

POLÍTIKA

CRITICAL ISSUES OF PHILIPPINE POLITY

4TH QUARTER



Populist Disconnect

His long experience in parochial politics with conflicting factions at the local level, explains his ability to capitalize over existing social issues, cleavages and divisions

The Evolving Landscapes of Philippine National Security

There is a need to redefine the traditional understanding of security for policies to be suitable and politically acceptable

Legislative Updates and Achievements

The General Appropriations Bill amounted to Php 4.506 trillion and is approximately 21.8% of GDP, up by 9.9% from the 2020 budget

CONTENTS



Populist Disconnect

p.4



The Evolving Landscapes of Philippine National Security

p.16



Legislative Updates and Achievements

p.22

ON THE COVER & CONTENTS

Credits to the following contributors:
Prof. Victor Andres “Dindo” Manhit,
Jaime Jimenez, Ph.D, Renato
de Castro, Ph.D and Francesco
Pangalangan

Picture credits to the following: for the
cover page, contents page, page 3 and
page 27: [theredcircle.com.ph/category/
the_red_board/page/3](http://theredcircle.com.ph/category/the_red_board/page/3), rappler.com,
hiyaw.net and theconversation.com



OVERVIEW

The state of play in Philippine politics and development is geared up for yet another challenging year. As the likelihood of the pandemic being fully addressed and contained remains uncertain, governments must intensify the responsive measures that have been put into place.

The year 2020 is by far the most challenging period for the Duterte administration. Philippine governance and society are being confronted by the compounded problems caused by the COVID-19 virus and government efforts to mitigate further spread of the virus.

The first section explains how the perception of the performance of Duterte could be qualified and examined further by factoring in political integrity into the equation. This results in what could be termed as the populist disconnect, i.e., the assistance of government to the population has been translated into a debt of gratitude, thereby deepening the sense of dependency and mendicancy among the Filipinos.

This is further evidenced by the SWS and Pulse Asia surveys. Despite the very positive ratings of the national administration and the president on the implementation of response measures, Filipinos have been dislocated and are confronted by a very high level of concern in contracting the virus.

The second section provides an analysis of the changing nature of Philippine national security as the country faces both challenging and opportune times. This development is influenced by the emergence of opportunities in a multipolar Indo-Pacific region and the implications to the concept of national and human security, which should be anchored on both traditional and non-traditional challenges.

Lastly, the third section presents the legislative achievements and updates under the 18th Congress, which adjourned last December 19, 2020, and will resume its session on January 18, 2021. However, Committee hearings are allowed to be conducted during the break.

I. POPULIST DISCONNECT – PERCEPTION OF PERFORMANCE & POLITICAL INTEGRITY

The year 2020 has thus far been the most challenging period for the Duterte administration. Philippine governance and society are now confronted by the compounded problems caused by the COVID-19 virus and the government response measures to control the spread of infections—threats to democracy, weak healthcare system, inadequate social protection, economic crisis, and social dislocation. Beyond these challenges, however, opportunities have also emerged that prod government and society to undertake productive partnerships toward recovery and hopefully, sustainable growth.

As the COVID-19 pandemic continues to blindside us about the persistent Chinese aggression and encroachment of Philippine sovereignty, its societal impact and the response measures have likewise justified the democratic shortcuts under the rationale of emergency powers. Induced but embellished by the response programs and policies of the Duterte administration, illiberal tendencies and authoritarian actions of the government have somewhat been legitimized and legalized.

The blame game that surfaced in the second and third quarters did no good in boosting the COVID-19 measures and shifting the responsibility. Notwithstanding the generally good performance of local government units (LGUs) in this pandemic and the myopic context of the “pasaway” narrative, all social evidence insinuates significant shortcomings and shortsightedness of the national government in implementing social control measures. As a result, the hard choice between public health, social welfare, and the economy plunged us into a technical recession.

Government efforts and response measures have been deemed deficient. The need to significantly ramp up such measures was resonantly ventilated during the five-day Pilipinas Conference in November 2020, hosted by the Stratbase ADR Institute for Strategic and International Studies (Stratbase). Thought leaders from the national and local government, business sector, academe, and civil society were brought together in a collaborative platform to discuss pressing economic, social, political, and strategic issues that influence the Philippines and the Indo-Pacific region.

During the Conference, the Duterte administration’s populist narratives about political processes, policy and decision-making, government actions, and social conditions became more pronounced as experts attempted to explain and capture the character and performance of Duterte’s populist leadership in the pandemic.

Duterte has been described to be a populist leader emerging and rising from a Davao political family. His long experience in parochial politics and negotiating through conflicting factions at the local level explains his ability to capitalize and emerge victorious over existing social issues, cleavages, and divisions.

In the second half of 2018, the Institute highlighted the positive populist trend and projected the “rise and rise” of populism. By 2019, it was perceived to endure through the remaining three years of Duterte’s political timeline, especially in this time of the pandemic.

As the private sector poured in cash aid to help poor families, sustain their workers, and set-up health facilities, the government devoted a gargantuan amount of taxpayers’ money in the form of “ayuda” or assistance. However, this so-called assistance made the most affected segments of the population more dependent and mendicant vis-à-vis government support.

Worse, such assistance translated into the concept of “utang na loob” or debt of gratitude, further deepening the roots of patronage politics. In such a manner, people should realize that the funds the government has

spent and will spend is, public money. This is also one of the main reasons why Duterte's ratings even improved during the third (and fourth) quarter(s).

Given this context, how does one put into perspective the phenomenon of populist leadership, which, after four years, continues to attract positive survey ratings?

Analyzing Populism and Populist Leadership

In understanding populism, the comparative account of Arter (2010) is a good starting point, where he characterized populism as "confrontational, chameleonic, culture-based, and context-dependent."¹

In this context, the strongman and populist leadership of Duterte is indicative—whimsical attacks and threats against media, business, the Church, the opposition, the auditing body of government, and other parts of society that threaten the administration's agenda. This attitude is compounded by the changing narratives or new interpretations professed by the Presidential spokesperson.

At any rate, populism is operationally a political and organizational strategy employed by political parties, civil society organizations (social movements, NGOs and people's organizations, interest and pressure groups), political and thought leaders, and governments. As such, Gidron & Bonikowski (2013) underscored three definitions of populism: as a political ideology that consists of "a set of inter-related ideas about the nature of politics and society;" a political style "making claims about politics" possessing the "characteristics of discourses;" and a political strategy for "mobilization and organization."²

With the foregoing accounts and interpretations, what best suits the general understanding of populism as a contested term is a flexible framework that treats it as a political, economic, and organizational strategy and a tool for political recruitment, socialization, and mobilization.

However, as Acosta (2020)³ appropriately warned about the "ghost of populism," populist policy both at the local and national levels is only good as it gets, and in the process, creates phantoms that haunt the very people it promised to help. According to Acosta, "poor management, high cost of economic recovery and growing inequality, risks in upcoming elections, and the possibility of further borrowing" are the phantoms being confronted by the Latin American experience.⁴

Similarly, the national impact of Philippine social and economic restriction measures demonstrated negative effects as manifested by new record levels of highs and lows in surveys about poverty, hunger, unemployment, and quality of life. On top of these, deepened inequality ballooned foreign debts, misguided reliance on corrosive investments, weakened social protection and health system, exacerbated corruption, polarized society and polity, opaqued foreign policy, the low liquidity of micro, small and medium enterprises, and an unclear path to recovery and growth have been the effects of populist leadership in government.

