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Unpacking Dutertism: What to Make of President Duterte's Year One

Dutertism. *Dutertismo.*

The suffix 'ism' according to the dictionary may refer to a "distinctive practice, doctrine, theory," and/or ideology. Does attaching an 'ism' therefore to the president's name imply that he carries with him a unique brand of presidency; a different style of governance; a vision for the country that would set him apart from previous post-EDSA 1986 administrations?

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Duterte in one of his presidential campaign sorties.
PHOTO BY ELI SEPE

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What do his pronouncements—for which he's famous or infamous for and through which most of his policies are crafted and known—tell us in terms of the future direction of his government? Is there anything new, radically, in vision and policies—economic, political, social? What kind of leadership, government, society do we glean from the first year of his presidency? Are we in for a change, as promised during his campaign? Or, as most of the articles you will find in this issue ask, do the policies just show continuity from the past government/s? Is that bad or good? Bad, maybe, in the sense that we have been promised that change is coming.

In the article on Dutertenomics, Joseph Purugganan points out why we were captivated by the promise of change—because millions of Filipinos were "dissatisfied with elite politics and governance, and with the majority (the so-called 99 percent) not benefitting from economic growth." That "the backlash via popular support for Duterte is being directed more towards the elite bureaucracy and an oligarchy that are both impervious to the needs of the poor." But President Duterte immediately professed he would be hands-off as far as economic policies are concerned because this was not his forte. Can we therefore expect the same economic recipe as in the past recipe defined by neoliberal orientation?

Some good news though came through the appointment of progressives in the cabinet; and one post which is very important is that of the Department of Agrarian Reform (DAR) secretary's given to former peasant leader Rafael Mariano. Mary Ann Manahan writes that this "signaled a pro-small farmer and pro-poor agenda of upholding farmers' rights and re-prioritizing agrarian reform and smallholder agriculture." However, she characterized Duterte's countryside agenda as "schizophrenic…: populist promises in favor of the marginalized and poor in the countryside, on one hand, and on the other, a strong bias for agribusiness and big players in the sector…"

Manahan again points out this same style of governance in the environment sector, which she calls "laban-bawi"—one positive step is rendered meaningless by a counter move. But would this be sustainable in a situation where we face an environmental crisis? More of continuity would be seen in this government's *Build, Build, Build* program, argues, Manahan in her piece on infrastructure.

Is there anything new, radically, in vision and policies? Are we in for a change, as promised during his campaign?

In his piece on Duterte's foreign policy, Galileo de Guzman Castillo invites us to 'embark' on a journey of unpacking the president's "pronouncements and actions over the last 12 months" to find out what Duterte's "touted in(depend)ent foreign policy" is all about. Can we finally find coherence and consistency here? Is there an opportunity to craft a genuine independent policy, according to our Constitution and laws? What should constitute an independent foreign policy?

Or can we find the radical change in Dutertism's social reform agenda, which Raphael Baladad unpacks by comparing the lofty vision of the 2017-2022 Philippine Development Plan and the 2017 People's Budget.

Where lies the coherence, it would become clear, is in the truly distinctive policy of this administration, the war on drugs which has been synonymous to war on the poor. As Clarissa V. Militante argues in her article, "Duterte's campaign promise to kill drug addicts "hit the ground running immediately after he was sworn into office. On the first year of execution, this violent, uncompromising approach has already resulted in the deaths of 7,000 to 10,000 people." The numbers may vary but "what is conclusive is that thousands have died as a result of this bloody policy, which the President vowed to continue until the end of his term." **R**

CVMilitante

Protest in front of Department of Trade and Industry (DTI) Headquarters in Makati. 2015.
PHOTO BY JOSEPH PURUGGANAN

Dutertenomics: Recipe for Inclusive Development or Deeper Inequality?

By Joseph Purugganan

When Rodrigo Duterte won the presidency in May 2016, he inherited an economy that was growing at an average rate of 6.2 percent annually. Investor confidence was on the upswing since the country got its first ever investment grade debt rating midway into President Benigno Aquino III's term. The favorable investment climate translated into increased foreign direct investments, which amounted to around $7.9 billion in 2016.[1] Contrary to what many people think today, there was also quite strong public approval of Aquino's *Daang Matuwid* program. An SWS pre-election survey conducted in February 2016 found that around 60 percent of Filipinos would support a candidate that would continue the development vision of the Aquino administration.[2]

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Daang Matuwid (straight path), the governance and development platform under Aquino, was itself not a totally new framework but a continuation of the same neoliberal, pro-corporate development path of Aquino's predecessor Gloria Macapagal Arroyo, albeit underpinned by the promise of clean, corrupt-free, and better governance. "The Philippines is open for business under new management," Aquino had declared before stockholders and investors in 2012.[3] He said that the role of his government as far as economic governance was concerned would be as "management that is putting an end to backroom deals and suspect transactions, so that business, trade, and investment can flourish in an honest and level playing field."

Behind the glare of high growth and credit ratings, however, there were some very crucial concerns and weaknesses in Aquino's economic policies and governance. Among the issues cited by economists were the failure to address the more "pervasive and structural problems facing the Philippine economy—unemployment and income inequality."[4]

While there were improvements in the poverty alleviation numbers under Aquino, with a significant decline in poverty incidence from 25.2 percent (23 million Filipinos) to 21.6 percent (21.8), translating to roughly around 1.2 million Filipinos lifted out of poverty in the last years under Aquino, inequality continued to be a pervasive problem. Income inequality remained high with a Gini coefficient of 0.43, the second highest in ASEAN (next only to Malaysia).[5] The degree of wealth disparity in the country was also one of the worst in the region, where the combined income of the wealthiest 10 percent of the population was more than twice that of the poorest 40 percent.[6]

There were questions on how the "confidence-led growth" could be sustained amidst concerns from the business community over weak government standards, poor and inadequate infrastructure, and political instability. There was also the increasing public perception that the growth had not been inclusive.[7]

The Duterte administration's major challenge thus would be to balance competing interests and issues: continuing towards the path to high growth, sustaining investor confidence in the economy, addressing constraints such as inadequate infrastructure and high power costs on the one hand, and on the other, the publics demand for more secure and better paying jobs, agrarian reform implementation, better public services in health and transportation, and more transformative social protection.

Globalization Backlash

Duterte ran and won on a platform promising change to a population increasingly dissatisfied with elite politics and governance, and with the majority (the so-called 99 percent) not benefitting from economic growth. The backlash via popular support for Duterte was directed more towards the elite bureaucracy and an oligarchy that were both impervious to the needs of the poor, and not necessarily sentiments against the pro-market, pro-corporate policies that caused the inequalities. In other countries, particularly in the United Kingdom (as seen in Brexit) and the United States (Trump's triumph), the backlash has been directed more pointedly at individuals and institutions that have pushed for globalization policies—free trade, investment liberalization, privatization of public services, and the deregulation of the economy.

The Duterte government's economic agenda that has emerged still embraces and pushes for 'globalization policies' and is content with putting in place safeguards to "shield Filipinos from the market volatility spawned by this emerging pattern of resurgent protectionism across the globe," as Dominguez himself said[8], rather than a reversal of such policies.

There was expectation that Duterte's strongman style of governance would be translated into strong government intervention in the economy for more inclusive development. But at the outset, Duterte already disappointed with his pronouncement that he would take a "hands-off" approach to economic policies. Speaking before business leaders in June 2016 in Davao, he said: "You know I'm a lawyer and I never pretended to be an economist. As a matter of fact, I could hardly pass the economics subject in college." In typical Duterte jest, the business sector got their assurance that the members of the incoming Cabinet, particularly those in the economic cluster, were positioned to study and adopt their recommendations. Reassuring the business community was a message repeated constantly by Duterte and his cohorts over the course of his first year in office.

Economic Managers

Perhaps the strongest signal to the business community that the economy would be in safe hands under the new administration came with the appointment of known technocrats to handle the economic portfolios. Duterte's long time friend and province-mate Carlos "Sonny" Dominguez III was appointed Secretary of the Department of Finance, Benjamin Diokno got his old post back at the Budget and Management, Ernesto Pernia was tasked to head National Planning, and businessman/entrepreneur Ramon Lopez of Go Negosyo was given the Department of Trade and Industry. The economic managers all have impressive academic backgrounds in economics and business management; have had extensive experience in government as well as regional and global institutions like the World Bank, Asian Development Bank (ADB), and International Labor Organization (ILO), and most have direct experience as well in the corporate sector.

Evolution from Populist Rhetoric to Entrenched Neoliberalism

Two days after the election, Duterte's transition team led by incoming Finance Chief Carlos "Sonny" Dominguez III, unveiled a more consolidated eight-point socio-economic agenda, with the message, especially to the business community, of continuity, predictability, and more decisive government action.

The Duterte administration would continue to maintain the current macroeconomic policies centered on tax reforms, including improving income tax system; accelerated infrastructure spending; attracting foreign direct investments by addressing restrictive economic provisions in the Constitution and laws; enhancing economic competitiveness; pursuing a genuine agricultural development strategy, addressing the bottlenecks in land administration and management system; strengthening basic education system and providing scholarships for tertiary education, and; expanding the Conditional Cash Transfer (CCT) program.

Dominguez also alluded to what he has called the 'Davao City model' of economic governance, where licenses for doing business are given in the shortest possible time and where government is actually helping business to establish in Davao. It also means reducing criminality to give sense of security to businesses.[9] The

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model would guarantee greater ease of doing business combined with law and order and increased investor security.

It is clear that the major demands of the corporate sector—outlined in a proposal dubbed "Sulong Pilipinas: Hakbang Tungo sa Kaunlaran" have been adequately reflected in the broad plan. Some key issues from the electoral campaign like support for agriculture and farmers, overseas Filipino workers, and small businesses have been included in the plan but using a market-oriented lens. The land issue is seen as a land management and administration problem that needs to be addressed to facilitate more investments, rather than an issue of social justice and redistributive reform. The CCT program, another important and popular demand, was incorporated with a promise to expand coverage.

Conspicuously absent, which were in the campaign promises are ending illegal contractualization and engendering more secure and stronger labor market institutions, a living wage policy, implementation of labor standards, and protection of workers' rights. According to one NEDA official, this is because many of these popular campaign issues have already been dealt with by the administration even before they can be incorporated in the plan. On the issue of ending "endo" or end of contract practice, the 'swift response' came in the form of Department Order 174 issued by the Department of Labor and Employment (DOLE), which amended labor code provisions contracting and sub-contracting. Progressive labor union SENTRO has lambasted Labor Secretary Silvestre Bello III and his DO 174 saying it "ensured the continued practice and prevalence (of contractualization) rather than putting an end to it." SENTRO lamented that "workers now are worse off than ever before because DO 174 merely continues DOLE's failed policies to regulate contracting out of labor."[10]

Philippine Development Plan (2017-2022)

The zero plus 10 agenda is further consolidated into the Philippine Development Plan (2017-2022). This medium-term plan hopes to establish the foundations for inclusive growth, resilient society, and a globally competitive knowledge economy. A few things stand out from this PDP. First is its reference to a long-term vision outlined in a document called *AmBisyon Natin 2040*. *AmBisyon* is a project initiated by NEDA towards the end of the Aquino regime but was formally adopted under Duterte. In his foreword to the PDP, Duterte said that *AmBisyon* is the manifestation of "bold vision and effective development planning" based on a "forward-looking approach that goes beyond a single administration."[11] *AmBisyon* is a major achievement of NEDA, one that sets our country into a 25-year growth and development trajectory anchored supposedly on articulated aspirations of the Filipino for a simple and comfortable life.

Secondly, the new PDP espouses a National Spatial Strategy (NSS) that will set the direction of future growth. Development will be pursued in relation to a three-tiered network of settlements linking sub-regional and regional centers to larger metropolitan centers. The strategy recognizes the pivotal role played by cities "as engines of economic growth and venues of growth and poverty reduction, and infrastructure to provide efficient connective networks of sustainable urban and rural communities."[12]

The NSS is not a new idea. It has been articulated in past plans as a strategy to equalize access to development opportunities across geographic areas, and by so doing decongest Metro Manila. The NSS however seems to have found greater resonance and meaning under Duterte with his tirades against Imperial Manila and rhetoric to spread the wealth by promoting investments to underdeveloped regions like Mindanao. The key question at this point however is whether the rhetoric can be matched with action.

First quarter 2017 data on investments show that Luzon is still the preferred investment area for both foreign and Filipino investors. CALABARZON and NCR combined account for almost 70 percent of total investments. The whole of Mindanao only accounted for less than 10 percent of total investments.[13]

The plan has very lofty targets as well. It envisions the Philippines reaching upper middle-income status by 2022, which means a per capita income of between $4,036 and $12,475; lower poverty incidence from 21.6 percent in 2015 to 14.0 percent by 2022. The plan also hopes to achieve high level of human development and reduce unemployment from the current 5.5 percent to 3-5 percent in 2022. There is also a target to slightly increase the contribution of industry to the economy by 8.1 to 9.1 percent by 2022. Likewise, a slight increase in the contribution of services by 7.9 percent is targeted in the plan.

Addressing inequality has been rightfully identified as a key concern, as the Duterte's plan echoes Aquino's call for more inclusive development. The plan dedicates a whole pillar dubbed "Pagbabago" or inequality-reducing transformation and defines broad strategies under this to expand and increase access to economic opportunities in all sectors (agriculture, fisheries and forestry, industry and services); accelerate human capital development; and reduce vulnerability of individuals. Strategic trade and fiscal policies will be implemented, macroeconomic stability will be maintained, and increased competition promoted.

Forty percent of the country's total employment in 2015 came from the combined contribution of agriculture, fisheries and forestry, and manufacturing sectors.[14] The

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push for an increased contribution of agriculture (*see Continuity or Change?: Unpacking Duterte's Agenda for the Countryside on page 16)* and industry, in particular the manufacturing sector, to the economy will be crucial in addressing inequality. Despite recent growth in the manufacturing sector, the overall contribution of industry to GDP has stagnated over the years at around 30.8 percent of GDP.[15]

Manufacturing's share in employment has been stagnant for the past decade, contributing only around eight percent. There has to be a clear plan towards resurgence in the manufacturing sector. Unfortunately, there is not even a mention of industrial policy nor a reference to the industry plans generated in previous years. What is there instead is bias towards more trade liberalization, foreign investments, and linking to global value chains. Essentially repeating the same mistakes committed in the past despite, what even neoliberal economists have noted, the inability of Philippine industry to adjust to a less protected economic environment.[16]

The emphasis in the strategies is still pretty much towards market-oriented reforms, such as investment liberalization that would include the planned removal of restrictions on foreign ownership in the Constitution, ease of doing business, free trade, among others. This is a cause of alarm since studies even by proponents of neoliberal policies like the International Monetary Fund (IMF) have shown that policies that push "globalization and market-oriented reforms have driven rising inequality in Asia through capital, skill, and spatial biases."[17]

The *coup de grâce*, easily the most promoted and central component of Dutertenomics is massive, multi-trillion peso infrastructure program (*see Stories Behind the Numbers: Dissecting Duterte's Build, Build, Build Program on page 9*) aimed at spurring and accelerating further economic growth in the next five years. A key concern here is whether the bravado will be matched with the technical and financial capacity to manage these projects.

Whither Neoliberalism?

In the book *State of Fragmentation: The Philippines in Transition* (2014), Focus wrote about the "emerging consensus that the future of the Philippine economy lies in reversing three decades of neoliberal self-destruction and whether there is political will to take the country in this direction."[18]

A year on since Duterte assumed office, we have seen the continued push for neoliberal policies on trade and investment. The minimial role that government has taken on in economic affairs, and merely to preserve law and order, to enforce contracts, and to foster competitive markets, is consistent with the neoliberal prescription. Two parameters put forward in the *State of Fragmentation* are worth examining in this regard; the balance of public investments versus debt servicing and the globalization of the Philippine economy.

On public investments, budget secretary Benjamin Diokno has described the 2017 national budget as an "expansionary budget," pointing out that at 21 percent of GDP, "it is much higher than the average government spending at 17 percent of GDP over the last decade."[19] To finance the budget, the government is planning to increase the deficit to three percent for the next three years (2017-2019). Aside from revenues, government expenditures will also be covered by borrowings estimated to be around $631.3 billion for 2017, 80 percent of which will be sourced from domestic sources. On a positive note, debt to GDP ratio continues its downward trend in the last five years, with national government debt now only at 41.6 percent of GDP. The government expects debt to decline further to 38.08 of GDP midway into Duterte's term.

The amount for public debt transactions in the budget will decrease from ₱419.3 billion in 2016 to 351.6 billion in 2017. But compared to social spending, the debt payments continue to corner a larger amount of the budget. The budget for primary education is lower by 149.7 billion. For conditional cash transfer, the allocation of 78.69 billion for 2017 is lower by 272 billion compared to the allocation for debt payments.

Furthermore, there are recent reports indicating a surge in debt payments with the amount of debt paid by the government tripling to ₱78.387 billion in May 2017 as both amortization and interest payments rose. With the massive infrastructure projects in the works, the Bureau of Treasury expects that Philippine debt will hit ₱7 trillion by 2018.

