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THE PHILIPPINES:
NEW POLITICAL TRENDS FOR THE 1980s

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Historical Background: Before Martial Law

The Philippine archipelago was ruled by Spain for three centuries, then by the U.S. from 1898 to 1946. The principal legacy of Spanish rule was the spread of Catholic religion to nearly 90% of the population. Under the Spanish, economic development was sluggish and the spread of literacy was systematically discouraged; hence, despite a residue of Spanish art and architecture, cultural ties to Spain are weak and use of the Spanish language has virtually disappeared among the young and middle-aged.

The U.S. pursued economic development vigorously, yielding the Philippines an unusually impressive economic infrastructure compared with other former colonies, the developing world's highest literacy rate at the time of independence, and, as a byproduct, a deeper attachment to Western social values and mores than is typical elsewhere in Asia or Africa. The U.S. also built an impressive administrative infrastructure and constructed, from the ground up, a democratic political system with a U.S. style President and two-party system. By promising independence as early as 1932, and granting it as promised in 1946, the U.S. avoided the kind of independence war that occurred in so many French, Dutch, British and Portuguese colonies. All of these policies led to a profound Filipino cultural and economic attachment to the U.S. which has served U.S. interests in the past, but now represents a liability as well as an asset -- because the U.S. is blamed by all parties for much of what goes wrong in the Philippines while having little leverage over the situation.

World War II wrecked much of the economy, disrupted the central administration, tarred the social elite with collaboration (because much of the elite cooperated with the Japanese while the population, including the communist guerrillas, remained loyal to the U.S.), and created a political vacuum in much of the country. The war and its aftermath left a legacy of disorganization, social conflict, corruption and violence. These have interacted with one of the principal economic legacies of both the Spanish and American periods, namely domination of the society by a tiny social elite, to form the core of Philippine political problems. While the positive contributions of the U.S. to the Philippines, namely development, democratic values, and early independence, are generally acknowledged by Filipinos, there is a rising tide of criticism that the U.S. perpetuated and exacerbated social inequality and that the early granting of independence created a situation where, ironically, Japan, the enemy, subjected to vigorous land reform, industrial reform, administrative reform, and construction of postwar democratic institutions, came away better prepared to cope with modern social demands than the allied Philippines.

Despite the problems, the Philippines achieved democratic stability for a generation (1946-1971), a record few of its neighbors could match; achieved, along with Thailand, Southeast Asia's highest growth rates except for the special case of Singapore; and decisively defeated its communist insurgency. By the late 1960s, however, other countries' performance was improving while the Philippines appeared to be deteriorating. The democratic government, based on landlords in Congress, judiciary and administration, was unable to implement land reform and in other ways reduce some of the world's worst income inequality. The administration, based on patronage, was unable to reduce corruption. The legislature, torn between economic development goals and nationalist and patronage motivations, was unable to create a coherent economic development program. The police, weakened by corruption, hamstrung by politics, and often outgunned in one of the world's most heavily armed societies, were unable to maintain law and order in the face of landlords' private armies and omnipresent criminals.

The Coming of Martial Law

During the second term of Ferdinand Marcos, a constitutional convention was convened in order to create a constitution which would not be subject (as the old one had been) to U.S. vetoes and which would correct various flaws perceived by Filipinos in their old constitution. The new constitution thus created proposed a change from the highly centralized presidential system with a two-house Congress to a parliamentary system based on a single house. During an interim period between the two constitutions, there would be a chief executive with the powers of both the old president and the new prime minister; through a variety of pressures, Marcos got the constitutional convention to refrain from setting any limit on the duration of this interim period -- which has now lasted since 1972. In addition, he drew upon the power of the president, under both constitutions, to impose martial law on the country.

Prior to the declaration of martial law in the autumn of 1972, Marcos commissioned detailed studies of martial law regimes in other countries and laid plans to emulate key programs of economically successful developing countries, particularly Singapore. Having completed his plans, he called attention to the country's deteriorating situation (dramatized by a series of staged incidents such as attacks on power stations and an ambush of the car of the secretary of defense) and declared martial law.

