An Analysis of Philippine Political Economy under Duterte

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Abstract

This study focuses on the Philippine political economy under Duterte. It proceeds by reflecting on the following questions: Is it accurate to say that Duterte’s tirades against the West is a reaction to objective violence? What is the state of the Philippine political economy under Duterte as compared to his predecessors? Are Duterte’s outbursts part of a collective anger of the ordinary public who have been excluded from the public space? Is it right to think that the rise of Duterte comes from a new sense of hope that Filipinos have found under his strong leadership?

Keywords: War on Drugs, President Duterte, Political Economy, Diplomacy

Background

Contemporary philosopher Slavoj Žižek claims that violence is not simply something that is done by a clear subject (mob, single criminal, and secret police), the point is you know who did it. Violence also comes in what he termed as objective violence, one that is without a clear agent responsible for the act. Objective violence is caused by the smooth functioning of our economic and political systems. It is a form of violence which goes on but we
don't even notice it as violence because what we know about violence is the disturbance of the established order.\textsuperscript{1}

Objective violence is considered as the background for the exposition of the subjective violence. A form of violence, one that goes on quite naturally, like capitalist violence, is anonymous and systemic. We are unable to determine who is guilty, but we experience it as a pseudo-natural catastrophe, such as thousands of workers getting unemployed or millions of small shareholders losing everything they have. It is a form of violence that just happens but nobody seems responsible.\textsuperscript{2}

Drawing from Žižek notion of objective violence, this study focuses on the presidency of Duterte and the Philippine political economy. The provocative language of Duterte participates in the hope of those who are excluded. The Filipinos have been tired of hearing that Philippine economy is performing well and that economically the Philippines is no longer perceived as the “sick man of Asia”. Thus, this study is deemed to focus on politics and economics. It is evident that progress is as much a consequence of political organization as of the conditions in the economy. It manifests that society's laws could be described in the same economic principles used to explicate society's choice of roads, bridges, hospitals, and schools.\textsuperscript{3}

Furthermore, to elaborate the point of the study, a critical analysis is employed. First, it discusses the Philippine politics and economy from the Spanish to the American period. It highlights the transformation of primitive politics and economy in the Philippines as shaped by colonialism. It is intended to highlight the course of objective violence which at the present becomes systemic. Second, it examines the divided political and economic policy from Estrada to the Aquino III administration. Finally, the paper exposes the place of Duterte’s political and economic policies by examining his projects, particularly the War on Drugs, Diplomacy and Dutertenomics.

\textsuperscript{2} \textit{Ibid.}, 10-12.
Philippine Colonial Subjugation

The history of the Philippines has had many misfortunes from different interlopers whose cultural heritage through hobnobbing carved a deep scar. First came the Spaniards who lifted the Filipinos from the mythic engkantos and anitos. Then, came the Americans whose principal agent of Americanization was the public school system. The Western master stroke in education policy was the adoption of English as the medium of instruction. Then, there came the Japanese who unfettered Filipinos from the American capitalism through propaganda. Finally, the Americans liberated the Filipinos from a form of Japanese fascism.\(^4\)

The absence of political unity allowed our colonizers to impose and establish a feudal colonial rule. All the protestations of friendship, equality, and brotherhood were empty words which meant nothing in practical terms. The Spanish, American and Japanese rule also caused an interruption and the redirection of technology, economy, religion, politics and society.\(^5\) However, the political machinery of the colonizers provided politically minded Filipinos a social order that can be used to achieve power, thus emerge a new political class, who poured time and resources learning the new system to work for them. The Filipino elites took advantage of the opportunities opened to them by the concept of private property.\(^6\)

The Spanish, American and Japanese subjugation of the Philippines eventually shaped the lives of the native population. The colonial rule forced the natives to adapt to new ways, to take on the immense labor of producing food for their masters and for themselves, causing to develop a consciousness of national solidarity from a century of common grievances. Then, the educational reforms and the economic progress pave the way for the Filipinos to liberate themselves from the shackles of “Platonic


ignorance.” The revolution was nourished by liberal democratic ideas that were imbibed by Filipino reformists, interpreted and propagated by them among their countrymen, through the characters of their novels, poems and in forming organizations.7

**Philippine Political Economy under Estrada, Arroyo and Aquino III**

The discussion approaches the examination of politics and economy of the 21st century Philippines by critically reflecting the governance of Estrada, Arroyo and Aquino III. It is deemed relevant to tackle their political and economic agendas sourced from various medium.


