where Islam took root and became culturally embedded. The nature of this hold would be maintained in future generations and would have significant implications that would lead to the armed separatist rebellions in the 1970s.

The Spanish period lasted over three centuries and transformed the Philippines in several different ways. This included “the creation of an intermediate citizenship labelled Filipino...the introduction of the Catholic Church as a dominant factor and, perhaps most importantly, by naming the colony Filipinas, the Philippines.” The naming of the Philippines is very significant because it established an unparalleled colonial legacy and further division through the introduction of the Catholic Church as the dominant religion. This dissonance marks the beginning of the religious conflict between the Christians and Muslims in the Philippines. The naming of the Philippines left Filipinos with a brand name but the liability of the name would remain blurred in the minds of some.

Although the American colonial period was barely a half-century long, its colonial legacy immensely impacted and reshaped Spain’s influence in moulding the Philippines culture to the point where colonial influence became Americanized. American government action was often portrayed to the Philippines national leaders as ‘modern’ and progressive but were merely Christian. The Americans viewed the Muslim Filipinos as religiously and culturally different and consequently, incompatible with their political ideals. This approach resulted in a sense of alienation among Muslim Filipinos, causing them to feel incompatible with the nation’s polity. When the United States (US) arrived in 1898, the Philippines began to be reshaped economically, politically, and socially. This was particularly evident in the southern islands as the Moros tried to reassert their claim to Mindanao. This situation deteriorated as clashes

between the Americans and Muslims because more severe and the US military continued establishing colonial rule throughout the Philippines.  

In the post-independence period, saw the Philippines become the first country in Asia to adopt a democratic system. However, the formal democratic institutions that were established by the US were weak and reinforced power structures that were rooted in the Spanish colonial period. This was exemplified in the new Philippine government as the US had allowed the elites from the previous colonial era to remain in dominant positions in return for their support. Adding to this problem is the fact that the Moros continued their struggle for an independent Mindanao. Unfortunately, rather than accommodating the demands of the Moros, the post-independent Philippine government adopted more regressive measures and continued enforcing colonial policies. For example, the new government “encouraged further migration of the Christian population into Mindanao. By the 1960s, the influx of settlers from northern and central Philippines made the Moros a virtual minority in their own land.” The modern Muslim separatist movement originated from a small set of Philippine Muslim students and intellectuals in the late 1960s. It gained popular support after two major incidents: the “Corregidor Massacre” of Muslim military trainees that caused an outcry from the Muslim community and the “eruption of sectarian violence in Cotabato in the [early] 1970s, emerged as an armed secessionist front in response to the declaration of martial law by Philippine President Ferdinand Marcos in 1972.” As a result of the declaration of martial law, the insurgencies increased and the Muslim rebels because to turn against the government and the military. This conflict between the Filipino Muslims and the Filipino Catholics is characteristic of Philippine society and obstructed the establishment of Western democracy during the American colonial period.

The Catholic Church has maintained an influential role in Philippine politics and public life. The close alliance between the Roman Catholic Church and the Spanish colonial government took place for centuries before the US assumed control of the Philippines. The Spanish colonial government “well understood that its control of the Philippines rested heavily on the power which the loyal Spanish bishops and especially the friar-priests wielded in the lives of the Filipino people.” It is important to understand that this power was not only spiritual but also economic and political as well. In August 1896, the Philippine revolution broke

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30 Ringuet, "The Continuation of Civil Unrest and Poverty in Mindanao," 33.
out and was “as much a rebellion against the real and imagined abuses of the Spanish friars as against the colonial government.” These Spanish friars had become the symbols of tyranny and oppression to the Filipinos. This led to the constitutional convention in Malolos, Bulacan in 1898 after Admiral Dewey’s victory over the Spanish fleet in Manila Bay during the Spanish-American War. This constitutional convention would lead to the basic law of the first Philippine Republic. Title III, Article five of the Malolos constitution read: “The State recognizes the liberty and equality of all religious worship, as well as the separation of Church and State.” However, it is doubtful that this outcome represented the interests of the Filipino people. This is because the majority of the Filipinos were not really aware of the issues involved. Moreover, this decision was not reflective of the convictions of the Filipino clergy. Surprisingly, the Malolos constitution was enforced by President Aguinaldo with Title III, Article five exempted. The exemption of Article five signifies the influence religious authority had in the Philippines and emphasizes the dominant and hegemonic role of the Church in public life that would be maintained for centuries. Regardless of the formal separation of the church and the state, there was an underlying hegemonic consensus regarding religion in the Philippines that would prove difficult to reshape.