The Goals of Martial Law

Marcos intended to emulate the successes of such countries as Singapore and South Korea by implementing reforms that had succeeded in those countries:

- land reform
- administrative reform
- encouragement of investment
- imposition of law and order
- creation of large, strong, modern industrial firms

He expected through such reforms to raise the growth rate, accelerate technological modernization, reduce economic inequality, and as a consequence reduce political discontent, in return for which the population was expected to acquiesce in postponement of elections, censorship, travel controls, rule

by decree, imprisonment of several hundred (initially more) political and social figures, increased taxes, hugely increased military budgets, and a certain amount of security-oriented torture. This formula had worked elsewhere, notably in South Korea, Taiwan, Singapore and Brazil, as well as to some extent in Indonesia and Thailand.

Consequences of Martial Law

When Marcos declared martial law and announced his early programs, he elicited widespread support. The military was enthusiastic to act against violence and corruption -- and perceived Congress as the core of corruption. The middle class was democratic in ideology but prepared to go along with some temporary infringements of democracy in order to reduce crime and corruption, improve the income distribution, and revive the economy. Business took a wait-and-see attitude, followed by considerable enthusiasm. Marcos coopted key farmer and labor leaders (Luis Taruc, former had of the communist guerrillas; Jeremias Montemayor of the Free Farmers; Blas Ople of the labor movement; various intellectuals of leftist views) and thereby prevented early and strong opposition from the left. He jailed key democratic political opponents, muzzled a strongly opposed press, and destroyed the economic empires of major adversaries such as the Lopez and Osmena families. Marcos also attracted considerable economic support from foreign banks and (to a lesser extent) corporations who perceived in his program the potential elements of a new Singapore- or South Korea-style economic takeoff.

In the early years Marcos delivered a good deal of what he promised. The regime confiscated a large proportion of the private firearms which had made Manila and other Philippine cities so dangerous and cracked down on robbery -- as well as on more esoteric crimes such as dynamite fishing. It increased taxes, increased infrastructure spending, increased the growth rate of the economy, and achieved self-sufficiency in grain by 1976. It carried out more land reform in four years than the democratic government had achieved in a generation. It turned much of Manila from a sleazy, dirty eyesore into a clean cultural showcase (still rather sleazy but with more style). To administer the major programs it appointed a cabinet containing the kind of high quality technocrats that have administered economic miracles elsewhere in Asia, and it set about rationalizing much of the contradictory structure of laws and administrative rules. It encouraged the growth of a group of favored firms, politically pliable but large and efficient enough to operate internationally.

By 1975 or 1976, however, the waves of reform largely ceased. The Marcos programs had achieved a great deal, but had been limited in impact and in some cases had created a new round of programs.

(1) Land reform transferred certificates of land ownership to large numbers of tenants, giving them the right to amortize the cost of their land over 15 years. Mapping of the land, largely necessary to implementation of a land reform, was well on the way to completion by 1980.

Roads and irrigation systems, and encouragement of the green revolution, achieved grain self-sufficiency and created, especially in Central Luzon and the Ilocos regions, a community of modern-minded farmers. But much of the process of transferring real ownership to the farmers bogged down in endless adjudication. The Land Bank was very slow to value the land, leaving farmers unsure how much they were really paying for the land. The government took huge proportions of the value of the crops (P1.00 out of 2.40 for rice, more for coconut and sugar), and much of this went to enhance the wealth of a few enormously wealthy individuals. The benefits government programs were focused on Central Luzon (the traditional hotbed of insurgency north of Manila) and Northern Luzon (the home region of the president), as well as Mindanao (to combat a Muslim insurgency). Only 10% of the farmers are currently paying anything toward amortization of their land. Thus, the Marcos programs transferred a substantial amount of land, modernized a considerable part of Philippine agriculture, and pacified much of Central Luzon, but failed to decisively affect the income distribution, failed to resolve the land conflicts (who will own the un-amortized land?), and greatly exacerbated tensions between the favored northern and southern regions and the deprived Visayas and other areas.