But things started to improve as the economy gradually opened, and movement restrictions relaxed. In that respect, popular legislation and policies are only desirable to the extent that people are mobilized with the hope of some benefits to come. Second, narratives against power holders, the establishment and government, or a particular sector in society only become worthy of attention if the arrogance and abuse of power are arrested and not translated into accommodating another set of "elites" waiting at the sidelines. Third, the constant reference to the "people" could be a vicious process where, often than not, the people being targeted to be mobilized and empowered end up being marginalized and isolated.

Perception of Ground Realities

Another revealing factor that suggests a disconnect between a positive perception of performance and the actual COVID-19 response measures are the ground realities as perceived by the population that are consequential to the lockdown restrictions and intensified social control.

Social Weather Stations (SWS)

Since the hard implementation of COVID-19 response measures, the face-to-face interviews in the Fourth Quarter 2020 Social Weather Survey conducted from November 21 to 25, 2020, disclosed staggering data on poverty, hunger, quality of life, and holiday season's expectations.

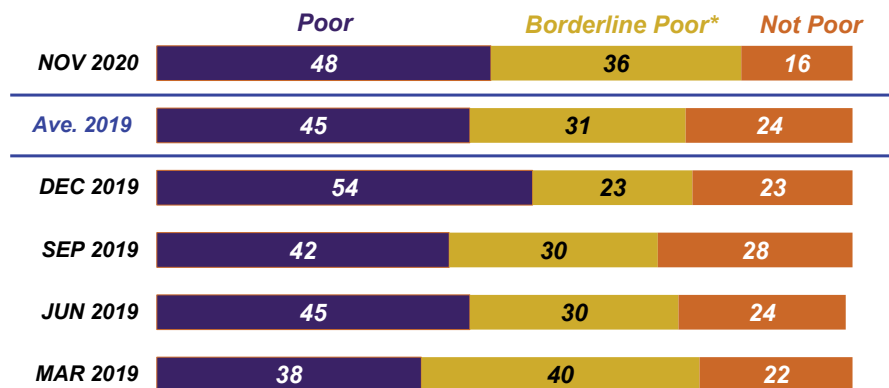
Poverty

The Self-Rated Poverty (SRP) survey found that 48% of families rated themselves as Poor, 36% felt Borderline Poor, and only 16% felt that they are Not Poor. In contrast to the December 2019 survey, the November 2020 data on Poor improved from 54%, while those feeling that they are Borderline Poor increased from 23% and for those feeling Not Poor decreased from 23%. This means that while 6% more felt that they are Poor, 13% more felt they are Borderline poor and 7% more felt that they are already Poor.

Chart 1
Self-Rated Poverty in the Philippines



SELF-RATED POVERTY: FAMILIES WHO ARE “MAHIRAP”, PHILIPPINES, MAR 2019 TO NOV 2020



Fourth Quarter 2020 Social Weather Report
November 21-25, 2020 National Survey

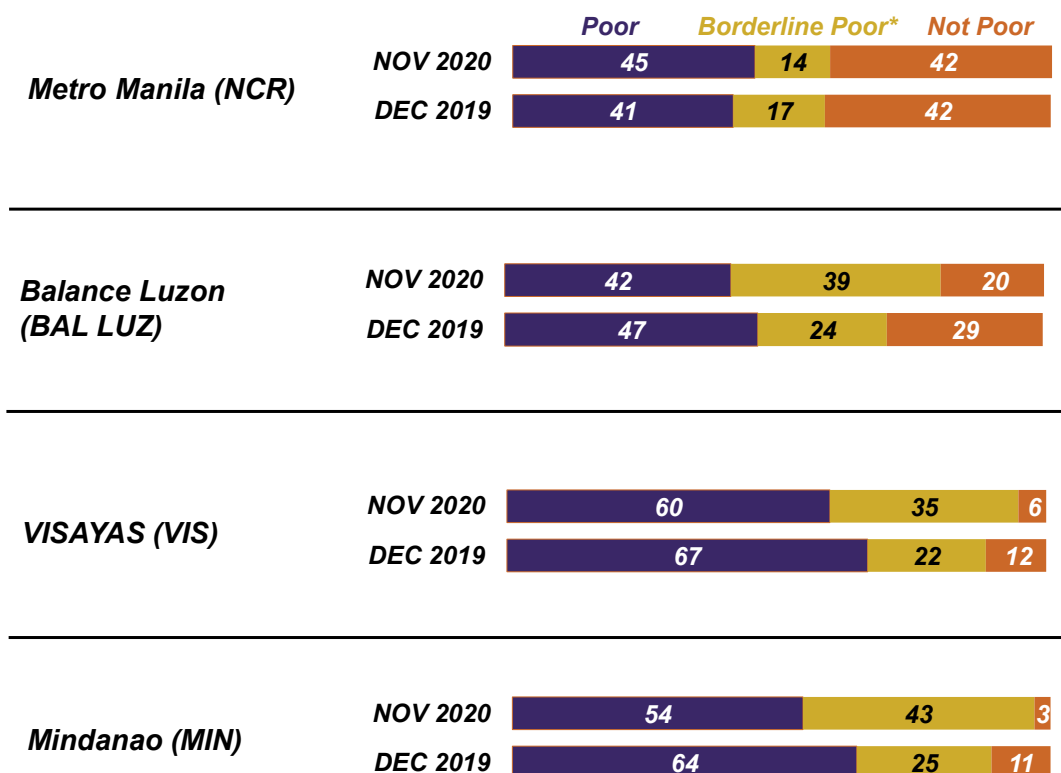
**ONLY 16% OF FILIPINO FAMILIES SAY THEY ARE NOT POOR;
48% FEEL POOR, 36% FEEL BORDERLINE POOR**

Families feeling Not Poor decline in Balance Luzon, the Visayas
and Mindanao, stay steady in Metro Manila

In terms of geographical locations, the number of families feeling Not Poor declined in Balance Luzon, the Visayas, and Mindanao, but stayed steady in Metro Manila.

Chart 2
Self-Rated Poverty by Area

**SELF-RATED POVERTY: FAMILIES WHO ARE “MAHIRAP”,
BY AREA , DEC 2019 & NOV 2020**



Self-Rated Poverty Question: Where would you place your family in this card? (Not poor, On the line, Poor)

*Those who pointed to the horizontal line separating the options MAHIRAP (poor) and HINDI MAHIRAP (not poor) are classified as 'Borderline Poor.'

Hunger

The aforesaid survey also revealed that the hunger rate in November 2020 registered at 16.0% or an estimated 4.0 million families experienced involuntary hunger, easing down by 15 points below the record-high 30.7% (est. 7.6 million families) in September 2020. Significantly down, however, it is still twice the pre-pandemic 8.8% (est. 2.1 million families) of families in December 2019

By geographical location, the hunger rate in Metro Manila registered at 23.3%, 16.0% in Mindanao, 14.4% in Balance Luzon, and 14.3% in the Visayas.