In 1998, the actor-turned-politician Joseph Ejercito Estrada was elected as the thirteenth President of the Republic of the Philippine. Estrada recognized the influence of television in the ideological formation of Filipinos in matters of politics and morality. He then fused his movies and political persona to gain advantage during the 1998 presidential election, making the slogan, “Erap para sa mahirap,” which eventually become a successful rhetoric.8 To promote economic growth and political stability, with the approval of the Congress, Estrada sought to destroy the Moro National Liberation Front camps. American military expertise and the reestablishment of their bases was considered necessary in the campaign.9 The political commitment of the Estrada administration ushered a growth in the Philippine economy, particularly in the export and import industry. The agricultural sector also provided a growth that was higher compared to the historical trend. The electronic sector (electrical machinery) had the most contribution due to the rapid expansion made by some local firms. In addition, the service sector

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registered growth, fueled by the transport, communication and storage sectors. The surge in the purchase of cellular phones and the completion of Metro Rail Transit also contributed vibrantly to the economy.10

But the above was short-lived. Estrada’s proposal for the next series of reforms needed to sustain economic recovery was refused by both houses of Congress. Moreover, many issues arose: the government’s costly war in Mindanao; the involvement of Estrada in illegal gambling, the resignation of his cabinet members, including Vice-President Gloria Macapagal-Arroyo who called for Estrada’s resignation, and the withdrawal of alliance by some political personalities led to Estrada’s downfall.11 The collapse of the Estrada administration gained momentum in October of 2000 when politician turned protagonist Luis Chavit Singson, upon learning that Estrada planned to set up a bingo network to rival his jueteng (illegal lottery), publicly reported that Estrada received an amount of 414 million pesos as bribes from illegal gambling. Rival politicians deemed such a ground for impeachment. Before the end of October 2000, the Catholic Church called for Estrada’s resignation.12

**Gloria Macapagal-Arroyo (2001-2010)**

Arroyo replaced Estrada. She faced major political and economic issues. First, she had to assure the people who rallied behind the ouster of Estrada that her governance is for the promotion of Filipino’s welfare. Second, the handling of Estrada’s case also reflected on the sentiments of the poor who were pro-Estrada. Third, many of Estrada’s loyal political allies were elected as officials of Congress who are now a threat to Arroyo’s legislative agenda. Fourth, economic recovery was all the more important since the country faced fuel price hikes and the depreciation of peso.13 Yet, Arroyo’s governance were littered

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with corruption and political scandals. She faced serious challenges including destabilization and impeachment attempts which she survived. “People Power 3” was the first struggle of President Arroyo after Estrada’s arrest in 2001. For two days supporters of Estrada attempted to replicate People Power 1 and 2. Marked by riots and vandalism, People Power 3 ended unsuccessfully.\(^{14}\)

But the most severe scandal was “Hello Garci” which implicated Arroyo into electoral fraud. An audio recording leaked in which Arroyo was on the phone talking to then Election Commissioner Virgilio Garcillano. The scandal led to a withdrawal of support from former President Corazon Aquino, members of her Cabinet and her Liberal Party allies in Congress. The scandal led the opposition to pursue legal channels to remove her from the office. From 2005 until 2008, impeachment complaints were filed at the House of Representatives.\(^{15}\) While these things were happening, the country showed a significant rise in the economy due to the following reasons: increase in remittance from Filipinos working abroad, the enactment of the Electric Power Industry Reform Act which helped improve the finances of the National Power Corporation, a government-owned corporation engaged in power generation, generating a net income of close to 90 billion pesos from 2005 to 2006.\(^{16}\)

The Arroyo administration also adopted revenue enhancing reforms: first, government procurement was streamlined, which resulted a substantial savings; second, revenue administration at the Bureau of Internal Revenue (BIR) and the Bureau of Customs was strengthened; and third, the reform in the value added tax law resulted in the increase of tax revenues. But although the economic activity was booming, poverty and hunger incidence


were on the rise since economic growth as not inclusive.\textsuperscript{17} The poverty rate had gone up to about 26 per cent, and social indicators such as education, health, and domestic unemployment and underemployment remained troubling, the inability to curb social problems was due to debt servicing which consumed more than 25 per cent of national budget in 2002.\textsuperscript{18}

**Benigno Simeon Aquino III (2010-2016)**

President Aquino was criticized as a man pushed by fate and media gimmickry to the presidency. From 2010 until 2016, his presidency faced many controversies. In August 2010, eight Hong Kong tourists were held as hostage by a former police officer Rolando Mendoza at the Luneta. The failed rescue attempt resulted to the death of eight persons.\textsuperscript{19} The relatives and the victims considered the President as someone who lacked empathy. The hostage crisis enraged the Hong Kong government and urged its citizens to leave the country. It then issued a travel ban. Moreover, it was also reported that Filipinos working in Hong Kong were racially attacked by their employers and some citizens.\textsuperscript{20}