Despite numerous projects, of which land reform was the largest, ostensibly designed to improve one of the world's most unequal distributions of income there is a universal perception that the income distribution has worsened. Certainly many of the projects have failed to find their overt target; for instance, most of the "low cost" housing for poor people actually goes to relatively well-off middle income families, allocated through personal connections and bribery. However, it is virtually impossible to prove or disprove that the income distribution has worsened. Unemployment figures, which measure the most important form of maldistribution, are politically set at 6%, despite massive evidence that more jobs are needed to absorb labor market entrants, and it is difficult to factor into any statistics the beneficial effects of agricultural multiple cropping. Land reform, massive agricultural credit programs, rural electrification, extensive new infrastructure, rising real agricultural prices, and a focus of many programs on poverty stricken areas of Mindanao have had beneficial effects, and the beneficial effects are evident to the knowledgeable viewer, regardless of statistics, in the favored regions. But the net impact of the trends is unclear, and the politically salient fact remains the near-universal perception of worsening inequality.

Administrative revitalization produced a group of top level officials whom World Bank executives and others regard as comparable with any of the world's best technocratic cabinets. In varying degrees, these officials have been able to reform the second ranks and sometimes parts of the third. Below the top, however, incompetence and corruption are extraordinary. One minister and a key military figure close to the president were blatantly accumulating land reformed land and stealing land from the primitive Igorots. The Ministry of Agrarian Reform printed certificates fifteen years before they were needed, in order to collect the kickbacks now. The national police are now often the worst dynamite fishermen. Hospital administrators sell their drugs on the black market. And so forth. Political requirements make drastic reform unlikely, and politicized statistics increasingly make documentation of the precise requirements of reform difficult to prove.

The effort to create strong firms on the model of the massive Japanese and Korean conglomerates has likewise led to mixed results. Some of the firms, notably those of Romualdez, appear to be quite efficient. CDSR has not only built Philippine roads out of real cement (a rarity prior to martial law), but has competed successfully for overseas business, with good results. Other firms continue to exist, despite extraordinary inefficiency and corruption, solely out of political privilege. Unlike their counterparts in Japan, South Korea, and Singapore, these firms are so tied politically to the Marcos administration that their post-Marcos future is questionable.

Marcos's campaign against violence succeeded in collecting massive numbers of firearms and in suppressing robbery. However, the effort to collect firearms from the Muslim areas triggered a vast escalation in the government's conflict with the Muslims. The reaction against martial law has greatly enhanced support for the communist NPA, and democratic political forces are increasingly turning to violent means. The initial decline in robberies masked a corresponding increase in burglaries, and more overt crimes have made a substantial comeback. Whether there is more or less crime against persons in 1981 than in 1971 is now a fine question; certainly there is more widespread political violence, although it does not take the form of massive, overt demonstrations.

Thus, although Marcos achieved a great deal, many of his programs stagnated or soured after 1975-'76. It is a measure of his achievement that virtually all groups say they do not want to return to the "Old Society" (i.e., pre-martial law conditions). There is even a widespread belief that Marcos's principal opponent, Benigno Aquino, would have taken action at least as drastic as Marcos did. But it is also a measure of his regime's shortcomings that, unlike his models in Singapore and South Korea, it is beset by rising crime, corruption regionalism, student disruption via gangs and drugs, a deteriorating educational system, declining technocratic morale, and widespread belief that that inequality is worsening and severe poverty becoming intolerably widespread.

The Rise of Opposition

The Marcos administration has increasingly been opposed by several key groups: overseas dissidents, domestic democratic forces, the communist NPA, and the Muslim National Liberation Front.

MNLF. Muslim opposition had been growing prior to martial law, but exploded following the declaration of martial law and efforts to collect private firearms. It was greatly exacerbated by massive, incompetent military attacks which created vast numbers of refugees. The MNLF received considerable support from Muslim foreign powers, notably Libya, Iran, and Malaysia. Intricate negotiations with the domestic and foreign Muslim powers have reduced the insurgency and stabilized it at about 10,000 armed guerrillas. Well-publicized surrenders are usually the sloughing off by the guerrillas of relatively inefficient units. The MNLF remains a large drain on the government, but shows little sign of either growing or declining in influence. It does not threaten the central government, except as one drain among many.