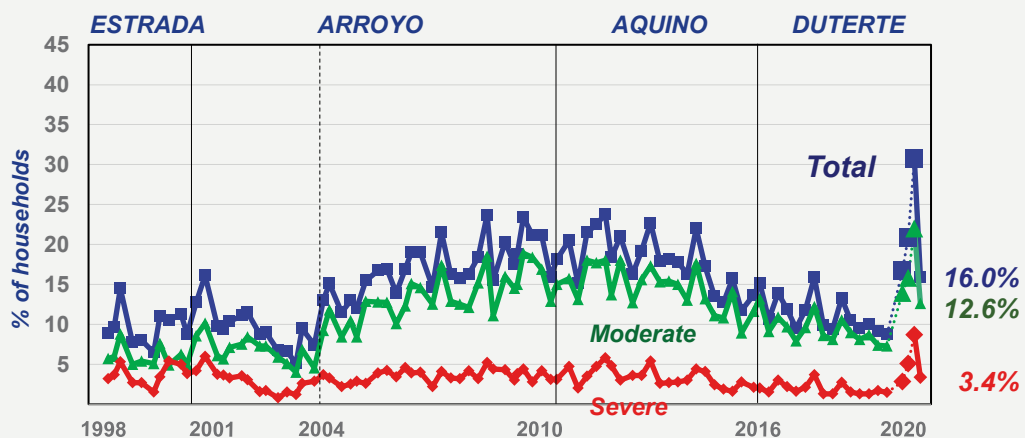
Chart 3
Hunger Rate in the Philippines



Fourth Quarter 2020 Social Weather Report
November 21-25, 2020 National Survey

HUNGER EASES TO 16.0% OF FAMILIES IN NOVEMBER

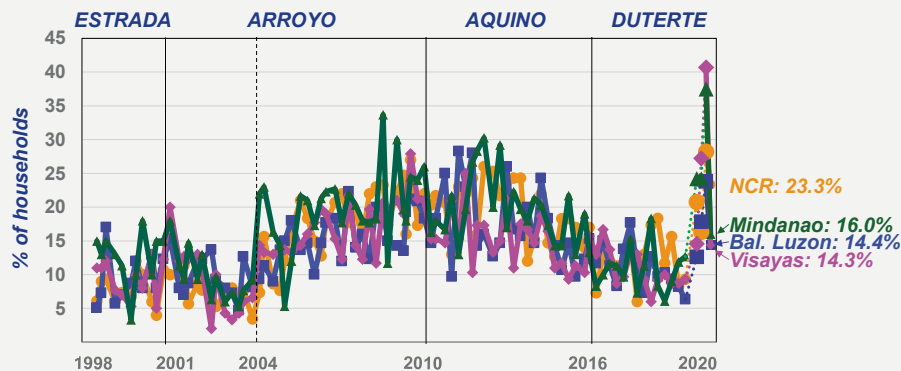
TOTAL, MODERATE, AND SEVERE HUNGER:
PHILIPPINES, JUL 1998 – NOV 2020*



An estimated 4 Million families experienced involuntary hunger-hunger due to lack of food to eat-at least once in the past three months

Chart 4
Hunger Rate by Area

TOTAL HUNGER: BY AREA, JUL 1998 – NOV 2020*



May 2020 – September 2020:
Mobile phone interviews of 15+
year-old (May 2020) and 18+ year-
old (July and September 2020)
respondents. July 1998-
December 2019 and November
2020: Face-to-face interviews
of 18+ year-old respondents.

Q: In the last 3 months, did it
happen even once that your
family experienced hunger and
not have anything to eat?
[Moderate: Only once + A few
times; Severe: Often + Always]

Note: Don't Know and Refused
responses are not shown.

Quality of Life

As to the change in the Quality of Life, 62% of adult Filipinos said it has worsen (termed by SWS as “Losers”), 24% said it was the same (“Unchanged”), and 14% said it improved (“Gainers”), in reference with past year.

As the SWS reported, “the November 2020 Net Gainer score is up by 28 points from the catastrophic -76 in September 2020, softening SWS’s worst survey trend that started during the Covid-19 crisis when Net Gainers fell to catastrophic levels of -78 in May 2020 and -72 in July 2020.”

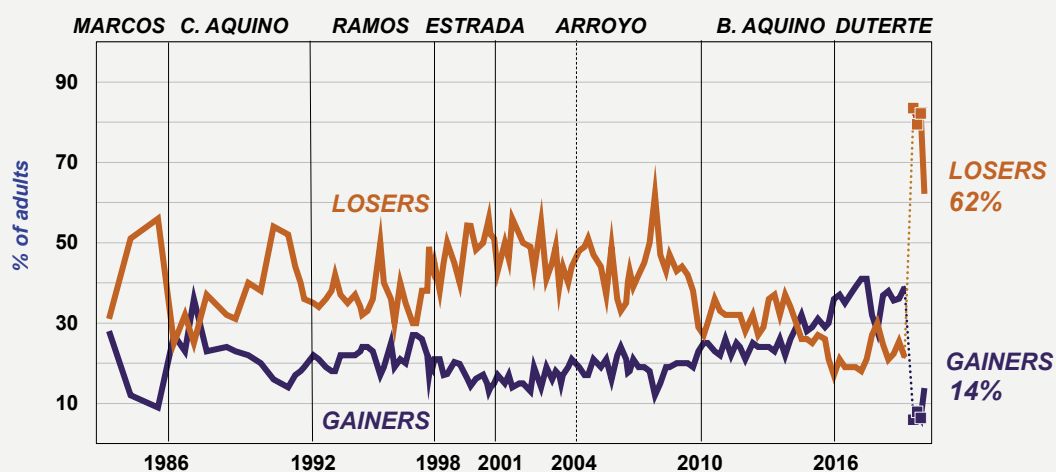
Chart 5
Change in Personal Quality of Life



CHANGE IN PERSONAL QUALITY OF LIFE OVER THE PAST 12 MONTHS: TOTAL PHILIPPINES, APR 1983 TO NOV 2020

Fourth Quarter 2020 Social Weather Report
November 21-25, 2020 National Survey

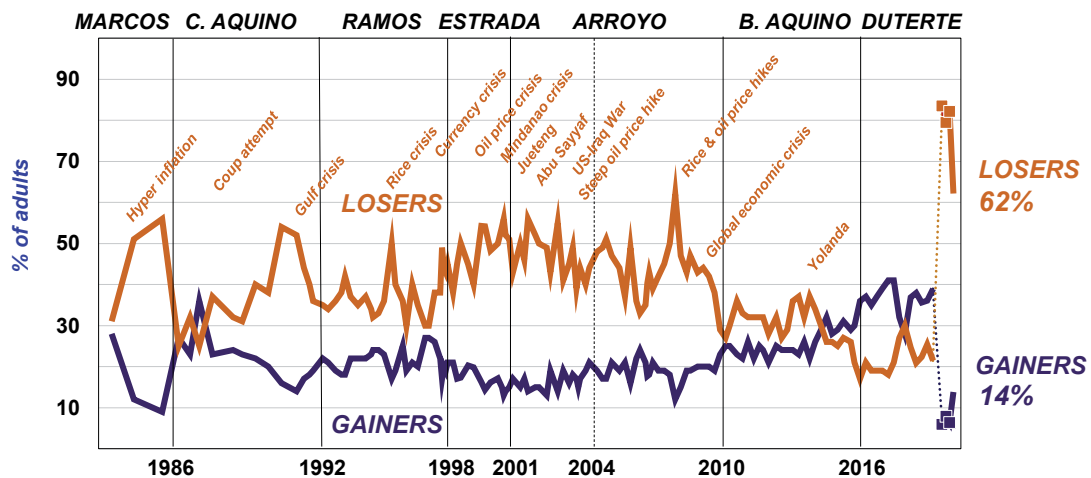
CHANGE IN PERSONAL QUALITY OF LIFE OVER THE **PAST 12 MONTHS**: TOTAL PHILIPPINES, APR 1983 TO NOV 2020