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Due to the cultural and social nature of female disempowerment it is often difficult to quantify and analyze. At the same time however, female empowerment is a critical element of democratization and nation building. The Philippines has demonstrated dedication to the issue of gender equality by creating a Government Agency called The Philippine Commission of Women. In 2009 the country signed the Magna Carta of Women which outlines the laws meant to empower women. In order to analyze the status of women in the Philippines this section will look at two issue areas: leadership and political participation and economic empowerment.

Political participation is a key indicator because it provides insight as to whether or not the concerns of women are being considered in legislative processes. Before colonialism, women in the Philippines enjoyed the same political opportunities as men. It wasn’t until the colonial era that male dominance in Filipino politics began. Interestingly the Philippines has since had two female presidents, Presidents Corazon C. Aquino and Gloria Macapagal-Arroyo, who came into power through the EDSA I and EDSA II people’s revolt. Even so however, male domination in the political arena remains. COMELEC data of the 2010 elections indicate that women won only 18.4% of elected seats. There are many obstacles that contribute to female disempowerment in politics, including gender stereotyping, multiple burdens and lack of political education. To address these issues and increase female participation and power in politics several measures have been implemented. For example, the 1991 act titled “Providing for a Local Government Code” provides representatives for women in all of the local legislative assemblies. The Commission as well as the government in the Philippines remains highly confident that gender parity in government is possible in the near future.

The economic empowerment of women is not only good for women as a gender group, but for the nation of the Philippines as a whole. Attempting to eliminate poverty requires providing women with the opportunities to generate income for themselves and their families. Women’s Economic Empowerment (WEE) refers to, “women having access to and control over high-value productive resources, such as information, credit, loans or financial assistance, services training, markets and technology, and increased control over the business environment.” In the Philippines the average labor force participation of women is 49.7%, which is below the average for the countries in the region. While the overall rate employment of women is a whopping 93.1% the majority of these women are employed as laborers and

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35 Ibid.
36 Ibid.
unskilled workers.\textsuperscript{37} On the 2012 Women’s Economic opportunity Index, the Philippines ranks 74\textsuperscript{th}. One of the Philippines economic strengths is entrepreneurial and business development. In a survey done by the Global Economic monitor, women in the Philippines were the second most entrepreneurially active out of the 42 countries survived. Studies however show that while women in the Philippines are more active in starting up businesses, men usually take them over once they are running.\textsuperscript{38} Numerous government projects have been developed to encourage female entrepreneurial ship and continued involvement in business such as the Gender-Responsive Economic Actions for the Transformation of Women project.\textsuperscript{39}

\textsuperscript{38} Ibid.
\textsuperscript{39} Philippine Commission on Women, National Machinery for Gender Equality and Women’s Empowerment.
Political Parties
Stephanie Tadeo

The United States granted the Philippines independent statehood in 1946.\textsuperscript{40} The decades prior to independence, however, was a period marked by US control in handling and directing the country towards democratization. In 1902, the US Congress allowed Governor F.B. Harrison to replace US officials and bureaucrats in the government structure of the Philippines with Filipinos.\textsuperscript{41} Filipinos were put into committee and ministerial positions to prepare for the country’s democratic transition. For the first time in Philippine history, a Filipino majority was appointed to the upper house of the legislature. In 1916, the Filipino legislature was granted with greater authority in policy-making, and a Bill of Rights was created, which promised independence once a stable government was established by the Filipino people.\textsuperscript{42} The conditions of a stable government, as listed by the US, were a new constitution modeled on freedom and equality; a national government modeled on three equal branches, similar to the US (executive, legislature, and judicial); and an electoral system that would allow public participation in the country’s affairs. These conditions for independence were met in 1935: the Philippines went on to replicate the US’ three-branch democratic government.\textsuperscript{43} Social programs were given top priority, women were guaranteed the right to vote, public education was provided to transform the agricultural state into an industrial one, and the rights of labour were addressed to provide equality of opportunity for everyone. Finally, in 1946 the Philippines became an independent state; however, it was far from democratic.