State of Fragmentation further outlined two aspects by which the Philippine economy has been globalized: the disarticulation or disintegration of the national economy, leading to a crisis in agriculture, industry, and services; and on the other hand the articulation or integration of key dimensions of the economy at the global level.

There is no doubt that trade remains an important component of the Philippine economy. While trade to GDP ratio has declined in the first three years under Aquino from 71.4 percent in 2010 to 60.24 in 2013, the lowest in nearly three decades, trade's contribution to the economy was on an upward trend after 2013, reaching 64.9 percent in 2016.[20]

Duterte's economic plan is pushing for increased exports and an expansion of our engagement in free trade and investment agreements (FTAs). When the Duterte government says it will expand these engagements, it will confront a changed global policy environment. The so-called 21st century trade and investment regime emphasizes trade in tasks under transnational corporations (TNCs) dominated global value chains, ambitious new generation, and mega FTAs that will increase investor protection and higher standards on intellectual property rights, and both physical and institutional connectivity.

The push for Chinese investments is another area that is worth examining closely not just because of the concerns over increasing loans from China to finance the massive infrastructure projects, but also in terms of subsuming our own development goals to Chinese economic interests.

In the absence of a clear industrial policy, it is unclear whether the massive development projects being pursued by the administration could translate into overall economic development or would only be beneficial to the lenders who finance these projects and the contractors of the projects.

What is clear after one year is that the economic agenda of Duterte has been consolidated, with infrastructure investments at the front and center. Government is taking on the primary tasks of preserving law and order, enforcing contracts, and fostering competitive markets, which are straight out of the neoliberal economic rulebook. While it is trying to put in place a hybrid model or approach in project development and implementation, the overall agenda remains corporate-driven and market-oriented. R

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Stories Behind the Numbers: Dissecting Duterte's *Build, Build, Build* Program

By Mary Ann Manahan

The Duterte administration heralds the next five years as the "Golden Age of Infrastructure." Infrastructure development is envisaged to support the three pillars of the 2017-2022 Philippine Development Plan (PDP), namely *malasakit* (enhancing social fabric), *pagbabago* (inequality-reducing transformation), and *patuloy na pag-unlad* (ensuring growth potential). The country lags behind in Southeast Asia in terms of infrastructure quality and spending. As a bold move, the Duterte administration commits to boost public spending for infrastructure from the current 5.1 percent to 7.4 percent of gross domestic product by end of his term.[1] Further strengthening the commitment is the creation of an infrastructure cluster headed by Secretary Carlos Dominguez III of the Department of Finance to lead this initiative.

During the first quarter of 2017, Duterte's economic managers unveiled the $160 billion or ₱8.2 trillion infrastructure plan before foreign investors and the Filipino business community. *Build, Build, Build* [2] (BBB) is coordinated by the country's major infrastructure agencies, namely the Department of Transportation (DoTr), Department of Public Works and Highway (DPWH), Bases Conversion Development Agency (BCDA), and the National Economic and Development Agency (NEDA). The administration claims that having these agencies coordinate is to be a historical first. Based on government's data, about 61 projects[3] worth ₱1.7 trillion[4], which are in various stages of project development and implementation, are included in the initial list.

The government sees infrastructure development as the solution to job generation, transportation and traffic woes, and high prices of goods and services. According to the International Labor Organization's estimate for developing countries, for every $1 billion spent on infrastructure, about 200,000 direct jobs are created, which certainly forms part of the government's strategy for unemployment rate reduction of 3-5 percent or six million new jobs by 2022.[5]

Three Components

The Duterte administration hopes to attract more investments into the country by focusing on three components: (1) building more railways, urban mass transport, airports and seaports, (2) more bridges and roads, and (3) new and better cities. These components underpin the PDP's National Spatial Strategy (NSS), which recognizes the role and comparative advantages of cities as engines of economic growth, poverty reduction, and infrastructure development "to provide efficient connective networks of sustainable urban and rural communities."[6] The NSS is a strategy discussed and adopted among the country's technocrats during the tail end of former President Benigno Aquino III's government and has found its way as a key framework under the President Duterte's PDP.

Under BBB, DoTr will implement more than half of the infrastructure projects worth ₱1.17 billion. DPWH will handle 15 projects with an estimated cost of over ₱276 billion, while BCDA will implement 11 projects, which are new cities or special economic zones (SEZs) which would cost ₱317 billion. Figure 1 shows that 29.5 percent or 18 projects have been earmarked for improvement or building

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of new airports. This will be followed by building of roads and bridges, almost 20 percent or 12 projects in total. About 11 new railway projects will be constructed that are mostly carry-over from the previous government of Benigno Aquino III. The top five most expensive infrastructure projects are all railways; the Mega Manila Subway estimated at ₱227 billion would be the top project. The subway will be a 25-kilometer underground mass transportation system that will connect major business districts and government centers in the capital and is expected to serve about 370,000 passengers per day.

Addressing the infrastructure deficit of the country has been a major demand of different sections of Philippine society. Almost every Filipino has argued for more quality roads and bridges, improved airport facilities, and mass transport systems for everyday mobility and to ease people's lives. Memories of 'carmaggedon' along EDSA linger and decongesting major cities is one of the campaign promises of President Duterte. Common sense and economic expertise also dictate that infrastructure have "a multiplier effect to existing industries as well as linkage effect, in the sense that it can spur new enterprises."[7]

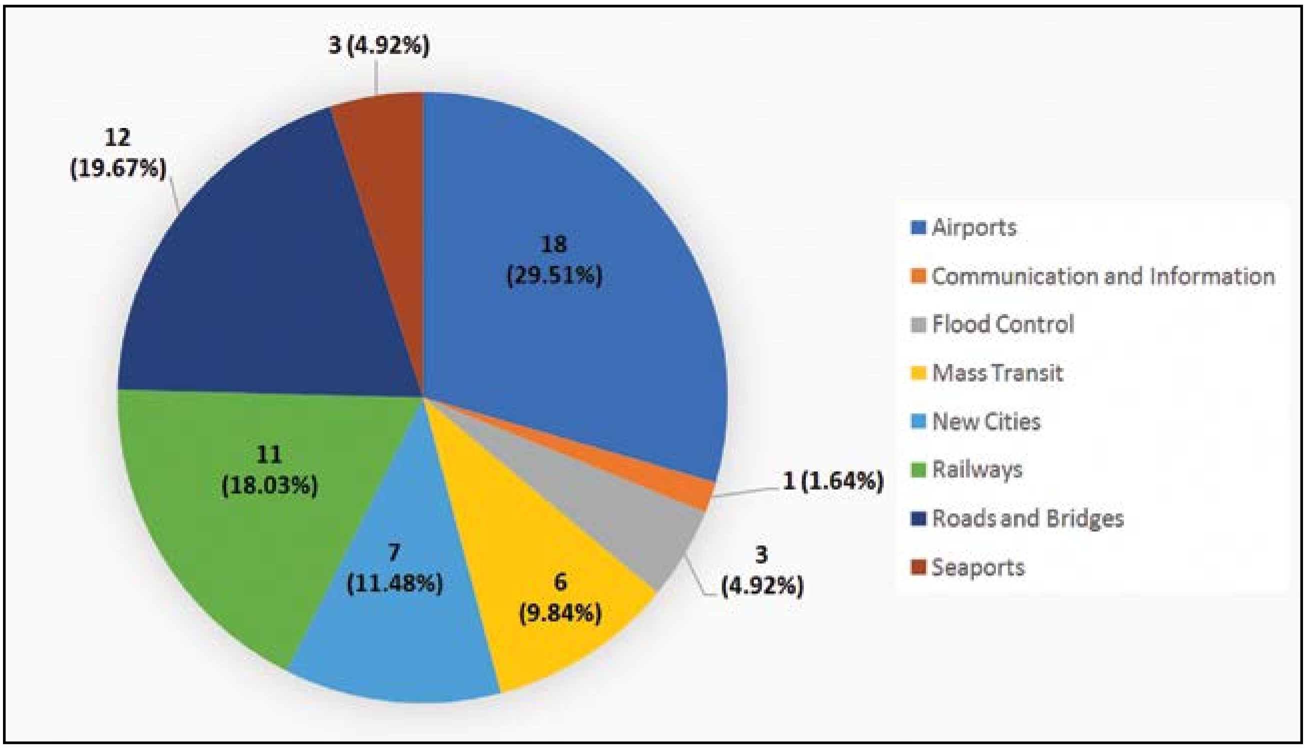
But has President Duterte delivered on his promise? Has the first year laid the foundation to support his PDP's three pillars of *malasakit, pagbabago,* and *patuloy na pag-unlad?*

Lion's Share for 'Imperial Luzon'

President Duterte promised to expand to the periphery. This would mean focusing on the neglected regions of the Visayas and Mindanao via more public spending and ending the domination of 'Imperial Manila' through a shift to federalism. Coupled with his plans to build new SEZs in every nook and cranny of the country, BBB is peddled as a tool to facilitate not only the flow of trades, goods, people, and investments but also spur economic activities and consequently reduce poverty in the periphery.

However, the Duterte administration will follow the same pattern of skewed distribution of public infrastructure projects of the past. Government's data

Figure 1: Distribution of *Build, Build, Build* Projects by Sector



Source: Author's rendering; www.build.gov.ph

What is qualitatively different from the past administrations is the shift from Public-Private Partnerships (PPP) to government spending as the main financing mode.

reveal that 'Imperial Luzon', which covers the regions of Metro Manila, Central Luzon, and CALABARZON, where less than 40 percent of the total national population lives, would still be the geographic priority of the infrastructure projects, both in terms of total number and total value/estimated costs. In terms of number, the map below illustrates how Luzon will get a total of 27 projects, while the regions in the Visayas and Mindanao combined will only get 18 projects. Even for projects that will cover inter-regional/multiple regions, majority of them will be in Luzon.

In terms of combined value/costs, Central Luzon leads with ₱564.45 billion worth of projects, followed by interregional/multi-regional (mostly located in Luzon) for ₱533.18 billion and Metro Manila accounting for almost ₱366 billion. Altogether, they comprise 82.9 percent of all infrastructure projects' costs, which is similar to the previous administration's infrastructure spending.[8] These two regions plus CALABARZON accounted for almost two-thirds of the GDP from 2014-2016, and hence, the historical/current focus (see Table 1). The projects in Central Luzon will involve three railways, six components of Clark Green City, an airport and a road/bridge. Metro Manila gets five mass transit, two railways, four roads and bridges, and two flood control projects. Compared to other infrastructure, railways are most expensive.

Unfortunately, projects for the Visayas and Mindanao will account for only 12.9 percent of combined costs or ₱227.644 billion, more than half are to be allocated for airport development, operations, and maintenance. The remaining projects involve mass transit, flood control, road/bridge, and railway (see Table 2).

Government Takeover and 'Hybrid PPP'

What is qualitatively different from the past administrations is the shift from Public-Private Partnerships (PPP) to government spending as the main financing mode. Figure 2 shows that more than half of the projects will be sourced from the General Appropriations Act (GAA) and official development assistance (ODA) including Chinese ODA. The combined value is estimated at ₱1.1 trillion, 90 percent of which are ODA.

Duterte's economic managers have criticized PPP as slow in terms of taking off ground. Government has taken over the operation and modernization of five regional airports in Davao, Bacolod, Iloilo, Laguindingan, and Bohol as well as the improvement of Clark International Airport, all of which were included in the PPP list during Aquino's

Table 1: BBB Projects in Imperial Luzon viz. GDP

Regions	Number of Projects	Total Estimated Costs (in ₱ billion)	Average Gross Regional Domestic Product/ GDP, in billion ₱ at constant 2000 prices (2014-2016)	Average Regional GDP Share in percentage (2014-2016)
CALABARZON	3	46.70	1.29	17.03
Metro Manila	13	365.97	2.78	36.45
Central Luzon	11	564.45	0.71	9.39
Philippines	2	16.57	7.63	100

Source: Author's rendering; www.build.gov.ph, www.psa.gov.ph

Map: **Total Number of Infrastructure Projects under *Build, Build, Build* by Region**

Source: Rendering by Jose Medriano III; www.build.gov.ph

Table 2: Initial List of BBB Projects in the Visayas and Mindanao

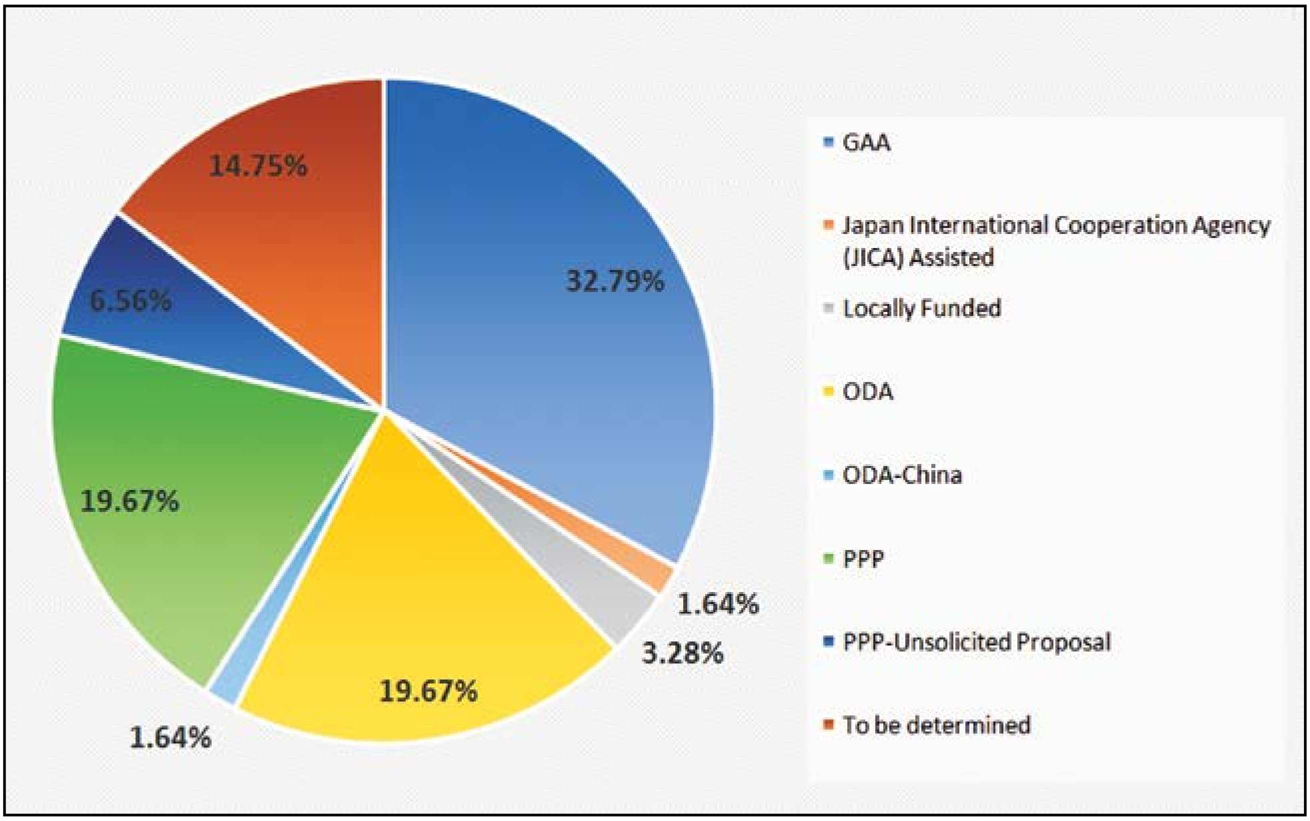
Regions/Name of Projects	Budget Estimate/Costs (in billion pesos)
ARMM	
Night Rating of Cotabato Airport	0.189
Central Visayas	
Bohol Airport Development, Operations and Maintenance Project	4.570
Cebu Bus Rapid Transit	10.617
Mactan-Cebu International Airport Project	17.520
Metro Cebu Expressway	18.016
Davao Region	
Davao Airport - Operations, Maintenance and Development Project	40.570
Davao City By-pass	19.810
Mindanao Railway: Tagum-Davao City-Digos (TDD) Segment	31.544
Eastern Visayas	
Leyte Tide Embankment Project	7.900
Negros Island	
Bacolod Airport - Operations, Maintenance and Development Project	20.260
Bacolod Economic Highway	5.792
Night Rating of Dumaguete Airport	0.182
Northern Mindanao	
Laguindingan Airport - Operations, Maintenance and Development Project	14.615
Night Rating of Ozamis Airport	0.302
Panguil Bay Bridge	4.860
Western Visayas	
Iloilo Airport - Operations, Maintenance and Development Project	30.400
Zamboanga Peninsula	
Night Rating of Dipolog Airport	0.253
Night Rating of Pagadian Airport	0.244
Grand Total	**227.644**

Source: Author's rendering; www.build.gov.ph

term.[9] As mentioned above, the current government prefers to source financing from taxes and ODA, especially Chinese ODA. On May 2017, President Duterte made a pitch of the BBB program before global leaders present at the Belt and Road Forum in Beijing, China. He explained that the country's program can "complement regional and international connectivity mechanisms, such as China's One Belt One Road (OBOR) initiative and the ASEAN Master Plan on Connectivity."[10] The Philippines however is not included in OBOR, a multi-trillion-dollar, massive undertaking to build infrastructure networks to connect Asia and Europe, involving around 60 countries. As part of its pivot to China, the government hopes to be part of this initiative.