62% OF ADULT FILIPINOS GOT WORSE OFF IN THE PAST 12 MONTHS

Gainers minus Losers eases to “extremely low” -48

Chart 6
Change in the Quality of Life, April 1983 to November 2020



Notes: Don't know and non-responses are not shown. May, July and September 2020 are from mobile phone surveys while the rest are from face-to-face surveys.

Q22. Kung ikukumpara ang uri ng inyong kasalukuyang pamumuhay sa nakaraang 12 buwan, masasabi ba ninyo na ang uri ng inyong pamumuhay ay...MAS MABUTI NGAYON KAYSA NOON ("GAINER"), KAPAREHO NG DATI, O MAS MASAMA NGAYON KAYSA NOON ("LOSER")?

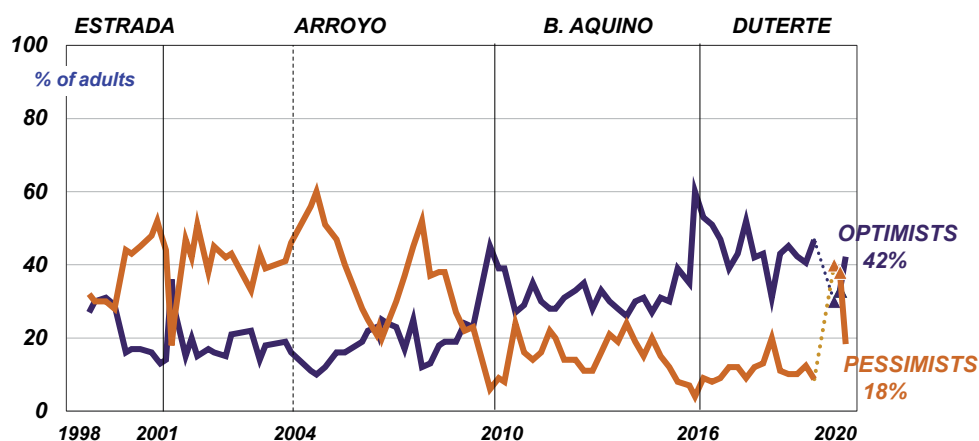
SOCIAL WEATHER STATIONS Founded 1985
Statistics for Advocacy

Fourth Quarter 2020 Social Weather Report
November 21, 2020 National Survey

However, despite the majority perception that their quality of life got worse (62%), the significant increase in gainers was enough to radiate optimism, where the same survey showed "42% of adult Filipinos saying the Philippine Economy will improve (termed by SWS as "Economic Optimists"), 28% saying it will stay the same ("Neutral"), and 18% saying it will worsen ("Economic Pessimists") in the next 12 months."

Chart 7
Economic Optimism

**EXPECTED CHANGE IN THE ECONOMY, PHILIPPINES,
SEP 1998 TO NOV 2020**



Notes: Don't know and non-responses are not shown. All points before the broken lines are from face-to-face surveys while those after are from mobile phone surveys. Face-to-face interviewing resumed in November 2020.

Q. Sa darating na 12 buwan, ano sa palagay ninyo ang mangyayari sa ekonomiya ng Pilipinas? Masasabi ba ninyo na ito ay bubuti (Optimists), kapareho lang, o sasama ("Pessimists")?

SOCIAL WEATHER STATIONS Founded 1985
Statistics for Advocacy

Fourth Quarter 2020 Social Weather Report
November 21-25, 2020 National Survey

Holiday Season's Expectation

With regard to the holiday expectations, 50% of adult Filipinos expected this coming Christmas to be happy (masaya), 15% expected it to be sad (malungkot), and 33% expecting it to be neither happy nor sad. The percentage of “happy” families, which is 50% is 12 points below the previous record-low of 62% in 2013, 2006, and 2005. And compared to the rate of 79% in December 2019, it significantly by 29%.

In the middle, 33% of adults who expected the coming Christmas to be neither happy nor sad was also a new record high, surpassing the previous record of 29% in 2006.

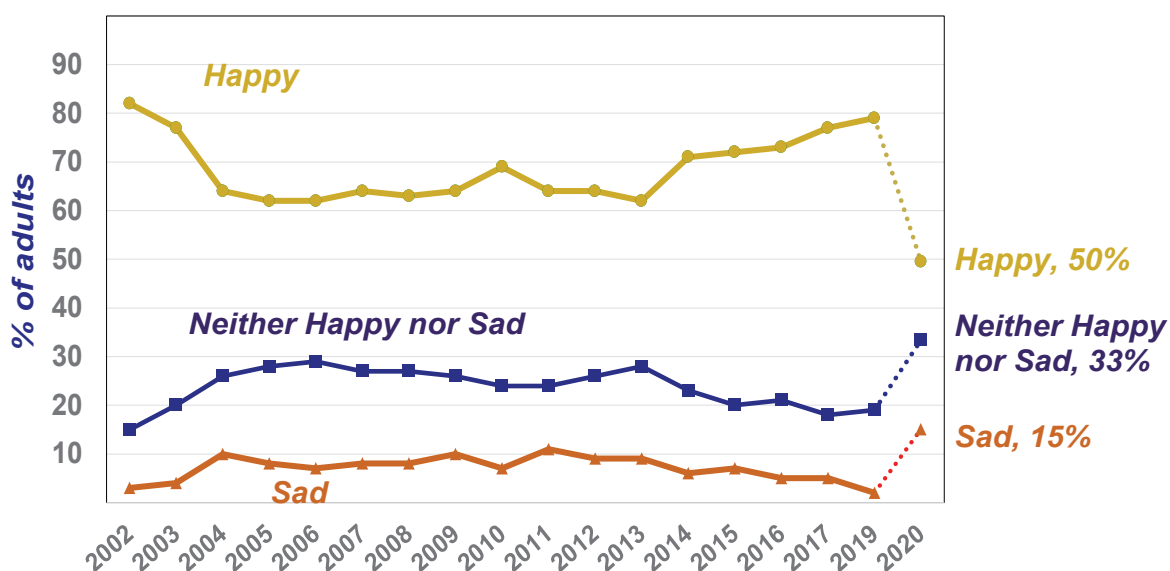
Chart 8
Adult Filipinos Expecting a Happy Christmas



Fourth Quarter 2020 Social Weather Report
November 21-25, 2020 National Survey

RECORD-LOW 50% OF ADULT FILIPINOS EXPECT A HAPPY CHRISTMAS

EXPECTATIONS OF A HAPPY CHRISTMAS: PHILIPPINES, 2002 - 2020



The survey also found that “Preparing Noche Buena with home family only” and “Attending religious services” are the top plans for celebrating the coming Christmas

Pulse Asia Research, Inc. (Pulse)

For Pulse Asia, its latest survey conducted between November 3 to December 2, 2020, revealed interesting data as well. Although there is a general consensus on the negative impact of COVID-19, 66% of the population strongly feel the impact of the deterioration of the national economy on their life.