The Philippines has often been referred to as an “elite democracy.”\textsuperscript{44} The coercive nature of elite political families and the transfer of power within familial dynasties is a consequence of colonial rule. Despite the US’ intentions to bring democracy to the region, it failed, or perhaps neglected to address, the important links between democracy, economic development, and social transformation of the societal organizations.\textsuperscript{45} In the midst of rapid industrialization, profits were only reaching a handful of families while the massive rural poor was transformed into the massive urban poor. As such, trickle-down wealth was alienating the majority at the bottom from the benefits and ideals of democracy. One reason for this area of democratic deficit is the corrupt and elitist nature of Filipino political parties.

\textsuperscript{41} Sherril, “Promoting Democracy,” 217.
\textsuperscript{42} Sherril, “Promoting Democracy,” 217.
\textsuperscript{43} Sherril, “Promoting Democracy, 216.
\textsuperscript{45} Pinches, “Elite Democracy, development, and people power,” 106.
Like the US, the Philippine legislature is divided into the Senate and the House of Representatives. The Senate consists of 24 nationally elected members who serve six-year terms; the terms are staggered so that half of the Senate runs for election every three years. The House of Representatives consists of 248 members who are directly elected from geographic districts (80%) and a party-list of members elected at large (20%); all serve three-year terms. No law passes without a majority of votes between the Senate and the House. Theoretically, no candidate can deliver on their electoral promises unless a political party or coalition backs him or her up in legislature. Therefore, political parties and their abilities—or lack thereof—to deliver on electoral promises to the people are central to Philippine democracy.

Currently, political parties in the Philippines contribute to huge democratic deficits. Sociologist Professor Randolph David describes their nature: “Our political parties are incoherent and unstable...They promote no distinctive visions or programs. Their hold on their leaders and members is weak. They are dormant much of the time, coming alive only during elections...Philippine political parties are really brand names whose current owners trade on a bit of history to give themselves a touch of stature” (“Political Parties”).

The first democratic deficit in political parties is the lack of accountability. Though the Philippines enjoys a pluralist political party system, the multiple parties are largely undifferentiated from each other. The parties merely recite general principles, such as the need to defend freedom and equality as stated in the Philippine constitution. They provide no guidelines to action and to improve the material reality of their country and their people. Thus, their proposed programs for government upon election do not articulate a comprehensive national strategy. In the absence of a specific national strategy or an outlined plan to government action, party members who are elected are not held accountable to a particular party line. This is crucial when issues are voted on in legislature. Without a party line, members are not hard-pressed to follow through with their promises from election time.

The second deficit of political parties lies in campaign dynamics. Rather than having government committees or agencies that allow political parties to be a permanent part of democratic states, the Philippines’ political parties consists of members who finance themselves. The party leader relies on his own funds or ties to major businesses to finance his party and their media exposure. Campaign dynamics contribute to the elitist nature of

46 Sherrill, “Promoting Democracy,” 218.
47 Sherrill, “Promoting Democracy,” 218.
48 Clarita R. Carlos and Dennis M. Lalata. Democratic Deficits in the Philippines: What is to be Done? (Diliman: Quezon City, 2010), 18.
49 Carlos and Lalata, Democratic Deficits in the Philippines, 18.
Philippine democracy: since party members are funded privately, having mass personal wealth provides candidates with a huge advantage. Therefore, candidates are beholden only to party leaders if they are elected into office. The consequence is that this leads to non-accountability in campaign finance, which affects party discipline and crucial votes for major legislation.\textsuperscript{50}

Finally, the last democratic deficit of political parties is the concept of “political turncoatism.” Theoretically, the goal of political parties is to translate the demands of the electorate into laws or policies. However, the lack of accountability and party discipline in the Philippines makes it easier for members of the Senate and the House to change parties, a phenomenon that has been coined “turncoatism.”\textsuperscript{51} Members will often cross over to the party where he or she believes there is the greatest advantage to gain by being part of that party. This is done quite frequently because there are no fees or sanctions for members who decide to switch parties. As such, “whoever has the gold, sets the rules... .”\textsuperscript{52} Political turncoatism impedes on party organization and continuation, and allows political parties to matter only during election time. It also re-directs loyalty to a single individual, the party leader, rather than a specific party platform that puts the citizens’ interests first.