This policy shift has hit the pause button on the battle of Filipino billionaires, particularly on who will bag

Figure 2: Distribution of *Build, Build, Build* Projects by Funding Source



Source: Author's rendering; www.build.gov.ph

the $1.5 billion new international airport construction, the subject of unsolicited proposals from the private sector. San Miguel Corporation, Ayala, Metro Pacific Investments Corporation, Aboitiz Equity Ventures, Inc. and Henry Sy's SM group have all tendered their proposals to the Duterte government. But the government has yet to issue a decision.[11]

The private sector has expressed their concern over what they deem as government takeover, citing that the government is not the best stakeholder to handle infrastructure projects. Based on the PPP Center's data, 20 projects in the pipeline (MRT Line 6, NAIA PPP Project, North-South Railway Project - South Line - Operations and Maintenance Component, etc.) would be affected by this policy shift.[12] However, Secretary Dominguez has allayed their fears by explaining that a hybrid PPP is underway, which means that government will take the initial steps to jumpstart the construction and "the PPP component will come later when the operations and maintenance of the project are bid out to the private sector".[13] This is somewhat a reverse Build-Operate-Transfer (BOT), a scheme commonly adopted in infrastructure projects in the country by governments after Marcos, in which the private sector receives a concession or contract from the state or public sector to fund, design, and construct infrastructure projects and then transfers the operation and maintenance back to the state/public entity.

Concerns About BBB

Infrastructure, especially those that promote universal public provision of goods and services, people's mobility, and a life with dignity are necessary. Government/public spending under BBB is crucial as past experiences have exposed the weaknesses and contract anomalies as well as demystified the non-transparent PPP processes and false promises, all designed to protect corporate profits (e.g. Laguna Lake dredging, NorthRail and Roll-on, Roll-off). These are fundamentally incompatible with ensuring universal access to quality public services (*see Duterte's Social Development Agenda: Radical Change or Business as Usual? on page 37*) and protecting the environment.

However, there are concerns about the current state of BBB. One, as mentioned above, Luzon still gets the bigger share of the pie. Second, some of the projects did not follow the usual project cycle and are now ongoing construction, even without accomplishing specific tasks under project procurement or the endorsement of the NEDA Investment Coordinating Committee, the body that reviews all investment projects in the country. Only 25 out of the 61 projects have completed an Environmental Impact Assessment (EIA) and four of them are already being implemented without one. Bypassing processes can generate social and environmental problems.

The proclivity for fast-tracking projects is exemplified by the road heightening and tide embankment project in typhoon Yolanda (Haiyan)-affected communities in Leyte province. The Community of Yolanda Survivors and Partners (CYSP), a consortium of affected communities and NGOs monitoring the government's recovery and rehabilitation efforts in the Yolanda corridor, has pointed out the project's threats to the livelihood and survival of the coastal communities, with potential displacement that can exacerbate their existing vulnerabilities. A 2016 study conducted by the Center for Environmental Concerns stated that the said project can lead to the loss of 97 hectares of mangrove forest and wetlands, citing the project's own EIA.[14] Still, despite these warnings, the project went ahead, with DPWH Region 8 admitting in a public consultation that they had been pressured to produce results by the national government.

Third, the initial projects intend to facilitate the activities of the middle class, more than the poorer sections of Philippine society. This is consistent with AmBisyon 2040, the country's new long-term vision to become an upper middle-class country. Many of Duterte's infrastructure projects involve right-of-way, possible displacement of urban poor communities, clearing of lands, and cutting of trees. Infrastructure costs are much higher if socio-environmental impacts are considered.

Finally, the involvement of Chinese ODA and investments raises a red flag. Experiences of Africa, neighboring Southeast Asian countries, and the Philippines have demonstrated the bad practices in terms of corruption (e.g. NBN-ZTE deal), labor rights violation, environmental degradation, and land grabbing by Chinese companies. Therefore, it may not be a surprise if struggles and conflicts around infrastructure projects escalate and intensify in the next five years.

Given these concerns, one could not help but anticipate that the socio-economic and environmental costs of BBB will be borne by those already marginalized and vulnerable, negating Duterte's promise of *malasakit* and *pagbabago.* R

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1 NEDA (2017), Philippine Development Plan 2017-2022, NEDA, Ortigas Center.
2 BBB's website does not include 33 projects from NEDA's database, which totals ₱248.05 billion. NEDA's database also contains the complete Consolidated Infrastructure Investment Program, which details infrastructure projects by other government agencies.
3 The budget for four projects are yet to be determined. These are BCDA Smart City Solutions, Central Spine RORO Alignment Project, New Clark City-Mixed Use Industrial Real Estate Developments, and New Clark City- Agro-Industrial Park. The last two are part of the Clark Green City initiative which started during Benigno Aquino III's government.
4 Based on the datasets of PPP and BBB, there is a variance of ₱7.8 billion in budget estimation, mainly from the PPP projects of DoT and DPWH.
5 NEDA (2017), Philippine Development Plan 2017-2022, NEDA, Ortigas Center.
6 Ibid., p. 36.
7 Comment by James Matthew Milaflor of the Institute of Popular Democracy, posted on the author's Facebook page. This is response to a crowd sourcing question: *"is an aggressive government spending a sound policy as long as it's done for better infrastructure, job generation and poverty reduction/ public goods objectives, even if it will lead to a fiscal deficit? What's your take?"*
8 Forbes Philippines (2016) "Leader Board: Public Infrastructure, Imperial Regions", Philippines.
9 Philippine Daily Inquirer (2017), "Unexpected policy shift", PDI, Editorial.
10 Corrales, N. (2017), "Duterte pushes Build, Build, Build program at Beijing Forum, *Philippine Daily Inquirer.*
11 Mukharjee, A. (2017), Frustrated in the Philippines, *Bloomberg Gadfly,* March 28, 2017.
12 "Unexpected policy shift".
13 Ibid.
14 Center for Environmental Concerns (2016), "Dinhi kami nabubuhi" (We live here), unpublished manuscript, Development and Peace Caritas Canada, Quezon City.

The Lakbayan of Farmers coincides with the start of the anniversary month of the Comprehensive Agrarian Reform Program enacted in 1988, which is now on its 29th year of implementation. Quezon City, Philippines. 2017 June 1. PHOTO BY GALILEO DE GUZMAN CASTILLO

Continuity or Change?: Unpacking Duterte's Agenda for the Countryside

By Mary Ann Manahan

Candidate Rodrigo Roa Duterte promised a break from the past, by prioritizing the rural sector, focusing on smallholder agriculture, providing free irrigation to farmers, and addressing long-standing issues of agrarian and land reform. He criticized the 29-year old Comprehensive Agrarian Reform Program (CARP) by describing it as a 'farce and total failure' and planned to discontinue it.[1] He expressed support for the release of the ₱100 billion worth of accumulated coco levy assets to coconut farmers, stating that the "levy is an emotional issue… and should be given to the farmers".[2] On March 2016, President Duterte and his then-running mate, Alan Peter Cayetano, signed a manifesto in front of farmer beneficiaries promising the immediate release of the coconut levy funds and pledged to develop 600,000 hectares of new coconut farms.

These campaign promises were made in the context of decades of government neglect and liberalization policies that have contributed to the perennial issues faced by the countryside. The Philippine agriculture sector has been in a dismal state for decades. In the first quarter of 2017, its contribution to the country's national output was a measly 0.05 percent, compared to that of industry at 2.1 percent, and services at 3.8 percent.[3] Farming and fishing households can barely keep up, hampered by perennial problems of low productivity and incomes. The share of agriculture in total employment also declined from 31 percent in 2013 to 29 percent in 2015.[4] Farmers and fisherfolks had the highest poverty incidences among the basic sectors in 2015 at 34.3 percent and 34 percent, respectively. These sectors had consistently registered higher poverty incidence than the rest of the country.[5]

When he won the presidency, Duterte committed to tackle food security, ensure the affordability and availability of food to Filipinos, and distribute the coco levy funds to farmers in his first 100 days in office. He pledged to focus on Mindanao's great potential as the country's food basket, and to spread the wealth to regions that lagged behind. He also declared to get rid of traders and loan sharks in the agricultural value chain.

What Has He Done so Far?

His appointments of peasant movement leader Rafael Mariano and Emmanuel Piñol, former sportswriter, farmer, and governor of North Cotabato, to the Departments of Agrarian Reform (DAR) and Agriculture (DA), respectively, signaled a pro-small farmer and pro-poor agenda of upholding farmers' rights and reprioritizing agrarian reform and smallholder agriculture. Before he assumed office, Sec. Mariano announced that "no farmer will be displaced under his watch," and that DAR will undertake a review and reversal of anti-famer decisions and a moratorium on land use conversion, and stop the cancellation of farmers' certificate of land ownership awards (CLOAs) and land titles distributed under CARP.[6] Mariano also said that his first 100 days in office will usher in the beginning of a "genuine land reform program" and that he will investigate the anomalies in Hacienda Luisita as well as other onerous contracts in corporative schemes used by landlords and corporations as mechanisms to avoid land distribution.

For his part, Sec. Piñol, who had been an ardent supporter of President Duterte during his campaign, said he vowed to end corruption in the DA, provide affordable food for the people, and increase agricultural productivity. His major thrusts would include "100 percent rice self-sufficiency by 2018," institutional defragmentation by bringing back the Philippine Coconut Authority (PCA), National Irrigation Administration (NIA), National Food Authority (NFA), and Fertilizer and Pesticide Authority under the DA umbrella; he would also stop the smuggling of rice and other agricultural products[7] and provide free irrigation services to small farmers.

The Duterte administration's agriculture, agrarian, and rural development agenda (agri-agra) can be best described as schizophrenic because of the contradictions: populist promises in favor of the marginalized and poor in the countryside, on one hand, and on the other, a strong bias for agribusiness and big players in the sector manifested in a number of policies or programs.

President Duterte's zero+10-point socio-economic agenda *(see article on Dutertenomics: Recipe for Inclusive Development or Deeper Inequality? on page 3)* also focuses on agricultural and rural development, aiming to facilitate rural investments through land tenure security and improve the quality of life of Filipino farmers and fisherfolk. The administration aims to reverse of the negative contribution of agriculture, fisheries, and forestry to the economy while increasing the sectors' growth and productivity. Under the populist rhetoric of "change is coming," his agenda for the countryside intends to shake up the system that has entrenched inequality, poverty, and marginalization of farmers.

But a year hence, the Duterte administration's agriculture, agrarian, and rural development agenda (agri-agra) can be best described as schizophrenic because of the contradictions: populist promises in favor of the marginalized and poor in the countryside, on one hand, and

continued on page **18**

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on the other, a strong bias for agribusiness and big players in the sector manifested in a number of policies or programs.

This schizophrenia can be gleaned in the contradictions between policy direction and concrete actions undertaken by the Cabinet.

Competing Frameworks

The Philippine Development Plan (2017-2022) has an inequality-reducing transformation pillar in its principle called *pagbabago*, but which unfortunately reiterates the unchallenged assumptions that small farmers, fisherfolk, and forest users have limited economic/market participation, and by nature, are uncompetitive; and that only by linking them to markets and fostering agricultural value chains through partnerships with agribusiness firms can they improve their competitiveness, income, and welfare. The government's zero plus 10 agenda also outlines the need to organize farms into clusters to create economies of scale as a strategy to increase productivity and growth.

The PDP highlights the National Spatial Strategy (NSS) as an underpinning framework, which recognizes "the role and comparative advantages of cities as engines of economic growth and poverty reduction, and infrastructure development to provide efficient connective networks of sustainable urban and rural communities. *(see Stories Behind the Numbers: Dissecting Duterte's Build, Build, Build Program on page 9).* The idea of linking small farmers to markets and value chains complements the NSS in terms of one, central and growth pole thinking, which argues for the need to establish and maintain growth centers that can disperse growth more evenly across regions (a legacy of the Marcos dictatorship years), and two, that urban-to-rural linkages and connectivity via infrastructure can increase local and foreign investments for growth centers and improved market access.

The best illustration of this thinking is President Duterte's focus on special economic zones (SEZs). President Duterte appointed Charito B. Plaza as the new Director General of the Philippine Economic Zone Authority (PEZA) in September 2016.[8] Plaza has stated her wish to establish new economic zones in every province and city in accordance to President Duterte's campaign pronouncements. Plaza said that special economic zones will encourage investment and job creation in the country particularly in underdeveloped region, further stating that "we have to make every land productive and utilized so every province and every city have different potentials."[9]

These strategies run counter to populist policies of DAR Secretary Mariano, who has temporarily stopped the partnerships with agribusiness firms, also known as agricultural/alternative venture agreements (AVAS). His department has been conducting a review of all AVAs in the country and has ordered to rescind two onerous contracts involving banana plantations in Mindanao.

Farmers' groups including Sec. Mariano's *Kilusang Magbubukid ng Pilipinas* (Peasant Movement of the Philippines) have consistently slammed AVAs because they provide inadequate support services, they don't transfer control of land and production to the tillers, and they promote unjust contracts.[10] Focus on the Global South's own research has shown that these schemes have facilitated "ownership without control" of the land on the part of the tillers because former landowners or big conglomerates such as DOLE or Del Monte lock new ARBs into long-term contracts lasting for 25 years.[11] DAR's actions around AVAs, considered long-overdue, were welcomed by farmers and agrarian reform advocates.

Policies on Rice Self-sufficiency, Free Irrigation, and Land Use Conversion

The policies on rice self-sufficiency, free irrigation, and land use conversion also show competing interests.

Last year, Sec. Piñol approved the free irrigation program and the implementation of the Corporate Farming System. Free irrigation was a campaign promise of Duterte meant to subsidize small farmers, to which NIA protested. NIA argued that this policy will cost them an annual revenue loss of ₱4 billion from irrigation fees from farmers around the country. But President Duterte assured that the loss in revenue will instead be sourced from the national budget.

Sec. Piñol's Corporate Farming System is another subsidized program aimed at enhancing the country's rice sufficiency and cutting dependence on imported rice by improving production via contract farming agreements between local government units (LGUs) and farmers. According to Piñol, LGUs will finance the seeds and fertilizer requirements of farmers through the Land Bank, and after the cropping season, the DA will buy the farmers' rice produce. The LGUs will set up rice retail outlets called "bigasan ng masa," where beneficiaries of the Conditional Cash Transfer (CCT) "could withdraw their monthly rice allowances" and which other poor families could use to purchase their rice needs.[12] The Department of Social Welfare and Development which handles the national CCT rice supply program will then pay the LGUs. The scheme, as recommended by President Duterte, intends to engage farmers' associations and cooperatives in a bid to empower them. Three pilot areas have already been identified: Quezon City as a model representing the urban non-agricultural area, and Kidapawan City and Quirino province as areas with rice fields. The program is expected to generate at least ₱50 million in a 5,000 hectares of farm land per cropping season, benefit the farmers with increased productivity, and support the CCT program.

On the other hand, Duterte's economic managers have pushed for the lifting of quantitative restriction (QRs) in rice, which will affect not only Sec. Piñol's program but also the country's rice farmers. QRs are mechanisms to limit the country's rice importation and NEDA wants it removed, and its position has found its way in the current PDP. NEDA has also suggested that the DA shift its focus on providing farmers with more and diversified livelihood and income opportunities. The DA, on the other hand, has endorsed the extension of Executive Order (EO) 190, which imposes tariff rates for imported agricultural products including rice. Sec. Piñol has sided with rice farmers, citing that they are not ready to compete with imported rice and the fault is not theirs.[13]

Plaza said that special economic zones will encourage investment and job creation in the country particularly in underdeveloped region, and that "we have to make every land productive and utilized so every province and every city have different potentials."

Meanwhile, on September 2016, during the 35th Presidential Agrarian Reform Council (PARC) meeting held in Malacañang, President Duterte expressed his support for a two-year moratorium on conversion of agricultural lands and ordered the Land Bank to provide more aid for CARP implementation. From July 2010 to May 2016, DAR had a total of 142 applications for conversion of CARP lands to non-agricultural uses, of which 101 applications covering 2,496 hectares were approved and 41 applications representing 1,397 hectares denied.[14]

NEDA has rejected the proposal for moratorium, citing that the policy is anti-poor as this would "prevent the government and the private sector from addressing the 5.5 million backlog in housing units,"[15] earmarked for the poor. NEDA Secretary Pernia argued that many lands were better suited for housing than agriculture. Former housing secretary and Vice President Leni Robredo sided with NEDA. As a result, the proposed executive order is still being discussed in the cabinet, on its sixth draft, and it is uncertain when the order for moratorium will finally come out.

Genuine Agrarian Reform or Unrestricted Land Markets?