Table 1
Impact of Deterioration of the National Economy on the Respondent's: Strongly Feel
(November 2011 to November 2020/ Philippines, In Percent)



PulseAsia
RESEARCH INC.

IMPACT OF THE DETERIORATION OF THE NATIONAL ECONOMY ON THE RESPONDENT'S LIFE: STRONGLY FEEL
November 2011 to November 2020/ Philippines

(In Percent)

Domestic variables	Base: Those who said that the national economy has DETERIORATED in the past year																				
	Strongly feel																				Change*
	Nov '11	Mar '12	May '12	Sep '12	Nov '12	Jan '13	Feb '13	Mar '13	Apr '13	Jun '13	Dec '13	Mar '14	Jun '14	Sep '14	Sep '15	Sep '16	Sep '17	Sep '18	Sep '19	PR1&2 Nov '20	Nov20 Minus Sep19
Total Philippines	66	60	54	57	65	60	64	63	56	56	62	57	67	70	56	41	44	81	64	66	+2
NCR	56	61	48	57	57	74	17	67	45	57	51	55	65	49	48	18	37	87	58	70	+12
Balance Luzon	64	41	40	44	65	54	58	56	58	52	58	44	61	71	42	36	18	71	53	50	-3
Visayas	57	74	69	53	61	64	73	65	49	52	79	73	70	79	65	52	83	83	66	86	+20
Mindanao	74	63	62	70	72	59	68	67	61	63	57	59	76	70	65	63	59	92	82	77	-5
Total Urban	64	55	52	69	59	45	51	62	51	58	54	53	69	62	55	45	39	84	74	67	-7
Total Rural	67	64	56	47	69	67	71	64	59	55	69	60	66	76	56	37	49	79	56	65	+9
Class ABC	55	58	37	76	54	77	56	56	42	65	42	20	67	62	37	10	34	58	59	56	-3
Total D	64	56	49	53	67	55	63	58	57	58	62	57	64	69	55	39	40	80	61	65	+4
D1 (owns res'l lot)	68	56	45	48	69	53	64	58	58	58	62	56	63	71	53	43	42	78	56	62	+6
D2 (does not own res'l lot)	56	56	56	64	59	61	56	58	53	60	61	59	67	66	59	35	37	86	73	73	0
E	72	68	72	62	63	66	70	74	58	50	71	67	76	76	62	51	63	92	78	80	+2
Male	66	61	52	59	60	59	66	63	52	55	66	57	71	72	60	39	54	84	69	64	-5
Female	65	59	56	56	69	61	63	64	59	57	58	57	64	69	52	43	36	78	60	68	+8

Note: *Change=Figures of November 2020 minus Figures of September 2019

Relative to the same survey conducted in September 2019, the NCR and the Visayas respectively registered an increase of 12 and 20 percentage points in November 2020, with NCR posting 70% and the Visayas at 86%.

But with respect to the comparative ratings of the national administration on selected national issues, most notable drops in the perception of performance from September to November 2020 were on "Controlling the inflation" (-12), "Increasing the pay of workers" (-8), "Stopping the destruction and abuse of our environment" (-7), "Creating more jobs" (-7) and "Reducing the poverty of many Filipinos" (-7).

Table 2
Comparative Ratings of the National Administration on Selected National Issues
(September and November 2020/ Philippines, In Percent)

PulseAsia
RESEARCH INC.

COMPARATIVE RATINGS OF THE NATIONAL ADMINISTRATION ON SELECTED NATIONAL ISSUES

Selected National Issues	Approval		Change*	Undecided		Change*	Disapproval		Change
	Sep 20 (A)	PR1&2 Nov 20 (B)	Nov 20 Minus Sep 20 (B-A)	Sep 20 (C)	PR1&2 Nov 20 (D)	Nov 20 Minus Sep 20 (D-C)	Sep 20 (E)	PR1&2 Nov 20 (F)	Nov 20 Minus Sep 20 (F-E)
Fighting criminality	88	85	-3	8	11	+3	4	4	0
Providing assistance/ subsidy to those who lost their livelihood and jobs because of the COVID-19 pandemic	84	84	0	9	11	+2	7	4	-3
Responding to the needs of areas affected by calamities	82	82	0	14	13	-1	3	4	+1
Controlling the spread of the novel coronavirus that caused COVID-19	84	81	-3	10	13	+3	6	5	-1
Protecting the welfare of OFWs	79	80	+1	17	16	-1	4	4	0
Increasing peace in the country	81	78	-3	15	17	+2	4	4	0
Fighting graft and corruption in government	77	77	0	14	14	0	9	9	0

Table 2.1
Comparative Ratings of the National Administration on Selected National Issues
(September and November 2020/ Philippines, In Percent)

PulseAsia
RESEARCH INC.

COMPARATIVE RATINGS OF THE NATIONAL ADMINISTRATION ON SELECTED NATIONAL ISSUES

Selected National Issues	Approval		Change*	Undecided		Change*	Disapproval		Change
	Sep 20 (A)	PR1&2 Nov 20 (B)	Nov 20 Minus Sep 20 (B-A)	Sep 20 (C)	PR1&2 Nov 20 (D)	Nov 20 Minus Sep 20 (D-C)	Sep 20 (E)	PR1&2 Nov 20 (F)	Nov 20 Minus Sep 20 (F-E)
Enforcing the law on all, whether influential or ordinary people	76	74	-2	17	20	+3	7	6	-1
Stopping the destruction and abuse of our environment	75	68	-7	16	22	+6	9	10	1
Creating more jobs	72	65	-7	22	25	+3	6	10	+4
Increasing the pay of workers	73	65	-8	18	24	+6	9	11	+2
Defending the integrity of Philippine territory against foreigners	65	65	0	22	23	+1	13	13	0
Reducing the poverty of many Filipinos	65	58	-7	22	26	+4	13	16	+3
Controlling inflation	63	51	-12	21	25	+4	14	24	+7

Table 3
Comparative Performance Ratings of Top National Officials
(June 2019 to November 2020/ Philippines, In Percent)

PulseAsia
RESEARCH INC.