In November 2013, Super Typhoon Yolanda caused massive damage across the central Philippines. The typhoon killed 6,300 people. The cost of damage was put at 14 billion dollars. Some 2.5 million people needed urgent of humanitarian relief. A day before the landfall of the typhoon, Aquino III assured the nation that they are prepared and relief goods were positioned in the areas expected to be hit. But the promise of relief services never materialized due to logistical problems since the local government personnel were also affected. Hunger forced people

\textsuperscript{17} Kathleen Nadeau. *The History of the Philippines*, 107-108.

\textsuperscript{18} Patricio Abinales and Donna Amoroso. *State and Society in the Philippines*, 284-289.


to loot for food.\textsuperscript{21} The extent of devastation and the harrowing stories of survival and loss were captured by local and international media. The victims poured their outrage on the poor leadership of Aquino III. This somehow made manifest the sentiment that the politics of Aquino III has been a disaster itself. Thus, his association to his father’s nationalistic ideology is nothing but a media gimmick.\textsuperscript{22} This was magnified by the Roxas and Romualdez incident. Roxas reportedly refused to grant additional police personnel to keep the peace in Tacloban or to send trucks to help in the recovery of the bodies and debris clearance. Roxas told Romualdez to write a letter signifying that he could no longer perform his duties as mayor, so the DILG could takeover. Third. Roxas told Romualdez that he could not be given help because he was a Romualdez, and the President is an Aquino. Romualdez proved his allegations by providing a video-recorded conversation between him and Roxas.\textsuperscript{23}

Finally, the most terrible part of the Aquino presidency was the death of 44 Philippine National Police Special Action Force (SAF) and five civilians during an anti-terrorism operation in the town of Mamasapano in Maguindanao. Aquino was primarily blamed for letting suspended police chief Alan Purisima participate the mission despite his suspension over graft charges. As a aftermath of this leadership mess, Aquino is facing charges of graft and usurpation of authority while then PNP-SAF commander Gen. Getulio Napeñas and Purisima are facing charges of usurpation of public functions and graft before the Sandiganbayan.\textsuperscript{24}


\textsuperscript{22} Marlon Ramos. “Yolanda Aftermath.” \textit{Philippine Daily Inquirer} (November 2014) [article online]; available from https://inquirer.net/yolanda-aftermath.


\textsuperscript{24} Ashley Jose. “44 counts of homicide sought Aquino, 2 others over Mamasapano.” \textit{Manila Times} (January 2018) [article online]; available from
The macro-economic performance of Aquino III recorded real progress between 2010 and 2015. Economic growth has been fastest in the secondary and tertiary sectors, especially in construction, real estate, manufacturing, transportation and communication, and trade. However, agriculture registered a disappointing performance.\textsuperscript{25} But the growth in domestic demand has been fuelled by overseas remittances as well as the expansion of the information technology and business process outsourcing (IT-BPO) industries. Remittances from abroad amounted to almost 25 billion US dollars in 2015. The IT-BPO industry served an important source of employment and foreign exchange revenues. These industries include call centers, medical transcription, software development, and animation leading to the rise of revenue and employment.\textsuperscript{26}

**Philippine Political Economy under President Rodrigo Duterte**

President Rodrigo Roa Duterte became the 16\textsuperscript{th} President of the Republic of the Philippines after a landslide victory with 16.6 million votes. He is the first from Mindanao, and the first local chief executive to get elected straight to the Office of the President. Rodrigo Duterte’s rise from being a mayor of Davao City to running the entire country is a feat not only to himself but to the manner of how Filipinos chose their leaders. Such has been a radical change. Duterte strategically put himself in the mindset of Filipinos. Davao City was projected as an example of success - a smoking ban, fireworks ban, and more importantly, an effective peace and order campaign that restored normalcy in the city.\textsuperscript{27}


\textsuperscript{27} Christopher Ryan Maboloc. “The Radical Politics of Nation-States: The Case of President Rodrigo Duterte.” *Journal of ASEAN Studies* vol. 6 no. 1 (2018); available from https://doi.org/10.21512/jas.v6i1.4458, 120.
Duterte’s unusual political style earned him high satisfaction and trust ratings despite his tirades against Barack Obama and Pope Francis. As an effect, varying views emerged in social media conversations resulting to labels such as “Dutertards” and “dilawan”. In the analysis of Professor Christopher Ryan Maboloc, he emphasized that although some sectors in the society have vilified Duterte maverick style, the president remains popular among Filipinos because he is seen as a leader who possesses a strong will. The problem of illegal drugs brought distress to family relations, to security and safety, and to bureaucracy. It is in this context and Duterte’s loathe of the menace of illegal drug trade that gave the president the momentum to win during the 2016 elections. Duterte found resonance with the public which recognized the threat from illegal drugs.