Although several democratic deficiencies exist in the Philippines’ political institutions, this brief report focused solely on the nature of political parties and how they impede on the progress for a transparent democracy. Filipino political parties lack accountability and party discipline, which in turn affects crucial votes on major legislation. This is largely due to the manner in which political campaigns are financed. Where government financing is absent, the support for a candidate lies squarely on the abilities of the party leader. Consequently, to improve party discipline and accountability, political parties must have clear ways of financing.

\textsuperscript{50} Carlos and Lalata, Democratic Deficits, 19.
\textsuperscript{51} Carlos and Lalata, Democratic Deficits, 19.
\textsuperscript{52} Carlos and Lalata, Democratic Deficits, 20.
Civil-Military Relations
Kelsey Gallagher

Prior to the onset of the Marcos dictatorship in 1972, and the subsequent incitement of martial law, the military saw little legitimate civilian oversight over their actions.\(^{53}\) Marcos’ rise to power saw the buttress of professionalism within military ranks, and spurred a paradigm of loyalties fueled by clientistic loyalties and plutocratic appointments within all levels of the Filipino government.\(^{54}\) Virtually all institutions that characterized the Filipino state prior to Marcos’ dictatorship were abolished or restrained from working power, save for the military.\(^{55}\) Marcos utilized informal channels and personal relationships to maintain this autocratic hold of power, which in turn set the precedence for civil-military relations following the peoples power revolution (itself spurred by a coup d’état) in 1986. The pseudo-democratic transition that occurred was largely earmarked by factionalism between current and former military leaders, based upon academy ties, linguistic differences, etc.; many of these leaders retained strong support for Marcos, even after subsequent changes in political leadership following 1986.\(^{56}\) The Aquino administration was repeatedly put to the test after attempts were made to contain military influence in democratic affairs. These included retiring “overstaying” generals and signing peace agreements with the NPA and MNLF, both of which impeded upon the power of military officials.\(^{57}\) The first three years of her administration saw successive coup d’état attempts and military revolts, culminating in a 1989 coup, which only failed due to American interjection.\(^{58}\)

The 2001 ‘EDSA Revolution’ was a coup d’état, which succeeded in ousting elected-president Joseph Esercio Estrada, to whom Gloria Macapagal-Arroyo succeeded to presidency. Although many deemed this a ‘popular’ revolution, foreign critics noted the politicized nature of the charges which were brought against Estrada prior to his ousting, as well as the reinstating of prominent military brass to high-level positions in Arroyo’s government following her rise to presidency.\(^{59}\) On July 27\(^{th}\) 2003, 321 members of the military took control of a shopping centre in downtown Manila in what would be deemed the “Oakwood Mutiny”.\(^{60}\) The revolutionaries surrendered peacefully, and while all 321 were summoned for court martial

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\(^{53}\) http://countrystudies.us/philippines/89.htm.
\(^{54}\) Ibid.
\(^{55}\) Ibid.
\(^{56}\) http://countrystudies.us/philippines/89.htm.
\(^{58}\) Ibid.
\(^{59}\) http://www.pdgs.org/ana-caro-i.htm.
\(^{60}\) http://www.europaworld.com.proxy2.lib.uwo.ca:2048/entry/ph.is.04.
only 31 were charged with crimes related to the failed coup d’état; in 2007, a number of these individuals attempted to stage a second mutiny but quickly surrendered. In 2006 a number of junior officers had confessed to planning a coup d’état to overthrow the Arroyo government, but was discovered and stopped. Insurgencies, largely in Mindanao and the southern regions, are used as justification for a continually swelling military budget, which is supported by current and ex-military officials in government positions. Pains have been made (notably with Aquino III’s current administration) with successive governments since the People’s Power Revolution to keep civil-military relations in check, but ongoing violence serves as a bulwark against a climate of democracy free of illicit military control.

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61 Ibid.
62 Ibid.
63 Ibid.
65 Ibid.
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http://data.worldbank.org/indicator/NY.GDP.PCAP.CD.