COMPARATIVE PERFORMANCE RATINGS OF TOP NATIONAL OFFICIALS

Top National Officials	Approval					Change*	Undecided					Change*	Disapproval					Change*
	Jun 19	Sep 19	Dec 19	Sep 20	Nov 20	Nov 20 minus Sep 20	Jun 19	Sep 19	Dec 19	Sep 20	Nov 20	Nov 20 minus Sep 20	Jun 19	Sep 19	Dec 19	Sep 20	Nov 20	Nov 20 minus Sep 20
RODRIGO R. DUTERTE (President)	85	78	87	91	91	0	11	14	8	5	6	+1	3	8	5	5	3	-2
MARIA LEONOR G. REOBREDO (Vice-President)	55	59	58	57	53	-4	21	28	21	21	21	0	24	22	20	22	26	+4
VICENTE C. SOTTO III (Senate President)	77	72	84	84	82	-2	16	21	11	10	13	+3	7	7	5	6	5	-1
DIOSDADO M. PERALTA (Supreme Court Chief Justice)	-	-	-	44	44	0	-	-	-	37	47	+10	-	-	-	13	9	-4

As for the chief executive, President Duterte is perceived to doing well in terms of preventing the spread of COVID-19 in the country, where 91% accorded to him a very high approval rating.

Despite the very good ratings garnered by the President, and the national administration in terms “Providing assistance / subsidy to those who lost their livelihood and jobs because of the COVID-19 pandemic,” which is at 84% and “Controlling the spread of the novel coronavirus that causes COVID-19,” which is at 81%, it is indeed surprising that the “level of concern about contracting COVID-19” stood at a very high 94%.

Table 4
Level of Concern About Contracting COVID-19



PulseAsia
RESEARCH INC.

LEVEL OF CONCERN ABOUT CONTRACTING COVID-19

Base: Total Interviews, 100%								
How concerned or not concerned are you that you or any member of your household will contract COVID-19? Are you...?	LOCATION					CLASS		
	RP	NCR	BAL LUZ	VIS	MIN	ABC	D	E
WORRIED	94	95	94	99	92	91	95	94
Very much worried	74	71	71	86	72	73	73	79
Somewhat worried	20	24	23	12	8	5	4	9
CANNOT SAY WHETHER WORRIED OR NOT WORRIED	3	2	2	1	6	5	3	3
NOT WORRIED	3	3	4	1	2	4	2	3
Somewhat not worries	2	3	3	1	1	4	2	2
Not at all worried	0.4	0	1	0	1	0	0	1

What could be another definitive date is that 47% of the population opts not to get vaccinated. Moreover, 84% of those who opt not to get vaccinated expressed that the “primary reason” for not getting vaccinated against COVID 19” is that they “not sure of its safety.”

Table 5
Primary Reason For Not Getting Vaccinated Against COVID-19



PulseAsia
RESEARCH INC.

LEVEL OF CONCERN ABOUT CONTRACTING COVID-19

Base: Those who opt not to get vaccinated, 47%								
What is the primary reason why you are not getting vaccinated?	LOCATION					CLASS		
	RP	NCR	BAL LUZ	VIS	MIN	ABC	D	E
Not sure of its safety	84	89	84	88	79	87	85	79
Might not be free	7	4	10	2	9	2	7	10
A vaccine is not needed to combat COVID-19	5	4	2	6	8	5	4	9
Mighty be costly or expensive	4	3	4	4	3	6	4	2
UNAIDED								
Others	0.3	0	1	0	0	0	0	0
No reason given	0.005	0	0	0	0	0	0	0

For Pulse Asia, its November 23-December 3, 2020 holiday survey revealed that “for a small majority of Filipino adults (55%), there will be no difference in their families’ Christmas celebration now compared to last year; virtually all Filipino adults (91%) will face the new year with hope.” Meanwhile, 36% expected the coming Christmas season to be as prosperous as last year for their families while 18% said otherwise. Also, 38% of Filipino adults opine that this year’s holiday season will be less prosperous for their families while only 8% are looking forward to a more prosperous celebration this year.

Table 6
Holiday Season Expectation



PulseAsia
RESEARCH INC.

HOLIDAY SEASON EXPECTATION

Base: Total Interviews, 100%								
INTRO: Now, let's talk about the coming Christmas and New Year.								
For your family, will the coming Christmas be...[SHOWCARD]?	RP	LOCATION				CLASS		
		BAL				ABC	D	E
More prosperous than last year	8	5	3	15	11	11	7	5
The same as last year	55	60	60	55	41	62	55	48
Same as last year that was prosperous	36	45	35	41	30	45	36	30
Same as last year that was not prosperous	18	15	25	14	11	17	19	18
Poorer than last year	38	35	37	30	48	26	38	47
Will you face the coming year [SHOWCARD]...?								
With hope	91	91	93	92	87	92	92	82
Cannot say if with hope or without hope	8	9	7	6	12	7	7	16
Without hope	1	1	0	2	1	1	1	2

PAG-USAPAN NAMAN PO NATIN ANG DARATING NA PASKO AT BAGONG TAON.

PR1&2 Q76a&66. Sa inyong pamilya, ang darating na pasko ba ay magiging...

PR1&2 Q76b&67. Ang darating bang taon ay inyong haharapin ng ... (SHOWCARD)?

Note: Figures may not add up to 100% due to rounding off or to Don't Know and Refuse responses.

Political Will and Public Interest

While leaders are expected to manifest strong political will, its legitimacy nevertheless emanates from the motive whether it promotes public interest or not. As pointed out by Magno (2020), “the narrative of a strong political will is relevant in the push for strong democratic institutions. This is not equivalent to the will of the leader but rather speaks of the general will of the democratic polity.”⁵

It is on this dimension where the very positive public perception ratings for the populist and strongman politics of Duterte could be examined further: that no matter how strong the political will of a leader is, it should be measured with urgent national concerns of society. In turn, the will and policies of government could be filtered whether such are insulated from parochial and particularistic interests.

Several pronouncements and cases warrant attention—the continuous bloody war on drugs, the vicious intolerance against political opposition and media, the non-renewal of ABS-CBN franchise, the conviction of Ms. Maria Ressa for cyber-libel, preferential treatment to POGOs and select Chinese VIP tourists, the unequal implementation of penalty against lockdown and health protocol violators, procurement irregularities primarily in infrastructure projects and acquisition of health equipment and paraphernalia, PhilHealth scandal, implementation of the Social Amelioration Program, Anti-terror bill, the impassionate threats against big businesses, and verbal assault against Facebook, and etcetera.

A deeper explanation of the disconnect between the perception of performance and populist leadership is spelled through political integrity. Embarking on the issue of public interest, Transparency International (TI) offers a spot-on analysis on the value of political integrity by defining it as the “exercise of political power consistently in the public interest, independent from private interests, and not using power to maintain the office holder’s own wealth and position.”⁶

Such definition reinforces the efforts to explain the rampant misinformation and disinformation that could be clouding political processes and events, the performance of leaders and governments, and public perception. This is where media and other civil society actors could be “tasked to perform the valuable job of ensuring integrity, credibility, and comprehensiveness in providing mechanisms for information and knowledge dissemination” (Magno, 2020).

Further onto the implementation of these reforms, TI also emphasized that “political integrity is only possible when safeguards exist throughout the political process: the process to elect, appoint or select those who hold power is free from the undue influence of vested interests; that all stakeholders have inclusive, open and meaningful opportunities to equally influence decision-making; and political decisions and power-holders are subject to scrutiny by the public and institutional checks and face consequences for using power for private gain.”