Sec. Mariano's symbolic move to open the department's two main gates and dismantle the fences aimed at controlling 'farmers protesting', which were erected by former Sec. Virgilio delos Reyes has signified an 'open door policy'. His office's first order of business was to reverse the anti-farmer policies of his predecessor, such as the administrative the administrative orders which will remove the attestation by the landowners that the farmer is his/her tenant and institute new rules to expedite agrarian reform implementation. He also ordered the conduct of an inventory of the status of CARP lands (those that were distributed as well as pending land distribution cases) to know whether farmers are still in control of their lands. This inventory will include the 621,085 hectares that remain undistributed as of January 2016 and six million hectares of lands which may have been exempted from the CARP due to circumventions by landlords.[16] Figure 1 shows that majority of the remaining lands up for distribution are contentious landholdings, which should be redistributed through compulsory acquisition covering 410,332 hectares.

On February 2017, Sec. Mariano announced the ₱120 billion was to be allotted to the entire agricultural sectors of which ₱9.8 billion will be earmarked for land distribution of around 48,000 hectares of agricultural lands this year, which is one of the lowest targets in CARP history.

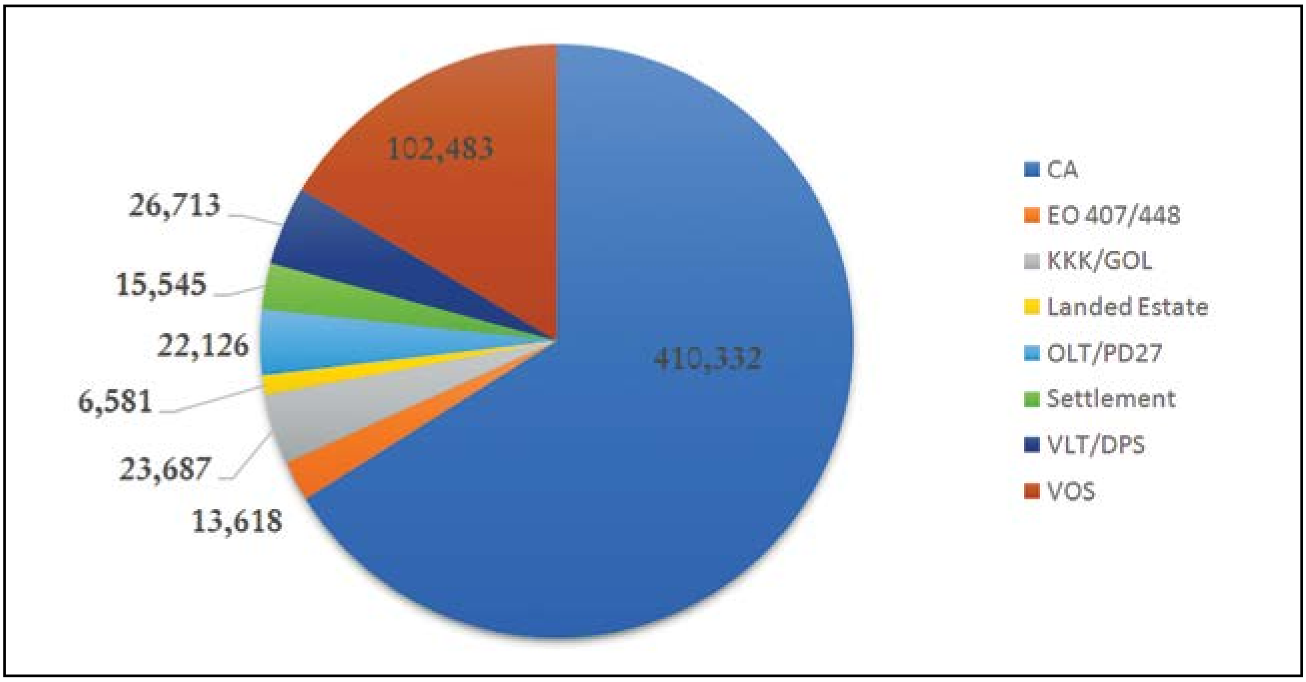
His policy issuances are part not only of the new thrusts for agrarian reform and free land distribution under Duterte but also of the peace talks between the government and National Democratic Front. For the former, President Duterte has convened the PARC three times since he took office, which is significant since PARC has not met for the last 10 years notably under Aquino's term. But within the cabinet, Duterte's economic managers have criticized Sec. Mariano's proposal of free land distribution arguing that it will restrict the development of a rural land market, which according to them has kept farmers poor. Instead, they have proposed a property rights regime with no agricultural land ceiling as the way forward. Finance Secretary Carlos Dominguez III called for the harmonization of land use laws as a way to resolve the burgeoning land governance crisis he talked about at a conference of the United States Agency for International Development (USAID) this year; the rationale was to attract foreign investment. Further, charter change, specifically the removal of restrictive economic provisions including foreign ownership in lands in the 1987 Constitution, is a legislative priority (and mentioned in the PDP) under Duterte. This certainly is contradictory to agrarian reform as a social justice measure.

Farmers' Concerns

Beyond the national debates and inconsistencies in public policies on agriculture and agrarian reform, farmers continue to lament the unfulfilled promises, unchanged situation, and slow implementation of reforms on the ground.

For one, President Duterte, despite his strongman leadership style, has failed to recover the coconut levy funds, return it to 3.5 million coconut farmers, and enact a law for the utilization of the fund and development of the coconut industry. According to Sec. Piñol, the President has ordered the release of the coconut levy fund but there is no directive to Congress to act on a pending bill on the

Figure 1: CARP's Land Distribution Balance by Mode of Aquistion, as of January 1, 2016 (in hectares)



Source: Author's rendering; Field Operations Office, Department of Agrarian Reform, 2016.
*Mode of Acquisition: (a) Compulsory Acquisition (CA); (b) Voluntary Offer to Sell (VOS); (c) Voluntary Land Transfer/Direct Payment Scheme (VLT/DPS); (d) Executive Order 407/448 (EO 407/448 governing pasture lands, fishponds, and agro-forestry lands); (e) Operation Land Transfer/Presidential Decree 27 (OLT/PD 27 covers rice and corn); (f) Settlements; (g) Landed Estates; (h) Kilusang Kabuhayan at Kaunlaran (landed estates during Marcos' period) and current Government Owned Lands (KKK/GOL)

coconut levy. Eduardo Mora, sectoral representative of the National Anti-Poverty Commission's council of farmers, landless and rural workers, and lead convenor of Kilusang Magniniyog, expressed his disappointment over the lack of action on the passage of the bill in Congress, controlled by the President's majority coalition.

Secondly, the implementation of agrarian reform remains slow and incomplete. Farmers from Kilusang Magbubukid ng Bondoc Peninsula (KMBP) have called Sec. Mariano's attention and non-action in distributing their CLOAs. Maribel Luzara, leader of KMBP, expressed that "Ka Paeng needs to distribute our titles since there is no more legal impediment to land redistribution. What is holding back Ka Paeng from doing this? Only he can answer". Meanwhile, 1,200 farmworkers belonging to the ECJ CLOA Holders Association are also waiting for Sec. Mariano's decision on their demand to rescind the 19-year old joint venture agreement between them and Danding Cojuangco, which covers 4,661 hectares of sugar lands in Negros Occidental.[17] Further, while Sec. Mariano has asserted the ownership of farmers in Hacienda Luisita and committed to resolve the existing arriendo (informal land lease/selling) system, he has yet to make any pronouncement about ensuring the smooth agrarian transition and provision of support services that can increase ARB's rural incomes and usher in lasting peace and life with dignity in the hacienda.

Third, the government has failed to address food security. Achieving rice self-sufficiency has been pushed back to 2020, with Sec. Piñol pointing to budgetary cuts as the primary reason. With the uncertainty about the moratorium on land use conversion that directly impacts food security, coupled with SEZs as a focus, farmers under the Save Agrarian Reform Alliance fear that rampant land use conversions and displacements will be the order of the day.

Finally, farmers continue to experience different kinds of harassments and human rights violations. Three famer leaders were gunned down on different occasions in Compostela Valley, Sariaya, Quezon, and Calatagan, Batangas in June 2017. The leaders were frontliners and known to stand up against big businesses. Thirty-seven farmers, including 10 women, also faced imprisonment, as landowners of a large coconut estate in Bondoc Peninsula had filed 19 criminal cases of theft against them in 2016. Farmers like Ka Isidro Perez from Rizal fear that the 'war on drugs' may spill over into their communities. *(see War on Drugs: "Punishing the Poor" on page 44).*

What the first year has demonstrated is that the competing frameworks and interests pushed by the different agencies on agriculture and agrarian reform are glaring signs that long-standing issues affecting farmers and rural communities may not be resolved soon or during Duterte's term, and that the trajectory of this government is about continuing past policies and programs proven detrimental to farmers. R

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1 This comment is attributed to his close ties and alliance with the National Democratic movement, which seeks free land distribution as one of its demands in the peace talks with the government. See http://www.inquirer.net/duterte/promises# for more information.

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14 Philippine Information Agency (2016) Du30 approves DAR proposal to issue moratorium on land use conversion, PIA, http://news.pia.gov.ph/article/view/1141473838996/du30-approves-dar-proposal-to-issue-moratorium-on-land-use-conversion (Accessed: May 10, 2017).

15 Valencia, C. (2016) "NEDA against ban on land conversion", *Philippine Star,* www.philstar.com/business/2016/10/03/1629653/neda-against-ban-land-conversion (accessed May 10, 2017).

16 Pazzibugan, D. (2017) "DAR chief eyes 6M hectares for famers", Philippine Daily Inquirer, http://newsinfo. inquirer.net/889551/dar-chief- eyes-6m-hectares-for-farmers (Accessed: May 10, 2017).

17 Farmworkers are decrying that it has been disadvantageous to them and has written Sec. Mariano in 2016 but the he has yet to issue a decision.

Duterte's In(depend)ent Foreign Policy

By Galileo de Guzman Castillo

Rodrigo Roa "Rody" Duterte or DU30, as he's fondly called by his supporters and followers, was elected 16th President of the Philippines last year and is now also the first ever elected president from Southern Philippines. His fixation on domestic policies such as the war on drugs and the insurgencies in Mindanao was honed from his long stint as the "strongman" from Davao, but on matters of foreign policy, including on issues of sovereignty, territorial integrity, and maritime disputes in the region, he lacks experience. Yet he has been crafting the country's foreign policy through his pronouncements, even if often done with brusqueness and profanity.

Philippine President Rodrigo Roa Duterte and People's Republic of China President Xi Jinping shake hands prior to their bilateral meetings at the Great Hall of the People in Beijing on October 20, 2016. Photo by King Rodriguez/PPD. (Retrieved from https://commons.wikimedia.org/wiki/File:President_Duterte_handshake_with_President_Xi.jpg)

What has been said and done in as far as the country's foreign policy is concerned? What are the elements and manifestations of the Duterte administration's foreign policy? How should one define an 'independent' foreign policy? Has Duterte been consistent or contradictory with his policy pronouncements and actions? Who have been gaining and losing in the process?

While it has only been a year into Duterte's presidency and much remains to be seen with his administration's evolving foreign policy, unpacking his pronouncements and actions over the last 12 months reveals much incoherence and inconsistencies in Duterte's touted in(depend)ent foreign policy. From Duterte's policy pronouncements, his understanding of an independent foreign policy would seem to revolve mainly around being free from interference in his domestic policies. But while he has sought to be "free" from the US and European Union (EU), he is not loath to turn to other powerful players, just because they may not care too much about human rights—forgetting that these countries have their own geopolitical and economic interests that may impact on our own. Duterte has not wasted time in quickly realigning with powerful countries that he deems as allies, namely China and Russia. At the onset of his administration, it would appear that his in(depend)ent foreign policy depends on several factors—it being contingent on whether a country supports or criticizes his war on drugs, it being conditional as he "breaks free" from the US but hurries under the wings of other rival powers, and ultimately, it being determined and controlled by Duterte's whims and hedging game.

New Allies

Duterte's announcement of separation from the US "both in military and economics" could have indeed signified a fundamental change—the Philippines' rethinking of its almost century-long alliance with its erstwhile colonizer. It may be easy to conclude that the Philippines has truly embarked towards an independent stance, given that Duterte has gone around cursing the United Nations (UN) and the EU when they criticized his bloody war on drugs and raised concerns on human rights, rejecting foreign aid that his administration felt "may allow others" to interfere in the country's internal affairs.

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In September 2016, Duterte announced an end to the joint US and Philippine military drills and said that the already scheduled joint military exercises between Filipino and American troops will be the last. A month after, he threatened to scrap the Enhanced Defense Cooperation Agreement (EDCA) and ended 2016 by saying "bye-bye" to America and the Visiting Forces Agreement (VFA) in retaliation to the Millennium Challenge Corporation's deferment of voting to renew aid to the Philippines. The US agency had expressed concerns on rule of law and civil liberties in light of Duterte's war on drugs.

Duterte made very clear his hard-line stance on charting an independent foreign policy for the Philippines right before he left the country for his first official foreign trip to the 2016 ASEAN Summit in Vientiane, Laos, when he said "I would not appear to be beholden to anybody. I only am answerable, again, to the Filipino people who elected me as president. Period. Nobody but nobody should interfere. This is an independent country; nobody has the right to lecture on me. God, do not do it."[1]

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DUTERTE'S IN(DEPEND)ENT...from page 23

It was also in this pre-departure press conference in Davao City International Airport, when asked by a journalist how he would address human rights questions that may be raised to him at the sidelines of the ASEAN Summit (in light of the war on drugs, on the spate of extrajudicial and vigilante killings of suspects, and the emboldened Philippine National Police), that he unabashedly directed a common swear word at then-outgoing US President Barack Obama: "son of a whore," to underline his "separation" from the US. This resulted in a cancelled bilateral meeting between the two heads of state.

Early on, he had turned to Moscow to purchase arms as a result of the cancellation of a deal with the US. And then, at the Philippines-China Trade and Investment Forum in the Great Hall of the People in Beijing last October 2016, Duterte presented a purely dualistic worldview when he said in front of Chinese Vice Premier Zhang Gaoli and hundreds of Filipino and Chinese businessmen, "I've realigned myself in your ideological flow and maybe I will also go to Russia to talk to (President Vladimir) Putin and tell him that there are three of us against the world—China, Philippines and Russia. It's the only way. That's the long and short of it. I want an independent policy *na hindi pasunod-sunod* (that is not subservient)."[2]

Whimsical and Incoherent

Duterte's evolving foreign policy can be characterized also by a series of contradictory statements and confused policy pronouncements from him and his Cabinet, further highlighted by his flip-flopping on critical issues like the Mutual Defense Treaty (MDT), EDCA, VFA, *Balikatan* exercises, and military alliance with the US. Despite earlier pronouncements that they would end, the *Balikatan* joint military drills eventually pushed through in May 2017 with Defense Secretary Delfin Lorenzana persuading the president to allow them to continue albeit with adjustments—no more exercises in the West Philippine Sea/South China Sea (WPS/SCS) and the focus of *Balikatan* will shift from maritime security and territorial defense to humanitarian aid, climate change, disaster response, and counter-terrorism operations. Neither were the MDT, EDCA, and VFA repealed. Despite Duterte's claim that "the Philippines is not a vassal state," military bases and facilities with presence of foreign troops have remained on Philippine soil and are in fact to be upgraded and expanded according to Lorenzana.

The derailed Philippines-US meeting on the sidelines of the ASEAN meeting in Laos prompted Presidential Spokesperson Ernesto Abella to deliver a clarificatory statement that the administration's "primary intention is to chart an independent foreign policy while promoting closer ties with all nations, especially the US with which [the Philippines] have had a long-standing partnership." Consequently, political security relations with the US remain strong despite changes in the nature of the military exercises, as revealed by the US Special Forces' support to the operations of the Armed Forces of the Philippines (AFP) in the crisis-hit Marawi.

Even so, Representative Jim McGovern declared during the July 20 US Congress hearing on the war on drugs in the Philippines that he would lead the protest

Duterte himself has tried to convince the public that his "outbursts" at the international stage is in fact a hedging strategy, a diplomatic balancing act that on the one hand may improve political and economic relations with certain countries, but on the other hand, risks one being branded as "all bark and no bite."

should Duterte accept Trump's recent invitation to visit the White House—given his human rights record. Duterte's response was "There will never be a time that I will go to America during my term or even thereafter. So what makes that guy think I'll go to America? I've seen America and it's lousy."[3]

Duterte's pronouncements in his state visit to Beijing also necessitated a quick clarification from his camp, with no less than the country's top economic policymakers finance secretary Carlos Dominguez III and economic planning secretary Ernesto Pernia issuing a joint statement just a few hours after Duterte's speech in China: "The Cabinet will move strongly and swiftly towards regional economic integration. This is why the president prioritized foreign trips to ASEAN and Asia. We will maintain relations with the West but we desire stronger integration with our neighbors. We share the culture and a better understanding with our region."[4] There were strong economic motivations to this too because in 2015, total external trade in goods with ASEAN member countries had amounted to $26.705 billion or 20.6 percent of the Philippines' entire trade. This may also explain a budget allocation of ₱15.5 billion for the ASEAN processes, as the Philippines assumed chairpersonship in 2017 (curiously, ₱11.5 billion was allocated under the Office of the President).[5] In comparison, the budget of the Department of Foreign Affairs for 2017 is ₱16.5 billion, down by almost ₱4 billion from that of 2016.