NPA. The communist New People's Army has been expelled from the traditional homeland of the Philippines' communist guerrillas, Central Luzon, although it is beginning to make a slight comeback there. It is no longer primarily a group of peasant reformers based on one ethnic group, the Kapampangans. Instead, it cuts across class and ethnic lines and exists by catering to the interests of groups in remote areas while consolidating a base among students and other radical groups. Primarily based in such areas as Bicol, Samar, the Cagayan Valley, and Panay, it now numbers about 3-5,000 active guerrillas. It currently poses no threat to the central government, both because of its small numbers and its remote location. The urban communist party, PKP, has been moribund since Marcos's rapprochement with Moscow, and the NPA does not receive Chinese support. The NPA's importance is as a nucleus for future expansion; it receives a great deal of sympathy from students and intellectuals and a great deal of concrete support from local parish priests. It may in the future achieve closer cooperation from democratic groups.

Democratic groups. The democratic opposition has retained the organizational characteristics of a democratic political party: strong feelings and weak organization. Frustration has gradually grown over the failure of the Laban Party in 1978, the fraudulent local elections of 1979, and the massive electoral fraud of 1980, which even triggered an expression of embarrassment from Marcos. In 1980 the Laban refused to contest the election, several members of Marcos's old Nacionalista Party refused to join with his KBL and nonetheless won, thereby splitting the Nacionalista Party and dividing it from the KBL. The opposition won massively in the Visayas (the center of the country) and took key seats in Mindanao. Since then, the opposition has been seeking unity, issuing in August 1980 a Covenant of Freedom signed by most major groups and seeking later in 1980 a common platform.

The democratic opposition resists the idea of violence, but increasingly has come to believe that Marcos can only be displaced by violence. In 1979 it issued a warning, then burned down the famous floating casino in which Mrs. Marcos held an interest. This was followed in 1980 by the Light a Fire Movement, comprising about 500 people led by the editor of Business Day who committed random arson to discredit the regime. Capture of the leadership of Light a Fire paved the way for the emergence of about ten urban guerrilla groups, notably the April 10 Liberation Movement which conducted a campaign of bombing in the summer and fall of 1980. This ceased temporarily after successful disruption of the American Society of Travel Agencies Meeting and a commitment by Marcos to reconsider martial law in January or March of 1981.

The democratic groups are not a current threat to the government. They are loosely organized and hence unable to contemplate overthrowing Marcos's military backers. While they bomb buildings, they do so reluctantly, seeking not to kill or injure significant numbers of people. (Mao would tell them you can't make an omelet without cracking eggs.) They are noteworthy not for their power, but for the unusual spectre of large numbers of middle class, successful businessmen risking their lives and fortunes in order to set off primitive bombs (really, large firecrackers) for a political purpose.

This growing opposition of various kinds remains relatively small in numbers and weak in organization. It could not tackle any strong government. Marcos's central problem is not that of potential overthrow by strong revolutionary forces; rather it is one of gradual collapse of programs and morale among his supporters. It is noteworthy that his press secretary, Tatad, ran independently in the 1980 election, then had a public fracas with Marcos, and that Marcos's most eloquent speechwriter asks his friends to forgive him because he needs the money to support his family.

A key byproduct of the frustration of both the regime, which blames many of its problems on Carter's human rights program and more generally on American desire to influence events in the Philippines, and the opposition, which blames the U.S. for supporting the Marcos dictatorship, is increasingly widespread acceptance of anti-American, anti-multinational corporation rhetoric along lines more characteristic of Indonesia in 1963 or small African countries today than of the Philippines for most of its history. This coincides with increasing willingness on the part of democratic groups to cooperate with the extreme left. Nonetheless, a variety of ties, including the fact that a very large proportion of Filipinos have relatives in the U.S. who are doing well, probably limits the extent to which such rhetoric can dominate public attitudes.

The overall picture of the Philippines is that of a country which has for the second time gone through a phase of development which included marked successes but moved gradually into a period of political decline as a result of failure to achieve decisive victories over corruption, inequality, and mass poverty. This is a pattern the Philippines share with much of the third world. There is no overwhelming cultural rejection as in Iran, no devastatingly powerful revolutionary group as in China, no militarily effective sanctuary and foreign support as in Vietnam, and as yet no powerful and broad opposition coalition as in Nicaragua. There is a democratic mechanism and, at least theoretically, a constitution, which could be employed to finesse a social conflict. Marcos intends to try to lift martial law while retaining most of the powers of martial law until 1984, after which he would hold national elections and govern a la Lee Kwan Yew until 1990. The credibility of this and other scenarios will receive additional consideration at the country risk meeting.