Impinging on the domain of linking political integrity and cleaner politics, Kukutschka, Villaders & Vrushni (2020) posit that the most effective way to ensure the consistency of serving the public interest is “to design policy and decision-making processes that are inclusive, transparent and accountable. Anger at the widespread popular perception that certain interest groups have largely captured public policy is mounting, making this a timely issue.”⁷

In this sense, state capture is hence a defining element whether governments are serving the public interest or narrow interests. Populist leadership, by virtue of being divisive or having a polarizing effect on the population, inherently possesses the proclivity of promoting narrow interests.

In this time of pandemic crisis, what could be more telling are the response measures and policies being advanced and institutionalized by the government. According to Mendoza (2020), “these very same policies designed to contain COVID-19, however, could result in a dramatic contraction in the economy.”⁸ The author insinuates the undemocratic nature of COVID-19 responses the Duterte administration is adopting, which heavily emphasizes social control. In effect, he suggests the “need for robust investments” to evolve “stronger inclusiveness of healthcare and social protection systems.”

With the prevailing populist onslaught in Philippine politics, Mendoza & Jaminol (2019) raised a fine point where they provide a political-economy perspective to capture populism in action. While the promises of immediate gains could effectively lure a following or several fanatic supporters, the lack or absence of political, institutional, and economic reforms manifests a more perilous attack on democracy.

Alternatives to Populist Politics

As populist politics may be able to persist beyond political timelines, its deficiency in promoting effective response and recovery measures in the time of pandemic has been demonstrated. Moreover, it cannot stand the test of time and the mobilized “masses” who have been socialized, enchanted, and politicized will still be waiting at the sidelines for the benefits they have been promised. To prevent this history from repeating itself, the following social measures and conditions may serve as effective focal points in dealing with the political and economic dislocations caused by populist leadership and the pandemic.

Across political timelines, different types of leaders come and go. But what makes a political system survive and thrive is the set of institutions that operate within. Threats to a democratic set-up such as corruption, poverty and inequality, illiberal and authoritarian tendencies, and captured policies can be held at bay through institutional reforms. The basis of such reforms is then grounded on, inter alia, the democratic values of transparency, accountability, and the rule of law.

Civil society, on the other side, should work to strengthen the democratic checks and balances and pressure government to uphold basic human rights and good governance. It is also in this spirit where independent thought leaders could leverage democratic platforms to arrest the illiberal tendencies of leaders and policies in government. Together, they can insulate government leadership and policies from vested interests for the benefit of the whole society.

Another instrumental role in the promotion of democracy could be performed by political parties. Based on programmatic platforms, old and new leaders should eschew populist politics to democratize policy and decision-making and promote democratic processes. With sixteen months to go before the 2022 national elections, political parties, civil society, independent thought leaders, and the academe should join hands in pushing for political reforms toward cleaner and freer elections.

In turn, while institutional reforms are on their way alongside the improved and transformative roles of civil society and political parties, academic research and analysis on social issues, political processes and events, and government dealings could provide theoretical and empirical findings to assist policy making, legislation, and programs.

As for economic recovery and growth in the next normal, this feat is achievable only if the government would continue to open its arms in welcoming the crucial participation of the private sector. The advantage of this productive and collaborative partnership is two-fold: while robust investments would only be possible by teaming up with private enterprises, the latter also provides millions of people the jobs and livelihoods to secure a way of life. Unity rather than division and shared prosperity rather than poverty are what we need for the next normal.

In toto, change and transformation during and beyond the pandemic will cascade in a whole-of-society politics through the interactive engagement of institutions, civil society, political parties, the academe, and the private sector. Conversely, populist politics would only result in more fragmentation and polarization.

II. THE EVOLVING LANDSCAPES OF PHILIPPINE NATIONAL SECURITY

The Philippines faces both challenging and opportune times. While the COVID-19 pandemic continues to disrupt the normal scheme of things, it should also be viewed as a creative disruption where states can turn risks into opportunities. However, until such time that a cure is developed, these opportunities can only arise through a collective effort of stakeholders that cuts across sectors and borders.

Opportunities in the Multi-Polar Region

The Indo-Pacific landscape is in a state of flux, as new challenges and opportunities continue to emerge. The traditional notion that China's coercive actions and diplomacy influence this process must be set aside. Instead, China must be understood within the purview of its agenda which is highly dependent on utilizing strategic opportunities presented by the global security and geopolitical architecture. Significant

developments, including the transition towards a Biden's presidency, the shift from the Abe to the Suga administration, the leadership of middle powers such as Australia and India, and the relevance of the Association of Southeast Asia Nations (ASEAN) will set the tone of how the region will continually be shaped.

Given the Indo-Pacific's current political-security landscape, the Philippines is in a strategic position to harness various opportunities to establish a more proactive approach in its foreign policy and realign the direction of its defense posture.

In the broader regional context, the Philippines finds itself in a vantage point relative to the US, China, and other middle powers due to its non-threatening posture and its capacity to navigate through the "hierarchical" nature of global affairs. With this, the Philippines possesses the opportunity to play a key role in creating an environment for economic development and people-centered prosperity without undermining the participation of other states.

Beyond the maneuverings and foreign policy dynamics of great power and the COVID-19 pandemic, the Philippines can also maximize the well-established network of like-minded states in the region to explore new areas for cooperation to sustain and elevate existing rules-based international and regional platforms.

A Spillover of Evolving Security Threats

In the complex 21st century's security environment, there is a need to redefine the traditional understanding of security for policies to be suitable and politically acceptable. The traditional and narrow notion of national security based on military and strategic terms is now considered insufficient. The 21st century concept of security must take into account that the threats, risks, and challenges that states face have become more complex and diverse. Traditional security threats emanating from state actors--the use of the military capability and other instruments of statecraft such as economic sanctions, political warfare, and gray zone operations--are now complemented by general trends and developments that have adverse implications for a country's security. These trends include rapid globalization, climate change, natural disasters, immigration, terrorism and criminal organizations, and more recently, pandemics.

According to the Duterte administration, the top security challenges that directly impact upon the safety and the welfare of the Filipino people are terrorism, internal armed conflicts, illegal drugs, transnational crimes, and corruption. In the last few months, however, none of these threats have disrupted the political and economic structures of the country. It was not the casualties of a terrorist attack that forced the government to impose lockdowns and travel restrictions. It was also not a military invasion that pushed the country's healthcare system to the verge of collapse. It was a virus, a contextual non-traditional security threat.

COVID-19: A Hard lesson on Human Security

The COVID-19 pandemic has demonstrated how human security issues go beyond the traditional norms of national sovereignty. Aside from its political and economic implications, it also attacks societies at their core, endangering all segments of the population. If not properly addressed, non-traditional security threats could also trigger complex problems such as social inequality, unemployment, and discrimination. In light of this, security and health experts around the world have argued for a greater emphasis on human security in the discourse of national security. From this perspective, the Philippines must broaden its definition of human security to establish the proper response to threats like climate change and infectious diseases.