Hedging and Opportunistic

Time and again, Duterte's Cabinet has argued that people should not take his careless statements and policy pronouncements seriously but rather wait for the actions and concrete steps. Duterte himself has tried to convince the public that his "outbursts" at the international stage is in fact a hedging strategy, a diplomatic balancing act that on the one hand may improve political and economic relations with certain countries, but on the other, risks one being branded as "all bark and no bite." Hedging on a supposedly independent stance from global powers, he uses this as leverage against those critical of his domestic policies. His hedging game extends to the ASEAN platform where diversifying of relations with neighboring countries is used to get mandate for his war on drugs.

Some argue that Duterte does not just act on any whim that enters his head but is in fact a "master strategist" who pragmatically makes the best of the cards laid down before him—pursuing bilateral relations with China as it is poised to emerge as a global power, and as the US pushes forward with its isolationist agenda under the Trump presidency—with the "axis of power" shifting to China in its pursuit of a more multilateral agenda. In the face of the decline in huge global infrastructure investments by the US and EU, China has launched the The Silk Road Economic Belt and the 21st-century Maritime Silk Road, also known as the Belt and Road Initiative (BRI) and The Belt and Road (B&R) and funded infrastructure projects left and right with its Asian Infrastructure and Investment Bank (AIIB). The Philippines, though, is not part of the BRI.

According to the Official Gazette of the Philippines, "a crucial component of foreign relations, international travel has always offered an opportunity for the President of the Philippines, in his [or her] official capacity as both Head of State and Government, to foster and maintain relations with other states or meet with foreign dignitaries."[6] Duterte's presidential foreign trips in his first year tallies at 21, costing almost ₱400 million. Comparing this to his predecessors, he has surpassed almost half of Benigno Aquino's 46 trips for the entire six years, surpassed Joseph Estrada's 20 trips during two years in office and is about a third away from Fidel Ramos' 69 trips. At the rate Duterte is going with his presidential foreign trips in his first year, he may even surpass Gloria Macapagal-Arroyo's 127 trips over a 9-year term, the highest among all Philippine presidents after Ferdinand Marcos. All four presidents before Duterte had one thing in common: their most frequented country was the US.

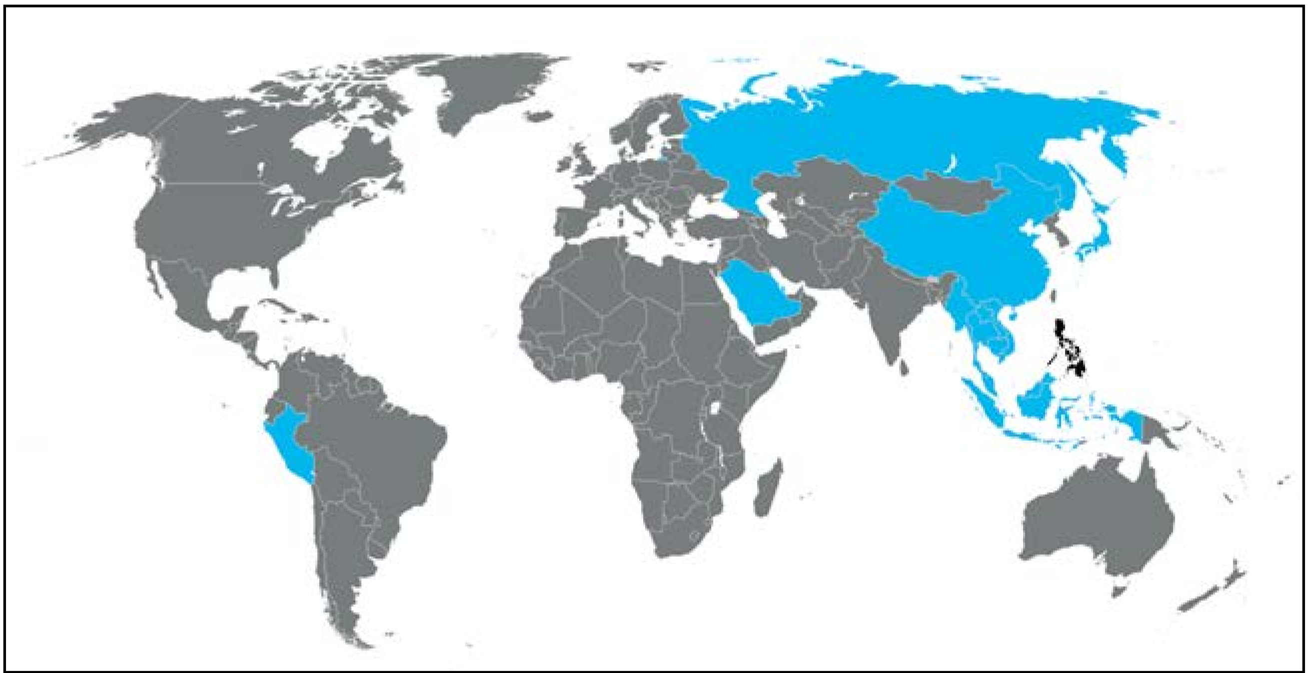
In contrast, Duterte concentrated on visiting Southeast Asia, East Asia, West Asia (Middle East), and Russia. This manifests a foreign policy directed towards maintaining stronger cooperation and integration with the Philippines' neighbors while exploring linkages and/or re-establishing relations with other nations, which may be a good thing in itself. However, what is common to these nations is that they are either supportive of, or silent on, his flagship war on drugs. Specifically, China's explicit support for Duterte's war on drugs, which the US cannot match because of its stance on human rights, makes the China pivot more attractive to him.

"We hope the international community can respect the judicial sovereignty of the Philippines and support its efforts in fighting drug-related crimes through cooperation," said Chinese Foreign Ministry spokesperson Geng Shuang on the 27th session of Universal Periodic Review (UPR), May 8, when 45 of 47 members of the United Nations Human Rights Council (UNHRC) expressed concern over the wave of extrajudicial killings and revival of death penalty in the Philippines.[7] On May 11, at the World Economic Forum (WEF) on ASEAN in Cambodia, Duterte zeroed in on his war on drugs and sought support for his flagship domestic policy: "We need to take a committed stand to dismantle and destroy the illegal drugs trade apparatus. We must reaffirm our commitment to realize a drug-free ASEAN community," he said. And, for the first time in history, the Philippines invoked the much-criticized non-interference principle of ASEAN as Duterte opened the 30th ASEAN Summit in Manila.

Beyond ASEAN, however, Duterte seems to be losing such opportunity on other international platforms, as he was not invited to the G20 meeting of the world's advanced and emerging economies last July 7-8 in Germany, even if it has always been the practice to invite the current Chair of the ASEAN. Presidential Spokesperson Ernesto Abella's response to this snub was that "He [Duterte] is focused on affairs here; he is not necessarily seeking for the approval of others. It's really not the style of the President because we need to run our own economy. Our progress as a nation is not tied to the approval of others. The president is not really the type to ask for that kind of audience."[8]

Economic Diplomacy

The president's trips were celebrated as "victories" by his administration as he secured plenty of cooperation deals and signed a number of Memoranda of Agreement or Understanding, notwithstanding that some were not legally-binding. Duterte's pivot to China and focus on a more economic diplomacy rather than political security were exemplified by his bagging of a total of $24 billion worth of business and financial deals and developmental assistance during his state visit to Beijing, albeit as the Philippine Center for Investigative Journalism (PCIJ) reported, majority of these are concessional and are either tied loans or grants that are currently merely pledges.[9] He secured these deals by not invoking the



As of June 2017, Duterte has made presidential trips (classified as a state, an official, or a working visit) to sixteen sovereign states internationally. This includes one visit to Bahrain, Brunei, Indonesia, Japan, Laos, Malaysia, Myanmar, Peru, Russia, Qatar, Saudi Arabia, Singapore, and Vietnam and two visits to Cambodia, China, and Thailand. Photo by PatTag2659. (Retrieved from https://commons.wikimedia.org/wiki/File:Duterte_foreign_trips.png), licensed under CC BY 4.0

Almost a decade hence, several contending forces continue to influence the Philippines' formulation of a truly sovereign, democratic, and alternative foreign policy. When placed in the much larger context of neocolonialism, imperialist globalization, cultural hegemony, and tug-of-war between major powers, would Duterte's in(depend) ent foreign policy protect the interests of the Filipino people or further undermine Philippine sovereignty?

arbitral tribunal landmark ruling that invalidated China's so-called nine-dash line, downplaying the territorial and maritime disputes in the WPS/SCS, and issuing a watered-down ASEAN Chair Statement that was silent on China and its aggressive land-from-sea reclamation and militarization. It even became very apparent that he was not keen on pressuring China on the WPS/SCS issue and even welcomed the Chinese warships docked at Davao's Sasa Port after the ASEAN Summits for a "goodwill visit".

His May 22-23 official visit to Russia, cut short with the terror attacks in Marawi and his declaration of Martial Law in Mindanao while still in Moscow, produced 10 deals on defense cooperation, intelligence sharing, and the peaceful use of nuclear energy, among others.

China remains the second largest trading partner of the Philippines in 2015 according to the Philippine Statistics Authority, with total trade amounting to $17.646 billion or 13.6 percent of total (but registering a trade deficit of $5.296 billion as exports to China totaled $6.175 billion and imports were valued at $11.471 billion). Japan is the country's top trading partner (total trade worth $18.669 billion or 14.4 percent) and the US is third (12.7 percent or $16.491 billion), with both countries reflecting a trade surplus; $5.932 billion for the former, $1.554 billion for the latter.[10] Japan and the US are still the Philippines' major source of foreign direct investments (FDI) and Japan remains the top aid provider for the Philippines, with $5.8 billion in loans, grants, and official development assistance (ODA). Meanwhile, Russia has neither been a considerable source of FDI nor a significant trade partner (less than one percent of total trade).

Recently on June 28, Duterte thanked China for its military aid package of ₱590 million worth of weapons and ammunitions to fight the ISIS-inspired Maute on top of the ₱15 million donation for relief and rehabilitation, signaling the reemergence of Sino-Philippine defense cooperation or "the dawn of a new era" in Duterte's own words.[11]

Differentiating Independent from In(depend)ent

While Duterte, in his first year as president, attempted to steer the Philippines to an "independent" path, a critical question is raised: Are we really moving towards a truly sovereign path? A year hence, Duterte's foreign policy seems to point more towards an in(depend)ent rather than an independent path. An assessment of any current foreign policy direction necessitates looking at it through the prism of the Constitution, which states thus:

- "Section 2. The Philippines renounces war as an instrument of national policy, adopts the generally accepted principles of international law as part of the law of the land and adheres to the policy of peace, equality, justice, freedom, cooperation, and amity with all nations."
- "Section 7. The State shall pursue an independent foreign policy. In its relations with other states, the paramount consideration shall be national sovereignty, territorial integrity, national interest and the right to self-determination."

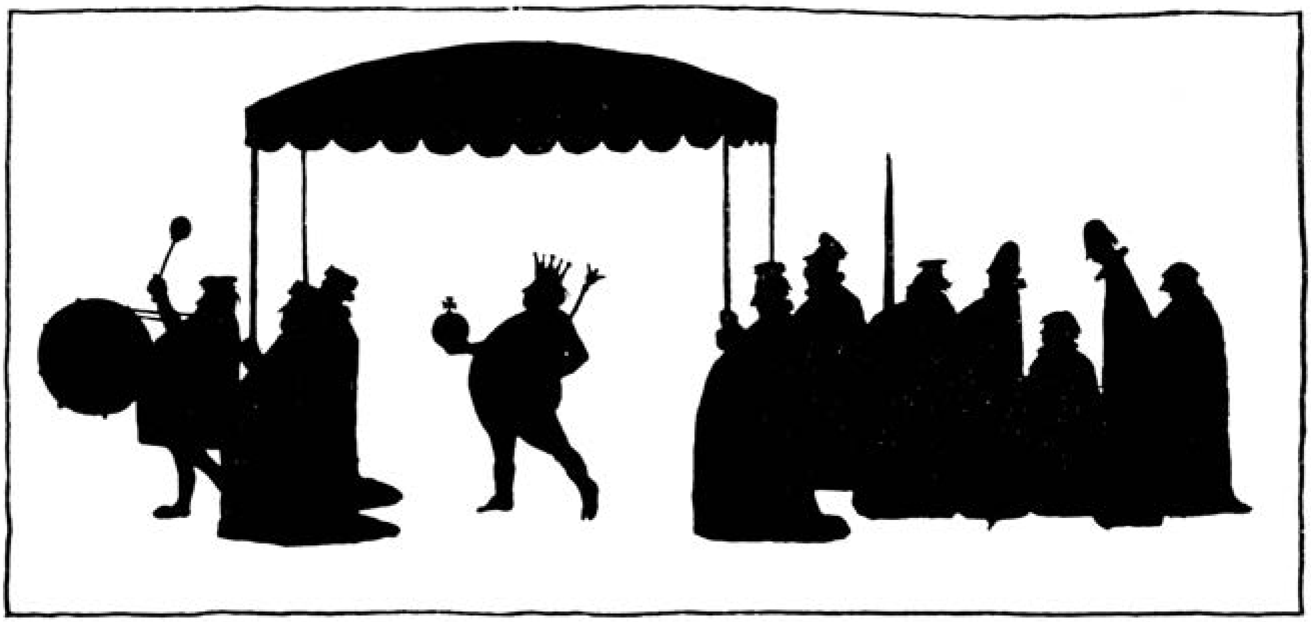
- "Section 8. The Philippines, consistent with the national interest, adopts and pursues a policy of freedom from nuclear weapons in its territory."
- "Section 19. The State shall develop a self-reliant and independent national economy effectively controlled by Filipinos."

What should a truly independent foreign policy mean for a developing country like the Philippines, an archipelagic state situated in the geo-strategic, geo-economic, and geo-political Asia-Pacific region, and with a long colonial history that spanned more than three centuries?

In 2011, as part of the Development Round Table Series (DRTS) organized by Focus on the Global South, the Technical Working Group on Alternative Foreign Policy outlined principles that underpinned what the group was advocating for—democratic, principled, independent, and strategic foreign policy.[12] In the present context, this should still mean that the Philippines is able to prioritize its national, regional, and global interests, defined as the collective interest of the Filipino people and formulated through a broader participation of the people—a recognition that the charting of an independent foreign policy is not the exclusive concern of the president. A nagging question is how much Duterte is really open to inputs on the foreign affairs agenda, from his own officials, the business sector, the military, the academe, the civil society, and ultimately from the Filipino people themselves. For example, it is a question why the Department of Foreign Affairs budget has been reduced by ₱4 billion or by 19.9 percent from 2016 to 2017.[13]

An independent foreign policy should not mean abandoning one ally for another, but rather, a careful balancing of international relations while unequivocally renouncing subservience to all countries, even with perceived allies. Economic cooperation, security ties, and alliances with other nations—big or small, superpower or emerging power, from the Global North or Global South—should be based on the principle of mutuality and should be seen as part of the country's long-term vision to attain social justice, sustainable development, and lasting peace. In contrast, a myopic view fixated on seeking legitimacy for Duterte's flagship war on drugs, falling into overdependence on China, and failure to understand the nuances of foreign policy and the complex decisions a head of state must make, especially in crucial times when the country's sovereignty is threatened like in the Marawi crisis and the WPS/SCS maritime dispute, would further impede the Philippines from attaining a sovereign foreign policy.

Roland Simbulan, in his 2008 paper published by Focus on the Global South for the DRTS, reviewed critical issues in Philippine foreign policy. "For a long time already,



So now the emperor walked under his high canopy. Black and white illustration in Hans Andersen's fairy tales (1913) London: Constable. Illustration by Robinson, William Heath, 1872-1944. (Retrieved from https://commons.wikimedia .org/wiki/File:Page_234_of_ Andersen%27s_fairy_tales_(Robinson).png)

many Philippine regimes bowed to the impositions of the advocates of imperialism and swallowed the sugarcoated poison of the International Monetary Fund-World Bank (IMF-WB) duo which wreaked havoc to our national economy and has only brought further inequality and poverty to this country. […] Many of our national woes, including foreign debt, widespread poverty, worsening unemployment are caused by having been entangled if not integrated in the structures of an inequitable global economic system where the decisions, activities, and influence of countries with dominant economies and with the greatest influence on institutions like the IMF-WB and the World Trade Organization, impact on our local politics to a great extent," he said.[14]

Almost a decade hence, several contending forces continue to influence the Philippines' formulation of a truly sovereign, democratic, and alternative foreign policy. When placed in the much larger context of neocolonialism, imperialist globalization, cultural hegemony, and tug-of-war between major powers, would Duterte's in(depend) ent foreign policy protect the interests of the Filipino people or further undermine Philippine sovereignty? A pivotal moment occurred on September 16, 1991 when the Philippine Senate made the historic decision of rejecting the renewal of the US Subic Naval Base. Other nations such as Vietnam and Cuba with which we have had a shared history were able to assert their national interests and right to self-determination. Will we see these happen under the Duterte administration?