Duterte’s War on Drugs

But while the above is the case, the War on Drugs is also the most controversial. It gained much attention locally and from the international community. Some reports say that some 12,000 persons involved have been allegedly killed in summary executions. The figure from the police placed it at around 5,000. Filipinos are divided on the issue. Some are in favor of the strict and deadly campaign while others are banking on the notion that due process must be observed. The International Criminal Court (ICC) and the United Nations Human Rights Council launched an investigation of alleged violation against human rights. The reproach on Duterte’s infamous war on drugs came after a glaring increase of persons killed in what the Philippine National Police (PNP) describes as lawful anti-drug operations, alleging the suspects fought back during raids (nanlaban). Aside from PNP, there are also reports of unidentified assailants killing drug related personalities. The Commission on Human Rights (CHR) in the Philippines implicated Duterte for the war on drugs. For Duterte, drug users and sellers are beyond redemption and

28 Ibid.
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rehabilitation is no longer a viable option. But Duterte’s stance on the scourge of drugs comes from the idea that as a leader it is his duty to protect the public. Whether it is perceived moral or immoral it is no longer Duterte’s concern. The bloody war on drugs may consternate advocates of human rights, rule of law, and due process but to Duterte it is the only solution to purge society from the latent yet publicized social cancer that could destroy the country.

**Duterte’s Diplomacy**

Another issue in the Duterte’s presidency is his foreign policy. The tendency to isolate the Philippines from Western influence, particularly America. Duterte’s pivot to China and friendly relations with Russia as economic and political allies were economic in motive. Relations with the US and the EU soured. This move is seen as risky which might make the Philippines fall into a debt trap, particularly to China. Meanwhile, Duterte has said many things that earned the ire of critics outside the Philippines, especially human rights groups. There was Duterte’s comment on the rape and murder of an Australian missionary. Other instances included involved shooting female guerillas in their genitals. The purported machismo of Duterte drew fury from rape victims and women rights activists describing it as an

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irresponsible chauvinism and misogyny, rather a form of freedom of expression as Duterte claimed.

To explain the above philosophically, it is interesting to note how and why there is always two sides to a story. For instance, Immanuel Kant developed the notion of antimony of pure reason which suggests that individuals are capable of constructing arguments for both sides. Thus, the rape jokes/comments of Duterte come from the argument that male are helpless when faced by sexual temptation and that in a patriarchal society, the female is an object of sexual desires. In contrast to this presumption is the argument that men are capable of sexual restraint, that male are not blind slave of their sexual drives. Kant would further claimed that if this conflict of reason is not resolved skepticism would dominate.34

Duterte called U.S. President Barack Obama a ‘son of a whore’. Obama cancelled their supposed meeting during the Association of South-East Asian Nations (ASEAN) summit. Duterte admitted making the comment after knowing that some U.S. officials attacked his notorious war on drugs.35 Duterte retaliated by cancelling the joint military exercises with the U.S. and reoriented the Philippines’ foreign policy, upending Asian geopolitics. Recently President Duterte had drawn favorable attention from U.S. President Donald Trump. Trump expressed concern over the unfair treatment of the UN Commission for Human Rights of Philippine President Rodrigo Duterte. The action being taken by the UN, Trump is often quoted as saying, is a bullying tactic.

Duterte’s constant pronouncement of his anti-U.S. policy can be drawn from his leftist orientation in which he points out that the Philippines, from a historical end, had been treated unfairly by the U.S. In general his approach to foreign diplomacy is not geared towards nepotism with the U.S. as previously held most

34 Ibid., 105.
past presidents and politicians. Duterte’s has continued an effort to justify his alliance with China and Russia. For him, partnership with Russia will augment the modernization of the Philippine military. Buying arms from Russia is more favorable than the U.S. because there are no political conditions. He further claimed that the move to build stronger ties with China and Russia was necessary. In his visit to China, he made a statement that his governance is chartering a new course, one that is at the expense of traditional alliances.