The pendulum of charting an independent foreign policy has swung, yes, but when the dust of Duterte's outbursts, pronouncements, and actions has finally settled, would we finally see the Philippines attaining an independent foreign policy faithful to the spirit with which the provisions in the Constitution were written? Or by this time, would the people have grown weary of Duterte's invectives and empty promises, and eventually realize that the emperor has no clothes? **R**

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(1) http://pcij.org/stories/24-b-not-yet-a-cinch-brokers-stalk-talks-contracting-so-tedious/
(2) http://pcij.org/stories/dutertes-china-deals-dissected/
(3) http://pcij.org/stories/the-philippine-parties-to-dutertes-china-deals/
(4) http://pcij.org/stories/manila-beijing-dating-again-who-is-the-screwer-screwed/

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Laban-Bawi *: Governing the Environment

By Mary Ann Manahan

A day after President Duterte was sworn into office in June 2016, Gloria Capitan was shot pointblank by two unidentified assassins riding a motorcycle at her karaoke bar in Mariveles, Bataan. Capitan was a staunch environmentalist and human rights defender who had led the fight against the open coal stockpile operating in her village and other coal-fired power plants in the province of Bataan.[1] Duterte had no direct role in the murder of Capitan but her death seemed to be ominous of what's coming for the country's environment and its defenders.

Local communities affected by coal-fired power plants and stockpile join the Global Reclaim Power mobilization in Manila, Philippines. 2016 October 10.
PHOTO BY GALILEO DE GUZMAN CASTILLO

Fragile Frontiers in Crises

The Duterte administration inherited an economy with high growth rates, which earned the country a status of 'darling of Southeast Asia'.[2] However, despite this status, the Philippines still suffers from structural problems such as jobless growth, high inequality and persistent poverty, and deepening ecological crisis, which have long-lasting impacts on the country's development path, and peoples' survival. The country faces severe environmental vulnerabilities even as "in the 1990s the plunder of resources… (was) at a rate that is fastest in the world… (so that) there are a few places you can go in the Philippines without meeting some sort of ecological disaster."[3] The Philippines relies on many interlinked and vital ecological resources such as forests and watersheds, which continue to be exploited and plundered by big and extractivist businesses such as illegal logging, mining, and coal-fired power plants.[4] It is estimated that one-seventh of the mining and exploration concessions have contributed to watershed stress and at least 10 mining operations were involved in 15 cases of water pollution and environmental degradation in the past decade.[5]

The country has lost 50 percent of its forests in the last one hundred years despite efforts to rehabilitate and reforest, making it one of the top 10 deforested countries in the world.[6] As forest and upland resources directly support about 30 percent of the population, mainly indigenous and farming communities comprising the poorest sectors, the disappearance of our forests has affected the lives of more than 100 diverse Philippine ethnic communities and the survival of more than two million plant species, landing the country on the top 25 global biodiversity hotspots.[7] Forest disappearance has led to disastrous consequences such as flashfloods, which have claimed thousands of lives, destroyed livelihoods, and displaced hundreds of thousands more from their home. The country's overall environmental vulnerability has also increased due to the perilous effects of extreme weather events and severe climatic anomalies that have become the new normal, exacerbating existing inequalities and poverty situations.

The Duterte administration is therefore confronted with the sustainability imperative, i.e. improving people's lives while respecting the ecological limits and carrying capacity of the country. Has he set the direction for a sustainable development agenda?

During his first State of the Nation Address, Duterte vowed to implement a number of environmental reforms during his first 100 days, which included a mining audit of all operations and a moratorium on new mining projects, intensification of the campaign against illegal logging, dismantling of illegal fish pens in Laguna Lake, a review of the country's energy plan, and a moratorium on coal-fired power plants, while making a just transition to renewable energy and ensuring affordable electricity cost.

Duterte's Green Agenda

Described as an anti-mining advocate by his constituency during his tenure as mayor of Davao City, President Duterte has banned all mining operations within the city's perimeter. Throughout his campaign, he also expressed support for 'responsible mining' before members of the Wallace Business Forum in February 2016, arguing that mining operations should be allowed to continue as long as they uphold the most stringent environmental standards. After taking on the presidency, he sent a stronger signal to

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LABAN-BAWI...from page 31

the mining industry by promising to halt the operations of big mining companies destroying the environment and to use the military in dealing with irksome mining firms disobeying environmental laws. As an ultimatum, he warned that "if you cannot do it right, then get out of mining."[8]

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The Philippine Development Plan (PDP) 2017-2022 also reflects the reforms that are the "foundations for sustainable development: the physical environment will be characterized by a balanced and strategic development of infrastructure, while ensuring ecological integrity and a clean and healthy environment".[10] While the current PDP does not define ecological integrity, the plan talks about sustained biodiversity and functioning of ecosystem services (e.g. forest cover, coastal and marine habitats), improved environmental quality (air, soil fertility, land, solid waste and water), increased adaptive capacity and resilience of ecosystems, and improved socio-economic conditions of resource-based communities (e.g. employment from ecotourism and sustainable community resource-based enterprises). The mid-term plan contains the following key components:

- shift to renewable energy,
- use of waste-to-energy technology,
- mainstream disaster risk and rehabilitation management (DRRM) and climate change adaptation (CCA) into local development plans,
- uphold the Mining Act of 1995
- climate proofing of infrastructure and housing projects to build safe and secure communities,
- pay attention to specific vulnerability of women, peoples with disabilities, indigenous peoples in disasters and evacuation centers, and
- diversify livelihood for resource-based communities.

The green agenda looks solid on paper and through his initial pronouncements about environmental issues, plus the appointment of Regina 'Gina' Lopez, a staunch environmentalist and anti-mining advocate, to the Department of Environment and Natural Resources (DENR), it appears that Duterte's strongman leadership will finally benefit the environmental front. (Ms. Lopez was not approved by the Commission on Appointments; civil society organizations had expected the President to defend her and sway his majority in Congress to confirm her)

Inherent Contradictions

However, less than a year into his office, contradictions have become apparent. There are several manifestations of these inherent contradictions. First, Duterte's PDP treats ecological integrity as crucial for economic growth, which means that conservation is vitally important for capitalist

The biggest controversy in the first year of Duterte is his policy on mining.

Table: Cancelled and Suspended Mining Operations based on DENR's Mining Audit under Lopez

Cancelled Mining Operations/Name of Companies	Area Coverage (in hectares)	Minerals	Location
Luzon			
Benguet Corp Nickel Mines Incorporated	1,406.74	Chromite, nickel and other associated mineral deposits	Sta. Cruz, Zambales
Eramen Minerals Incorporated	4,619.69	Nickel and other associated mineral deposits	Sta. Cruz and Candelaria, Zambales
LNL Archipelago Minerals Incorporated	951.5734	Nickel, chromite and other associated mineral deposits	Sta. Cruz, Zambales
Zambales Diversified Metals Corporation	3,765.39	Chromite, nickel, platinum and other associated mineral deposits	Sta. Cruz and Candelaria, Zambales
Ore Asia Mining and Development Corporation	442.4598	Iron ore	Dona Remedios, Trinidad, Bulacan
Visayas			
Mt Sinai Mining Exploration and Development Corporation	510.16	Chromite and other associated mineral deposits	Homonhon Island, Guiuan, Eastern Samar
Emir Minerals Corporation	179.00	Chromite	Homonhon Island, Guiuan, Eastern Samar
TechIron Mineral Resources Incorporated (as operator of Chromiteking, Inc.)	1,500.00	Chromite and other associated mineral deposits	Homonhon Island, Guiuan, Eastern Samar
Hinatuan Mining Corporation	1,165.00	Nickel	Manicani, Guian Island, E.Samar
AAMPHIL Natural Resources Exploration	1,680.81	Nickel and other associated mineral deposits	Basilisa and San Jose, Dinagat Islands (Parcel II of Surigao Mineral Reservation)
Oriental Synergy Mining Corporation (holder ADNAMA Mining Resources, Inc.)	7,017.71	Nickel, copper and other associated mineral deposits	Claver, Surigao del Norte
SinoSteel Philippines HY Mining Corporation	972.00	Chromite	Loreto, Dinagat Is. (within parcel III of Surigao Mineral Reservation)
Kromico, Incorporated	757.118	Chromite and other associated mineral deposits	Loreto, Dinagat Islands (within Parcel III Surigao Mineral Reservation)
Oriental Vision Mining Philippines Corporation (holder: Norweah Metals and Minerals Company, Inc)	2,314.20	Chromite, nickel and other associated mineral deposits	Tubajon, Libjo and Cagdianao, Dinagat Islands (within Parcel III Surigao Mineral Reservation)
Wellex Mining Corporation (holder Vista Buena Mining Corporation)	3,696	Chromite	Libjo and Tubajon, Dinagat Islands (within Parcel III of Surigao Mineral Reservation)
Libjo Mining Corporation (holder: East Coast Mineral Resources Co., Inc.)	3,665.27	Chromite, nickel and other associated mineral deposits	Libjo, Dinagat Islands
ADNAMA Mining Resources Corporation	7,017.71	Nickel, copper and other associated mineral deposits	Claver, Surigao del Norte
Claver Mineral Development Corporation (operator: Shenzou Mining Group Corporation)	433.9798	Nickel	Claver, Surigao del Norte (Within Parcel I of Surigao Mineral Reservation)
CTP Construction and Mining Corporation	3,564	Chromite	Carrascal ,Surigao del Sur (Within Parcel I of Surigao Mineral Reservation)
Carrascal Nickel Corporation (holder: CTP Construction and Mining Corporation)	4,547.76	Nickel and other associated mineral deposits	Carrascal ,Surigao del Sur (Within Parcel I of Surigao Mineral Reservation)
Marcventures Mining and Development Corporation	4,799.00	Gold, copper	Cantilan, Surigao del Sur
Platinum Group Metals Corporation (holder: Surigao Integrated Resources Corporation)	4,376.00	Nickel	Claver, Surigao del Norte (Within Parcel I of Surigao Mineral Reservation)
Benguet Corporation	896.66	Gold, silver and copper	Siocon, Zamboanga del Norte
Suspended Mining Orders			
Berong Nickel Corporation	288.00	Nickel, iron, cobalt, chromite and other associated mineral deposits	Quezon, Palawan
Oceana Gold Phils Incorporated	12,864.00	Gold, copper	Quirino and Nueva Vizcaya
Lepanto Consolidated Mining Corporation	948.9695	Gold, copper	Mankayan, Benguet
Citinickel Mines and Development Corporation	2,176.00	Nickel, chromite and other associated mineral deposits	Narra and Sofronio Española, Palawan
Strong Built Mining Development Corporation	7,411.56	Magnetite sand and other associated mineral deposits	Dulag and Mayorga, MacArthur, Javier and Abuyog, Leyte

Source: Department of Environment and Natural Resources, Mines and Geosciences, Mining Tenements Management Division, 2017 http://mgb.gov.ph/2015-05-13-01-44-56/2015-05-13-01-46-18/2015-06-03-03-42-49 (Accessed: June 12, 2017)

expansion or to achieve an upper middle-class society based on *AmBisyon 2040 (see Dutertenomics: Recipe for Inclusive Development or Deeper Inequality? on page 3).* Policies that will accelerate infrastructure development *(see Stories Behind the Numbers: Dissecting Duterte's Build, Build, Build Program on page 9)*, energy, and reforestation through the continuation and enhancement of the National Greening Program (NGP) are concrete examples of this 'balancing act' between preservation/conservation and exploitation.

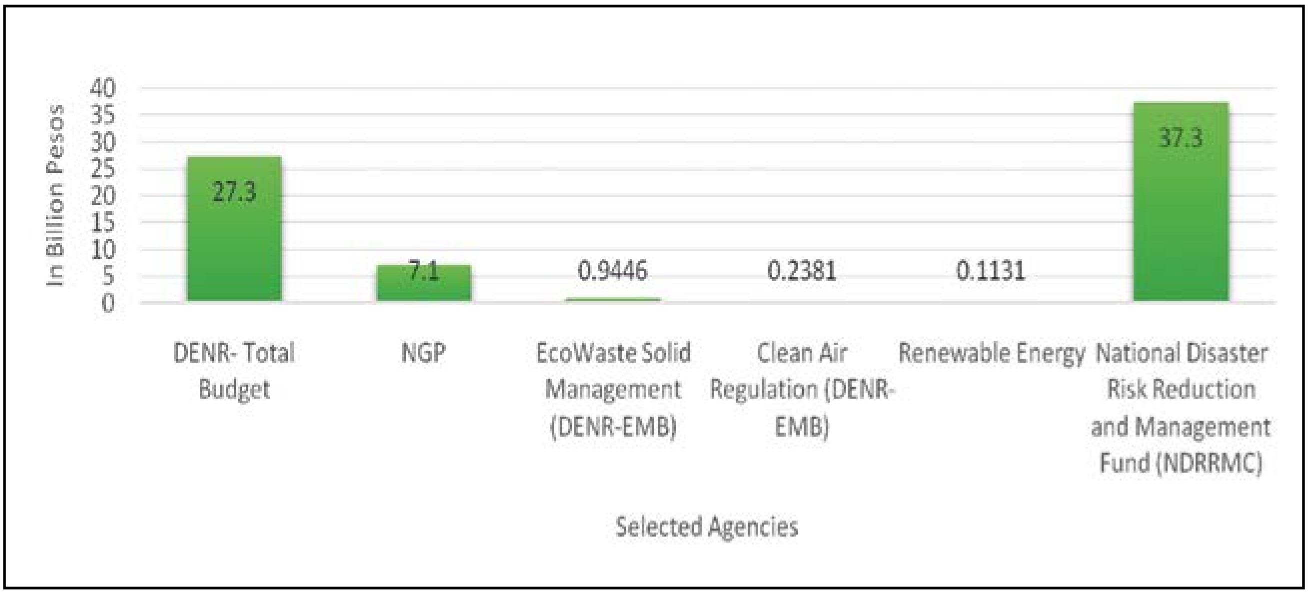
While a shift to renewables is supposed to be a focus of the government's energy policy (adopting Arroyo/Aquino's PDP), President Duterte has also committed to coal production and use. Renewable energy use, which started in 2009, accounted for 39 percent of the country's energy share, but in 2016, its share decreased to 29 percent and may continue to decline in the next five years.[11] On September 2016, the President publicly announced that *"if we want to industrialize our country because we were left behind by so many generations, you have to keep up with developments and... right now is to use coal, cheap, it's available although it is maybe deleterious to the whole of the climate of planet Earth."*[12] Despite appeals from renewable energy advocates, President Duterte repeated his pronouncement, during the groundbreaking of a 0.6-megawatt Pulanai hydroelectric power plant in Bukidnon on December 2016, that coal would remain to be the most viable source of energy for the country to industrialize.[13]

Another disconcerting pronouncement was that "$1 billion is earmarked for the power plant's rehabilitation and will either be undertaken by a government-to-government arrangement or by private corporation selected through "a transparent bidding process."[14] Nuclear energy has been widely acknowledged to be detrimental to a country's development path, environment, and people's survival.

Environmental groups have expressed concern that the country's dependence on fossil fuels and coal could skyrocket to as much as 70-80 percent by 2030.[15] On June 2017, the Philippine Movement for Climate Justice[16], Center for Energy, Ecology, and Development (CEED), and De La Salle University College of Law filed a 64-page petition for writ of continuing mandamus with temporary environmental protection before the Supreme Court, calling for the high court to order the Department of Energy and DENR to strictly regulate the operation of coal-fired power plants and reduce the country's dependence on fossil fuels.

Meanwhile, the current administration's policy on forest and upland resources hinges on the multi-billion NGP. The NGP has been mired in controversies of public misuse of funds and corruption, and has been accused of perpetuating a mindset of 'reforesting with harvestable

Figure 1: Budget Allocation for Selected Environmental Agencies, 2017 (in Billion Php)



Source: Department of Budget and Management, National Expenditure Program 2017, http://www.dbm.gov.ph/wp-content/uploads/NEP2017/DENR/DENR.pdf trees' or 'plant trees in order to harvest it'. The Commission on Audit in 2013 called the NGP as a failed program. It, therefore, begs to be asked why President Duterte has committed to a very expensive program which in the past have had questionable outcomes.

Also, the 2017 budget, which reflects government priorities and plans, shows that the DENR has the 9th largest budget allocation at ₱27.3 billion, increasing by ₱5 billion from 2016. Figure 1 illustrates that the NGP comprises 26 percent of DENR's budget, which aims to reforest 183,552 hectares of land and produce 171 million seedlings. Apart from the DENR, DRRM gets a bigger piece of the pie, with ₱37.3 billion, which includes an allocation of ₱10 billion from the Calamity Fund and the People's Survival Fund worth ₱1 billion. Ecowaste and solid management is receiving ₱944.6 million, while clean air regulation gets ₱238.1 million; for renewable energy, ₱113.1 million. The budget for renewables, i.e. for the National Renewable Energy Program and the National Biofuels Program, is one of the lowest budget allocations for environmental agencies in 2017.

'Bigay-bawi' and a Captured Mining Agenda

The biggest controversy in the first year of Duterte is his policy on mining. With former Secretary Gina Lopez at the helm of DENR at the beginning of his term, she was quick to issue Memorandum Order No. 2016-01, which called for a mining audit of all operations and a moratorium on the approval of new mining projects. The former secretary had ordered the closure of 23 mining operations, suspension of five contracts, and cancellation of 75 mineral production sharing agreements, all covering close to 84,000 hectares of lands in Eastern Samar, Dinagat Islands, Surigao del Norte, Surigao del Sur, Zambales, Zamboanga del Norte, Palawan, Benguet, Quirino, Nueva Vizcaya, Bulacan, and Leyte, which represented 70 percent of the total operating metallic mines in the country (see Table).[17] And the mines affected belonged to the Alcantara, Borja, Pichay, Zamora, Leviste, and Gatchialian families, to name a few, which also comprise the country's political and economic elites.

According to Garganera of ATM, the mining audit has uncovered various violations of environmental standards and laws, unsystematic mining methods, and negative impacts to affected communities' right to livelihood, a safe and healthy environment, and freedom of expression.[18] Other institutional reforms are administrative orders that tackle the formulation of a freedom of information (FOI) manual, mandating mining contracts to participate in the Extractive Industry Transparency Initiative, a multi-stakeholder platform that tackles good governance of oil, gas and mineral resources, and banning of open pit mining method for copper, gold, silver, and other complex ores in the country.[19] These are significant, progressive strides not only in as far as strong regulation is concerned but as well as in protecting the indigenous cultural and rural communities that are hosts to majority of the country's mining operations.

However, Duterte's economic managers led by Finance Secretary Carlos Dominguez III, who has business interests in mining *(see Dutertenomics: Recipe for Inclusive Development or Deeper Inequality? on page 3)*, was critical of Gina Lopez's reforms, arguing that mine closures were bad for the economy (with an estimated ₱653 million in foregone revenues) and jobs (allegedly affecting 1.2 million people), and that government can be sued by affected mining companies in international arbitration courts. Instead of the DENR issuance, Sec. Dominguez proposed that the Mining Industry Coordinating Council conduct a multi-stakeholder review on existing mining operations. The corporate backlash was in full gear, with mining companies reportedly banding together to block Lopez's confirmation as environment chief. President Duterte confirmed this when he stated at a gathering of doctors in Davao City, that "*sayang si Gina* (It's too bad about Gina). I really like her passion... But you know how it is. This is democracy, and lobby money talks."[20]

The fate of the mine closures and suspensions remain unclear, with no timeframe and process governing the pending appeals at the Office of the President, and the issuance of the ore transfer permit which allows mining companies unhampered operations.[21] Lopez was soon replaced by Roy Cimatu, a former general of the Philippine Armed Forces, well known for his tainted human rights record as a military chief in Mindanao and with no environmental governance record. Cimatu was said to have been appointed by the President for his ability to "balance the concerns of environmentalists and mining groups."[22] In a meeting with the European Chamber of Commerce of the Philippines (ECCP) in Makati City on June 2017, Cimatu said that his agency will continue to "strictly enforce mining and environmental regulations" and uphold the Mining Act of 1995. In short, a reversal of the decisions of Lopez and back to business-as-usual policy in favor of mining firms.

Disciplining Dissent

Since 2013, the Philippines has been considered one of the deadliest countries for environmentalists and human rights defenders in Asia. According to the recent Global Witness Report, 28 environmental-related killing were recorded in 2016, one-third were activists campaigning against mining and extractives, and half involved indigenous peoples as victims. Community leaders and civil society organizations are also concerned over the impunity in killings. For instance, Kalikasan-PNE, a network of environmentalists, NGOs and peoples' organizations, recorded 17 extra judicial killings of environmental defenders under Duterte, 41 percent of the recorded cases involve state armed forces and 65 percent perpetrated in the island of Mindanao, where hotspots for struggles against extractives and mining are located.[23] Similarly, the GTC and ATM reported that the murder of several indigenous leaders in Mindanao remain unresolved and the island-wide declaration of Martial Law is a real threat to freedom of movement and rights to assemble of individuals, CSOs, and communities protesting against extractives and dirty energy.[24] With the government's unwavering support for mining and extractives such as coal and the extension of Martial Law for another six months, it would not be a surprise if the country remains a dangerous place for environmental and human rights defenders in the next five years.

The control over forests and ecological resources will continue to be a fight between the have and have not. In the first year of Duterte, it is clear who won the political contest over how the environment will be governed and whose interests will prevail. Dissent against big, dirty money are disciplined either through violence or political maneuverings. For Gerry Arances of CEED, the implications are clear: "the gloves are off and it's 'back-to-the-trenches for the green movements'".[25] Beyond personalities, however, the very governance framework that values the environment and ecological resources as 'cogs in the growth machine' already clarifies where the government's priorities and actions lie. R

**(Can be translated as 'forward step followed by a backward step)*

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Duterte's Social Development Agenda: Radical Change or Business as Usual?

By Raphael Baladad

Since assuming office, President Rodrigo Duterte has constanly reassured the public of his promise to sustain the previous administration's momentum for social development as well as to confront the challenges it failed to address by introducing radical changes. Although the first few months of his term was spent on making true his campaign promise on a war on drugs, Duterte, in his first State of the Nation Address in 2016 articulated the broad strokes of his administration's social development agenda: *to improve the people's welfare in the areas of health, education, adequate food and housing,* among others.

continued on page 38

Overflowing - Gurneys with patients awaiting medical attention fill the hallways of East Avenue Medical Center's Emergency Room and Trauma Department, Quezon City, Philippines. PHOTO BY RAPHAEL BALADAD

DUTERTE'S SOCIAL DEVELOPMENT...from page 37

The 2017-2022 Philippine Development Plan (PDP) fleshed out Duterte's pronouncements into actual strategies and programs the government intends to pursue in the next five years. Banking on people's aspirations, it intends to establish a distinct national vision/framework for development, setting it above the inclusive growth model promoted by the last administration. Highlighting the *human development approach,* the PDP aims to implement government "policies, plans and programs anchored on the people's collective vision" to uplift the living conditions of every individual, induce the expansion of the middle class and achieve a society "where no one is poor."

The growth objectives presented in the PDP however are not entirely as people-centered as they appear. Similar to its predecessor, there are clear manifestations towards broadening private sector involvement, as well as facilitating connection to local and global value chains.[1] While this is not entirely wrong in the economic/growth discourse, private investments particularly in the delivery of essential social services often lead to privatization and has not exactly worked for the poor in terms of accessibility. These contradictory goals put into question how Duterte intends to confront social development challenges. Will the public still see the radical changes he promised?

Distinct or Similar?

Development is not only measured through economic gains but also through improvements in well-being and living conditions[2]. Enhancing capabilites (or what a person can be or can do in life such as being healthy or owning a home), provide individuals better opportunities to transcend poverty[3]. The other view is that it is important to develop a person's capability because it has economic value[4] and interventions are seen as capital to fuel economic growth.

The *AmBisyon 2040* is supposed to sum up the living aspirations of most Filipinos. Based on a survey conducted by the National Economic and Development Authority (NEDA) before crafting the PDP, four out of five Filipinos want a simple and comfortable life, which means enjoying a middle class lifestyle such as owning a house (and a car) and having enough savings to afford education, health and other leisures such as travelling for vacations abroad. Also, three out of eight priority agenda in the AmBisyon 2040 pertain to social development and the extension of government services[5] for housing, education, and health to every individual. Thus, enhancing the potentials of Filipinos is at the very core of the PDP's 10th chapter on "Human Capital Development" which also interprets human development not just a means to an end, i.e. for capitalist production, but as an end goal itself. But does this distinction signal a complete departure from the old strategies and thrusts for social services delivery?

Financing, accessibility, and delivery networks are key factors in the delivery of public health service. Same with education which should also focus on access and relevance to industry growth. The housing sector also defined outcomes related to accessibility, but with the added feature of integrating the anti-drug campaign in communities. Based on NEDA's assessment in the PDP, there are milestones in terms of achieving targets based on the indicators posted by the Millenium Development Goals, but several gaps in terms of accessibility and the quality of services delivered still have to be met. For health, the increase in the number of health facilities have resulted in the lack of health professionals deployed in communities and budget to sustain medical equipment and supplies. For education, net enrollment rates increased under the Aquino government, but the quality of education suffered due to imbalances in student-learner ratios as well as insufficient learning facilities. For housing, the direct housing assistance increased outputs, but were dampened due to the lack of social impact assessments, leaving thousands of houses in several resettlement areas unoccupied.[6]

Continuity is essential to progress. But does the need to address persistent social problems equate with the adoption of past development models? Looking closer at several key interventions in social development presented in the current PDP such as the expansion of service delivery networks and health financing, improvements in the quality of technical and higher education for global competitiveness and the increase of direct housing assistances, one could find resemblances in strategies and programs with those of the PNoy government's. But the radical changes Duterte has promised in terms of health, education, and housing are somewhat missing, if we compare to the amount of

Table 1: 2011-2016 PDP v 2017-2022 PDP: Thrusts and Outcomes

	2011-2016	2017-2022
HEALTH	Universal Health Care shall be directed towards ensuring the achievement of: **a.** Better health outcomes, **b.** Fair health financing and **c.** Responsive health system that provide all Filipinos, especially the disadvantaged groups, with equitable access to quality health care.	Nutrition and health for all will be improved as the government: **a.** Guarantees services that provide care at all life stages; **b.** Ensures the accessibility of these services in functional service delivery networks; and **c.** Sustainably finance these services through universal health insurance.
EDUCATION	The goals of education, training and cultural development are to: **a.** Make every Filipino functionally literate both through the schools and non-school learning modalities; **b.** Achieve a higher level of productivity, international competitiveness, industry relevance and social responsiveness in the development of both middle-level skills and the high-level professions;	Lifelong learning will be pursued to attain both personal and national goals. **a.** Filipinos will be equipped with 21st century skills to engage in meaningful and rewarding careers in today's changing world of work. **b.** Lifelong learning will also contribute to the development and growth of agriculture, industry, and services in the country. **c.** To yield greater equity in human development outcomes, education will be made accessible to vulnerable groups and those not reached by formal education.
HOUSING	Housing and urban development envisions to provide families not just with the infrastructure of a house, but the framework of a home; to build not just a neighborhood, but a real harmonious community. **a.** The promotion of local shelter development and, **b.** Strengthening of public-private partnerships (PPPs) are expected to help achieve sustainable communities, urban competitiveness, housing affordability, effective governance and poverty reduction	Strengthening socioeconomic resilience by building safe and secure communities. **a.** Expanding access to affordable, adequate, safe, and secure shelter in well-planned communities **b.** Implement Masa-Masid to fight crime and the proliference of drugs

rigor that went into framing other "priority" programs such as infrastructure and the war on drugs. While others may find fault there, 52 percent of Filipinos, according to a recent Social Weather Station survey[7], still believe that Duterte will honor his pronouncements, such as the universal access to quality tertiary education or a universal 'Cuban Style' health care system. Based on these observations on the PDP, we can can take the view that the Duterte administration might not radically differ from past governments' social development agenda. Whether or not government targets will be met or again missed depends on how bottlenecks in implementation as well as policy and budget gaps are addressed.

What the Budget Says

Having a vision is one thing, and providing the necessary budget towards realizing it is another. And from what the 2017 General Appropriations Act reveals, there is a gap between the promise of social development in the PDP and what we can expect. For education, a six percent[8] automatic appropriation of the country's gross domestic product (GDP) is needed to realize the promise of free tertiary level education. Although both the Senate and the House of Representatives has passed the bill granting full tuition subsidy for students in state universities and colleges, the budget for operationalizing this has not been reflected in the 2017 budget. For public health services, an additional ₱57 billion is needed to bring the doctor to patient ratios[9] near the Cuban Health System or even the World Health Organization standards, according to former appointee Health Secretary Paulyn Ubial[10]. For housing, Vice President and former Housing and Urban Development Coordinating Council Chief Leni Robredo said the "gold standard" target is two to five percent of the GDP in order to close the gap of 5.5 million housing units the previous administration left in socialized housing, or to build some 2,600 units per day.

Based on the 2017 GAA, what the government has allocated is a far cry from reaching the promises/ ambitions of the Duterte government for health, education, and housing. The education budget is at ₱637 billion, with the Department of Education receiving the highest among all government agencies at ₱544 billion, registering a 32 percent growth increase from the previous year. The Commission on Higher Education budget also increased by 237 percent at ₱18 billion. But the total budget for public education is still only two percent of the GDP and is almost equal to the combined budget for the military and police, though lower than the budget for infrastructure development. In addition, both NEDA director general Ernesto Pernia and budget secretary Benjamin Diokno admitted that the government cannot afford the ₱100 million budget streamlined for the free college education bill[11].

Although the health budget increased by 19 percent at ₱149 billion compared to the previous year's, more than ₱50 billion was allocated to expand health financing under Philhealth. While the government aims to improve health access of the poor, the budget for service delivery networks was cut by 10 percent, and only ₱7 billion is alloted each for Health Human Resource Development and the Doctors to the Barrio Program, which would not meet the amount needed to close the doctor-patient ratio gaps.

The housing sector suffered deep budget cuts as well, down by 54 percent to ₱15 billion, which will be shared by the National Housing Authority, Social Housing Finance Corporation, and the National Home Mortgage Finance Corporation, and the Housing and Urban Development Coordinating Council which is now under the Office of the Cabinet Secretary. This is despite the huge housing backlog of 5.5 million units[12], plus the 1.5 million target for direct housing assistance under the 2017 PDP.

While Duterte has set the bar high through these promises, how they will become reality is not very clear when the budget is used as indicator, even if only for this year. The 2017 budget's priorities are: peace and security, infrastructure development, and the war on drugs.

Legislative Support

The legislative agenda presented for social reforms under the present PDP seems to lack the radical shifts towards attaining the promises pronounced by Duterte for health, education, and housing. Even notable policies such as the passage of the National Land Use Act, the Idle Land Tax Bill, the Philippine Qualifications Framework Bill, and the National Mental Health Care Delivery System have been inherited from past Congresses.

This does not mean, however, that the government will not pursue future policy reforms. But in terms of numbers, the government must have been either selective or realistic on what policies they want the PDP to endorse. Given that the PDP presents a space to put forward the policy foundations needed to reinforce government goals and ambitions, it only endorses 14 new policies for three sectors compared to the 13 policies endorsed only for infrastructure development. These policies also appear to be less exhaustive compared to those proposed under infrastructure development.

For education, priorities have transcended basic education to include improving the quality of mid-level to higher education, as highlighted by the Philippine Qualifications bill and Apprenticeship bill. For health, the government seems to lean towards population services, highlighted by the Local Population Development Act and the Prevention of Adolescent Pregnancy Act. It is also important to note that the only policy agenda endorsed by the plan for expanding health human resources are Amendments on the Barangay Nutrition Scholar program. For housing, the legislative agenda remains addressing the structural/systemic discord in housing services through the creation of the Department of Housing and Urban Development and the Socialized Housing Development Finance Corporation, and the passage of the Comprehensive Shelter Finance Act—all of which have already been filed and refiled numerous times.

While Duterte has set the bar high through these promises, how they will become reality is not very clear when the budget is used as indicator, even if only for this year. The 2017 budget's priorities are: peace and security, infrastructure development, and the war on drugs.

Creeping Privatization

In Aquino's PDP and economic policies, we have witnessed the expansion of private sector collaboration through the promotion of Private-Public Partnership (PPP) agreements. The same could be expected in the current PDP assuming that it remains "cognizant of the private sector's efficiency and innovativeness," further stimulating private sector participation in improving the quality and sustainability of its projects.

For education, private sector involvement is apparent on "updating course programs and the alignment of domestic regulations for the ASEAN Qualifications Reference Framework (AQRF), as well as in scaling up technical and vocational training programs." For health, private provider participation will be "harnessed and coordinated when planning Service Delivery Networks, implementing interventions, and securing supply-side investments." For housing, key shelter agencies are prompted to involve private stakeholders in crafting the National Resettlement Plan and to secure additional financing from the private sector to attain the expanded targets for socialized housing services.

In the current PDP, too, there are clear linkages between the government's strategy in enhancing the quality of education to be more responsive to industry needs and private sector involvement in developing curriculums in the name of pursuing "leading-edge, commercial-ready innovations." The PDP also states that the government also devise performance measures, incentives, and rewards for universities who collaborate with industry partners. While the number of Higher Education Institutions (HEIs) in the Philippines is 10 times more than in its neighboring countries, it falls short in producing innovators with a ranking of 74 out of 128 in the Global Innovations Index.[13] According to the PDP itself, this is caused by the increasing number of commercialized HEIs that use curricula that are misaligned with the Commission on Higher Education's standards and policies as well as privileging of business interests over quality considerations. On the other hand, with 4,486 private schools offering senior high school, compared to 220 non-DepEd public schools, private education subsidies have already reached P23 billion in 2017[14], to accommodate K to 12 spillovers. The Voucher Program however has been mired in controversy due to the lack of accountability[15], especially from private institutions that receive subsidy.