Duterte’s anti-U.S. sentiment and the reorientation of Philippine foreign policy are not simply rhetorical. There is a basis in the president’s personal experience. One is the Michael Meiring incident, who during his term as mayor, the treasure hunter accidentally triggered an explosive device. Despite being held for investigation, the U.S. Central Intelligence Agency (CIA) helped escape Meiring to America, an incident that still annoys Duterte. Another is Duterte’s contempt with the American immigration where he was denied visa to visit United States and his claim that he was mistreated by immigration authorities at Los Angeles International Airport. The outbursts of Duterte is not simply because of misguided moral principles but it is simply a product of objective violence.

**Dutertenomics**

It is important to note that economic growth depends on various factors and one key factor that is a necessity for the Philippines to thrive is infrastructure development. President

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Duterte said that through infrastructure and social development he can provide the Filipinos a decent and dignified future. On handling the economic growth, Duterte gave key indicators that would boost economic activity one of which is the implementation of the Tax Reform for Acceleration and Inclusion (TRAIN) Law, believing that improving the income tax system would be fairer and more efficient over all, while also raising the needed resources to boost infrastructure and to promote the welfare of the poor and middle class.

As a result, the government revenue improved by increasing levies on sugary drinks and oil products. The downside of this economic policy has been the rise of inflation which has exceeded the government's target, causing anxiety to consumers particularly those with less spending power. It is a big challenge to “Dutertenomics” since it is built around the promise of inclusive growth. Moreover, Duterte’s economic managers have responded to the issue by pointing that it is true that the TRAIN Law has been a big factor to high inflation, although the jump of oil prices in the world market, a weak peso, and rice hoarding by some traders are the main culprits. Dutertenomics emphasizes choice, giving taxpayer greater control over how their hard-earned money is saved or spent.

The “Build, Build, Build” program of Duterte is expected to generate millions of jobs by the end of his six-year term with almost 5000 projects that are involved. President Duterte deemed that the only way to keep at par with modernization is to improve infrastructure which will yield economic growth, create jobs and improve the lives of Filipinos. According to the Philippine Information Agency, the 8.4 trillion peso infrastructure modernization program will serve as a catalyst in sustaining the economy’s high growth trajectory and in transforming it to a

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39 Sarah Mawis. “Understanding the ‘Build, Build, Build’ program” Inquirer (July 2018) [article online]; available from https://business.inquirer.net/254682/understanding-build-build-build-program.
high-middle income economy by 2022, lowering the poverty incidence to 14 percent by that time. Moreover, the program to develop infrastructure in the country is meant to provide access and distribution of wealth to the countryside. According to Finance Secretary Carlos Dominguez III, it will also help most urban communities enjoy lower prices of basic goods because of the reduced costs of transport and distribution.41

Therefore, as a whole, the prospects of economic growth of Duterte is centered on the ‘Build, Build, Build’ program. As a result, it is seen to give the country an infrastructure boom by embarking on an ambitious transformation. This infrastructure growth is meant to reduce the cost of production, encourage countryside investments, and to increase mobility of goods and people as a result in improving airports, railways, bus transits, road and bridges, and seaports. In order to protect and improve resiliency among vulnerable communities, Duterte wants to construct energy facilities, water resource projects and flood control projects.42 Unlike his predecessors, Gloria Arroyo and Aquino III, who anchored economic growth through reform of economic policies, Duterte has provided another key factor in boosting the economy. Investing in infrastructure would make the country competitive and would cement Duterte’s legend in governance.

**Conclusion**

The configuration of Philippine politics and economy participates in the terminology of Žižek emphatic communication, which is devoid of any moral compass. The distress of political anxiety and impossibility are taking its toll, waiting to erupt into an extensive unrest. Modern global discussions fail to understand Duterte’s avowed hatred of drug dealers and corruption.

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41 See https://www.build.gov.ph
Duterte’s unyielding commitment to fight narcotics is clear not only in his government policy, but also in his language as well. President Rodrigo Duterte is a product of history in which he inherited the misfortunes of the Philippine political economy. It is clear that Duterte is not only fighting Western ideology but also at the same time, he struggles to fight objective violence that is inherent culturally. The language of Duterte participates in the frustration of the ordinary citizens, which are excluded from the political and social spaces. The idea of concretely uplifting the lives of the Filipino and at the same time the economic policies that are in place are a situation in which the Filipino plunges into what Kierkegaard described as the depth of the unknown abyss in which anxiety and hope are indistinguishable. Hegel was correct that the path to enlightenment is through the movement of two opposing ideals. Duterte may seem to be the answer to Filipino struggle and poverty, although Žižek would point to the fact that change need not to be bloody.

References


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