Private hospitals greatly outnumber government hospitals, particularly those with higher service capabilities.[16] This basis alone, interventions therefore, to reduce "out-of-pocket" sources which highlight the thrusts of the 2017-2022 Philippine Health Agenda can be seen as a profitable arrangement for corporations engaged in the health sector. In addition, the incumbent health secretary also declared that at least 33 of the 72 public hospitals will be privatized to gain financial autonomy[17]. This strategy would further deprive the poor of health care services since, in the name of financial viability, corporations will still require patients to pay on top of government subsidies. In 2016, the Philippine Institute for Development Studies observed lower health service utilization in areas where the private sector had increasing role. In that same year, the Commission on Audit found that the Health Facilities Enhancement Program had roughly ₱1.1 billion due to "idle and/or unutilized hospital buildings, facilities, and equipment, among others." Given the strategy to tap private investments for improving service delivery networks outlined in the PDP, the HFEP is in danger of being a vehicle for privatization by entering into public-private partnerships to improve facilities and equipment.[18]

Duterte is ambitious in envisioning the delivery of a holistic social development package, responsive to the aspirations of every Filipino and founded on improving the living conditions of the poor. Fleshing out these ambitions, however, remains a challenge especially when the 2017-2022 PDP merely escalates the strategies and programs of the previous administration for social development.

In 2012, the Subdivision and Housing Developers Association presented to the Board of Investors their 2012-2030 Philippine Housing Industry Roadmap with calculations of the economic impact of private business investments for socialized housing; with 2.3 jobs created for every million invested, and for every peso invested, a ₱3.32 value multiplier for local businesses as well as a ₱.047 income multiplier and ₱3.90 pesos tax multiplier for each household. While this only expounds the rationale behind private investments on socialized housing, the Ibon Foundation has warned that private developers will continue to amass profits from socialized housing through guaranteed payments from the government and that these socialized housing units will remain unaffordable and unattainable for many despite government-private sector collaboration to lower amortization costs.

Whose Development?

Kayong mga Pilipino nakikinig sa akin ngayon. Magpa-hospital kayo, ako ang magbayad, tutal hindi man nila ako mademanda. [To all Filipinos listening to me now. Go to hospitals, I will pay for it. Anyway, they won't be able to sue me.] – said President Duterte in his 2017 State of the Nation Address.

Duterte is ambitious in envisioning the delivery of a holistic social development package, responsive to the aspirations of every Filipino and founded on improving the living conditions of the poor. Fleshing out these ambitions, however, remains a challenge especially when the 2017-2022 PDP merely escalates the strategies and programs of the previous administration for social development.

The human development approach in the delivery of education, health, and housing services is a welcome change, along with the emphasis of increasing quality, accessibility, sustainability, and innovativeness. The litmus test for this is addressing budgetary and operational impediments, which the government plans to do through private sector involvement, which is nothing new, much less radical.

Human capital development, although government has explicitly defined it as improvement of individual capacities as an end in itself, will inevitably be more targetted based on the economic value an individual could possibly generate. Human as Capital, in sum, is wealth

Cruel World. Homeless children sleeping on the EDSA-Guevarra Pedestrian Overpass, Mandaluyong City, Philippines. 2017 February 24.
PHOTO BY GALILEO DE GUZMAN CASTILLO

viewed not as an end in itself but as a means to more wealth, something which the PDP embodies as it factors in industry participation, private sector investments and collaboration, and competitiveness as part of intended interventions and outcomes. By deliberatelty continuing the same strategies and programs found in the previous PDP, public investments made by the government will always be weighed by the economic outcomes.

There are both gains and losses in engaging in PPP, but the government should veer away from inviting business interests and profiteering in key programs that uplift the dignities of its citizens. Instead, it should focus more on effective and responsive program implementation as well as the timely and proper allocation, disbursement, and utilization of public funds. **R**

1 Based on the Foreword on the 2017 Investment Priorities Plan, the need for this is as part of a grand blueprint to "strenthen the resurgence of manufacturing"

2 According to Amartya Sen, an Indian economist behind the Capability Theory and the Human Development Index.

3 Where 'poverty' is seen as a deprivation in the capability to live a good life. "The Capability Approach" - Stanford Encyclopedia of Philosophy. https://plato.stanford.edu/entries/capability-approach/

4 Referring to "human capital", a term popularized Gary Becker, an economist from the University of Chicago. It is also a collection of traits that translates to the total capacity of the people that represents a form of wealth which can be directed to accomplish the economic goals of a state.

5 The other 5 pertains to Tourism, Manufacturing, Connectivity, Agriculture and Financial Services

6 i.e. the idle housing project in Pandi Bulacan that the Kalipunan ng Damayang Mahihirap (KADAMAY) occupied in March 2017.

7 Expected Fullfillment of the President's Promises, 2017 Social Weather Report, Social Weather Stations: https://www.sws.org. ph/swsmain/artcldisppage/? artcsyscode=ART-20170512214448

8 According to Sanlakas, a party-list organization in the Philippines, advocating th SixWillFix campaign for the education sector. http://newsinfo.inquirer.net/857414/youth-groups-hit-duterte-on-false-promise-of-free-education

9 1 doctor to 20,000 population. The Philippines is currently at 1:33,000 according to the Department of Health.

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War on Drugs: "Punishing the Poor"

By Clarissa V. Militante

Where lies the coherence between pronouncement, policy, and execution in the Duterte government is in its war on drugs, via project double barrel or *tokhang* (local term for the war on drug campaign).

President Duterte won on a campaign platform that had for its central program a war on drugs aimed at addressing criminality with iron hand, and with drug addiction seen as the existential threat to the nation. This promise hit the ground running immediately after he was sworn into office. On the first year of execution, this violent, uncompromising approach has already resulted in the deaths of 7,000 to 10,000 people.[1] (Other claims say the figure is higher, but with the numbers from the police not very reliable, it's hard to be conclusive; what is conclusive is that thousands have died as a result of this bloody policy, which the President has vowed to continue until the end of his term)

But the war on drugs is not just about peace and order, and security (maybe for select members of the population).

Rodrigo Duterte's flagship domestic policy, The War on Drugs, has killed thousands—and the death toll continues to rise. International Human Rights Day mobilization, Manila, Philippines. 2016 December 10. PHOTO BY GALILEO DE GUZMAN CASTILLO

It fits well in a social-economic agenda that has no place for the poor—our own "wretched of the earth"—and is underpinned by an economic system that kills off (literally and figuratively) those who could not survive the free market jungle. From news reports, the victims' profile would tell us that they belonged mostly to the urban underclass, the slum dwellers, even if the number of those killed would vary even from official government sources.

It is a system, which according to Loïc Wacquant, privileges the middle class and the rich who can survive and provide for themselves, "rewards individual responsibility," but punishes those who fall into the cracks. Below the cracks there are no more safety nets.

Wacquant, in his books *Punishing the Poor—The Neoliberal Government of Social Insecurity* and *Ordering Insecurity Social Polarization and the Punitive Upsurge,* underscores the link between the "ascendancy of neoliberalism" (1980s onwards) as political-economic project and the rise of the "punitive state". In this social-political-economic order, there has been "rolling off of the welfare state, giving way to the privatization of the public."[2]

What is happening in the Philippines is not without precedence, as Wacquant cites France (which has demonized the 'refugees') and the US, where the poor African-Americans are the evil and threat; it is also in the US where the term war on drugs originated. But to revise Wacquant a bit, in the Philippines now, the state is not only punishing but killing off the poor.[3]

The Targets: the Urban Underclass

Here's the social-economic backdrop of the war on drugs.

The urban underclass has grown considerably and in such a fast pace in recent decades; this is both a result and cause of rapid urbanization in the Philippines. Another factor that has greatly contributed to this breakneck urbanization has been "the radical transformation of the city landscape in the mid-'70s to the 2000s… (especially) in Metro Manila and its peripheries, namely the provinces of Cavite, Laguna, and Rizal to its south, and Bulacan to the north…" with Metro Manila reaching "a hundred percent level of urban land use in the '70s, and experiencing several construction booms in the periods 1993-1997, 2003-2008, and 2010-2013…"[4]

This has spawned problems such as increase in urban poor population, poverty incidence and magnitude, more marked social division in urban areas between the haves and have-nots, as seen in the rise of commercial enclaves and fenced/secured residential areas while the roads and public facilities in the urban poor districts are undergoing decay, and worse they live in dilapidated shanties and on extra-legal status.

The Philippine Institute for Development and Studies projected that "without adequate intervention, Metro Manila's slums will increase to 53.6 percent of its population, and one-third of all residents of large towns and cities (33.7 percent) will likely be slum dwellers."[5]

In 2014, the magnitude of urban population in the Philippines was already 44,104, 820 (or around 44 percent of the population), making the country the sixth most urbanized in Southeast Asia in terms of the percentage of urban population.[6] Also in the same year, the magnitude of slum population registered at 17,055,400, which was about 38 percent of total urban population.[7]

Before this, the growth of slum population from years 2004 to 2006 was 3.4 percent annually, "which exceeded the population growth of urban and metropolitan areas of 2.3 percent…."[8] These slum dwellers were located in "more than 500 dispersed shantytown communities—particularly in Quezon City, Manila, Caloocan, Navotas, Las Piñas, Paranaque, Marikina, and Makati City."[9]

This urban underclass comprised mostly of the so-called slum dwellers, characterized by their extra-legal status in places of residence, an inability to participate in the formal economy, with limited-to-no-access to resources needed for subsistence, and are "typically excluded from government registries and regulatory instruments. They are also marginalized in terms of basic services, such as education and health, potable water and sanitation, power and telecommunications, infrastructure, public security mechanisms, and so on."[10]

It is in these urban poor districts where most police operations and vigilante killings have been taking place in the past year. It is this urban underclass that comprises the victims of the war on drugs.

As per the June 2017 report of the Philippine Center for Investigative Journalism, the top five regions in terms of

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WAR ON DRUGS...from page 45

deaths as a result of project double barrel until January 2017 were: 2,555 killed (police figures/from police operations) Metro Manila with 983; Central Luzon 484; CALABARZON 304, Central Visayas, 167, and Davao region, 89.

The data of those killed during police operations match the data of deaths under investigation (DUI) (3,952 of the total also as of January 2017) in terms of location, meaning that the highest would be from Metro Manila or NCR, followed by CALABARZON and then Central Luzon (with a little difference/variation from the ranking in those killed in police operations where Central Luzon came in second). In DUIs, Central Visayas and Davao placed number five, and Northern Mindanao figured in as number four.

Also very telling would be the number and location of "drug-affected barangays" as of April 2017. According to PCIJ, the terms 'drug-affected' was not clearly defined in government data. Did this mean they have the highest concentration of drug users; were they central areas in the drug trade; or location of identified drug dens; or had to do with the number of those killed? PCIJ also noted that a year after *tokhang,* which supposedly aimed to stem the growth of drug use and drug users, the number of barangays affected has increased, from 32 to 36 percent in July 2016 to 48 percent of the total barangays in the country by April 2017.

No Anti-Poverty Program

Despite its rhetoric, the government does not prioritize social safety nets for the poor. The Philippine budget for 2017, called the People's Budget, mentions as one of four pillars social order and equitable progress. It is explained as: "To foster peace and progress, especially in conflict-affected areas, the 2017 Budget will fund programs and projects designed to fight crimes and instill order in society. It also reinforces infrastructure investments and expands employment opportunities to ensure that growth is felt in the lagging regions."

It can be gleaned from the language how social order is no longer based on addressing the deeper causes of disorder, which is poverty, lack of education, lack of livelihood and resources for the poor to survive, to re-enter mainstream society as productive citizens and not remain as dregs of society.

In the 2017 budget, under the budget for social protection, the conditional cash transfer will get ₱78.69 billion and housing development, ₱14.41 billion. Other items we need to look at in the budget:

- For housing: housing development is assigned ₱119 billion, water supply ₱9.16 billion, community development, ₱1.55 billion;
- Public health services get ₱50.20 billion.

Meanwhile, public order and safety will get ₱170.80 billion, and under it, police services will have ₱115.07 billion while under Defense, the military defense gets ₱113.7 billion.

Under the previous government, the social service sector's share increased annually from 2010 to 2016, from 31.1 percent (₱479.9 billion) to 36.6 percent in 2016 (₱952.7 billion); although 2015's share was higher at 37.2 percent, in actual monetary terms it was ₱842.8 billion.

Urban Apartheid and Struggle for Space[11]

The social-economic divide in urban and urbanizing areas, specifically in Metro Manila and its peripheries to the south and north, is reflected in how space has been used and who has benefited. This is seen both in private-led real estate projects and government infrastructure development program.

Under the PNoy government, the urban development trajectory was towards what could be called "bypass urban implantism...(or) bypassing the congested arteries of the 'public city' and 'implanting' new spaces for capital accumulation that are designed for consumerism and export-oriented production."[12]

One example of this kind of infrastructure project started by the PNoy government and is being continued and claimed as its own by the current administration is the skyway. It is now being expanded to link southern Luzon to the north and key parts of the Metro. One key link in this network of skyways are those that link different parts of Metro Manila and Cavite to the international airports; e.g. from the international airports to the hotels, casinos, and commercial enclaves on Macapagal Road. The Duterte government is not veering away from such projects of his predecessors, with majority of the planned infrastructure projects (40 percent) still concentrated in and benefitting Metro Manila and Luzon. *(See Stories Behind the Numbers: Dissecting Duterte's Build, Build, Build Program on page 9).*

Essentially, it is the kind of infrastructure program that heightens the spatial divide; that develops select areas of the city according to international standards while "bypassing the rest of Metro Manila's woes and its poorer inhabitants."[13] This spatial divide has created apartheid among the middle class directed at the poor. Currently, the war on drugs has exacerbated this apartheid as the poor has been painted as source of insecurity, and from whom the rich and middle class have to be protected.

A recent Pulse Asia survey showed that "82 percent of Metro Manila residents feel safer" as a result of the war on drugs.[14] Predictably, Philippine National Police Director General Ronald "Bato" dela Rosa has also claimed that the reduction in the crime rate in the past year from mid-2016, when Duterte assumed presidency, to the first half of 2017 has been due to project double barrel. However, PNP data also show that crime rates have actually been declining, although not steadily in the period 2014-2015; by 16 percent from 2013 to 2015 and five percent from 2014 to 2015. The PNoy government's own claim was this was due to its *Oplan Lambat-Sibat,* which intensified surprise checkpoints, raids and home visits directed at gun owners, and intelligence gathering.[15]

Apartheid has gained a new face owing to the stigma that has now been attached to being drug users or just being suspected or accused of being one.

Weakening the Poor's Agency[16]

How do the poor fight back now? What agency is left to them?

"The members of our community used to stand together and fight side-by-side against demolition. We were ready to die fighting for our rights, but now there's so much fear in the community because many have been killed because of the war on drugs," said a woman community organizer in Caloocan, northern Metro Manila, in one of the city's districts populated by informal settlers. She requested anonymity during a focused group discussion conducted by In Defense of Human Rights and Dignity Movement (iDEFEND), a coalition of human rights defenders formed in August 2016.[17]

Why were they not afraid to die fighting for their rights before, but now could not even organize the members to stand up against illegal arrests and killings?

"There's so much distrust now. I am distrusted, because one of my relatives was killed and branded a drug addict," the woman community organizer said.

It is the stigma, said the other community leaders, who all requested anonymity for fear of reprisal, as their

It is in these urban poor districts where most police operations and vigilante killings have been taking place in the past year. It is this urban underclass that comprises the victims of the war on drugs.

community continues to be an open target for the war on drugs. Fighting for their right to a decent place of living was easier for these organizers than now defending the right to life and due process of drug addicts and pushers who are perceived as mere criminals.

Community kinship has also been a casualty.

"If you were killed because of *tokhang* (local term for the war on drug campaign), nobody even goes to your funeral, except your own family," said one of the discussants.

"That is if you are able to claim your dead bodies from the morgue. Most of us hardly have the money to pay the morgue. And I've tried to approach the local government for support but when they learn that your relative died because of *tokhang,* then they refuse to give support," shared another woman leader.

They admitted that there were users in their neighborhood, even pushers—small-time pushers, they said. They knew these neighbors: young boys who would sniff solvent because this was cheaper (at ₱10) than buying food and it would make them numb to hunger for three days; the neighborhood *basurero* (people who earn from finding saleable stuff from garbage) who used *shabu* (a slang term for the drug methamphetamine) to stay awake in the wee hours of the morning when they needed to be awake because of their jobs; young men who were runners for the big-time pushers so they could earn pittance from selling *tingi* or drugs in small amounts. They were aware that using and selling drugs were not right, but it was part of their daily living in a poor neighborhood.

Their stories should not aim to romanticize but humanize the narrative of those who are being felled like pins in a bowling game; to show that the drug menace has social-economic roots.

"Sana po mawala ang stigma. Sana pa maalis iyong paghihinalaan ka at di na pagtitiwalaan ng mga kapitbahay mo. Marami po sa amin umaalis na lang sa komunidad." (I hope the stigma will disappear. That there would no longer be mistrust among neighbors. Many are choosing to leave the community). R

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PHOTO BY ELI SEPE

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