In May 2018, President Rodrigo Roa Duterte signed the very first National Security Strategy of the country, providing an overarching plan to address the country's security in the form of guidelines for implementing the National Security Policy (NSP). However, it overlooked certain security challenges, namely Emerging

Infectious Diseases (EIDs). The COVID-19 pandemic is the first major and unexpected biological upheaval that has rocked the 21st century global society.

Since the end of the Cold War, human security became an overarching contextual framework in several countries' political health and foreign policy documents. This led to the securitization of pandemics as a key feature of the global public health system. The global public health system's goal in the late 20th and early 21st century is geared toward pandemic preparedness through health surveillance, along with emergence intervention to control epidemic outbreaks.

The World Health Organization (WHO) lies at the heart of the global system for preparedness, as a security paradigm, in securing the global community against potentially catastrophic pandemics. The WHO has been particularly influential in setting priorities for countries and regions oriented toward preparedness. Preparedness emphasizes institutional readiness and emergency management, treating a variety of potentially catastrophic threats—terrorist attacks, hurricanes, and pandemics—under the same category and rubric.

China, however, prevented the WHO from performing its role in managing the global spread of COVID-19. The Chinese government ordered a media blackout of the coronavirus outbreak in Wuhan City as it gave false information to the WHO about the nature of the COVID-19. It also falsely claimed that there was no clear evidence of human-to-human transmission. Beijing's denial about the outbreak of the epidemic in Wuhan City, and the WHO's failure to investigate the nature of the infection led to decisions that allowed hundreds of thousands of Chinese to travel abroad during the Lunar New Year. This prevented any meaningful measures to contain the virus inside China and allowed COVID-19 to ravage the global society.

Traditional Versus Non-Traditional Security Challenges

The Philippines is geographically close to a country that has been the source of two 21st century EIDs—China. This is further complicated by the fact that the Philippines possesses one of the most fragile public health care systems in East Asia. The current pandemic is a wake-up call for the Filipinos to prepare themselves against future EIDs that will hit and ravage the nation in the 21st century.

In the Pilipinas Conference 2020, the Albert Del Rosario Institute for International and Strategic Studies' (ADRI) together with Bower Group Asia featured a panel on "The Emerging Security Challenges in the Indo-Pacific," which tackled the various and complex security challenges facing the Philippines.

Professor Mely Caballero-Anthony of the Rajaratnam School of International Studies (RSIS) of Nanyang University in Singapore discussed non-traditional security threats (NTS). According to her, NTS has the following characteristics: impacts both states and peoples; transnational in nature; drivers of insecurity with the rapid change in technology and climate change; and growing salience vis-à-vis the traditional security challenges. Professor Renato Cruz De Castro of De La Salle University examined the role of the Chinese government in the cover-up of the Covid-19 outbreak in Wuhan City and its disinformation campaign on the nature of the infection that led to the global spread of the pandemic.

Mr. Bart Hogveen of the Australian Strategic Policy Institute (ASPI) discussed the nature of cybersecurity. According to him, like any other form of NTS, security in the cyberworld cannot be controlled by the states and can only be managed through multilateral efforts. He observed that the cyberworld is now an arena for the strategic competition between the U.S. and China.

Other members of the panel emphasized the continuing relevance of traditional security challenges. Dr. Jay Batongbacal of the University of the Philippines Institute of Maritime Affairs and Law of the Sea argued that China's off-shore strategic defense and gray zone operations in the South China Sea are preventing the Philippines from having access to the natural resources in its exclusive economic zone (EEZ), in the West Philippine Sea. Unfortunately, the Covid-19 pandemic and the series of natural disasters that hit the country

have stretched the Armed Forces of the Philippines' (AFP's) capabilities for territorial defense. Faced with limited resources, the Philippines' only viable option is to strengthen its Maritime Domain Awareness (MDA) capabilities and to leverage its diplomacy with its ally and security partners.

Former AFP Chief-of-Staff Emanuel Bautista examined the impact of the U.S.-China geopolitical rivalry on Philippine national security. He noted that the Philippines is a target of China's gray zone operation because the country is a "key terrain" in Southeast Asia and an ally of the United States. He recommended the following measures: a) the Philippines should develop its overall national capabilities; b) it should also employ a whole nation approach; c) complement the national capabilities with its alliance and security partnership, and; d) engaged China in a comprehensive dialogue.

Retired Philippine Navy (PN) Rear Admiral Rommel Ong disclosed that China is threatening Philippine national security by a) effecting sea control over the South China Sea; b) exerting efforts to threaten vital sea-lines of communication in Southeast Asia, and; c) conducting gray zone operations against the country. He offered a grand strategy of "Notional Defense Posture" for the Philippines, which includes measures to address China's united front work; strengthen the Philippines' sea control, island defense, sea-denial, and maritime capabilities; and foster strategic deterrence through alliance building and security partnership.

The panel on Emerging Security Challenges in the Indo-Pacific has added new and fresh inputs to the current discourse on the type of security challenges the Philippines is facing in the 21st century. This discourse will influence the new administration after the 2022 presidential election in formulating its security policy and publishing the Philippines' NSP and NSS in the third decade of the 21st century.

Hence, the next administration must be able to incorporate public health security in the NSP, NSS, the National Defense and Military Strategies, and in the National Economic Development and Authority's (NEDA) Five-Year Development Plan. Public health security focuses on taking preventive measures to protect the nation from current and more importantly future infectious disease, insufficient health care, and inadequate public health infrastructure. Operationalization of public health security in terms of the policy will require the securitization of EIDS, and examining how the management of infectious diseases could converge with the broader configuration of national security and economic development.

III. LEGISLATIVE UPDATES AND ACHIEVEMENTS

General Appropriations Act (GAA) for Fiscal Year 2021

A central theme of government legislative action during 2020 was to immediately respond to the economic and public health threats brought to the fore by the COVID-19 pandemic crisis. With the new year and a new legislative session rolling in, the importance of the COVID-19 pandemic has not diminished, but instead, evolved. Given this, a central theme in the budget is to be able to create the mechanisms for economic and public health recovery as the once-called "new normal" becomes the accepted norm.

On the 28th of December 2020, the President has signed into law the General Appropriations Act for the fiscal year 2021. Having done this, the President has prevented a re-enacted budget to take into effect.

Summary

In its entirety, the General Appropriations Act amounted to Php 4.506 trillion and is approximately 21.8% of Gross Domestic Product, up by 9.9% from the 2020 budget. General spending priorities can be broken into three parts: RESET, REBOUND, and RECOVER. Reset refers to responding to the pandemic and allocates Php

221.1B for Universal Health Care. Rebound is focused on reviving infrastructure development. The expenses under this theme have allocated a large sum into the Build, Build, Build (BBB) program with Php 1,323.1 B. Lastly, Recover focuses on post-pandemic living for the social service sector with Php 1,668.0 B. Funds here are broadly allocated to address food security, livelihood, social protection, education, and governance.

Based on the published report of the Department of Budget and Management, the top ten agencies and sectors with the highest appropriations are as follows:

1. Education sector (Department of Education, state universities and colleges, Commission on Higher Education and Technical Education and Skills Development Authority) with Php 751.7billion;
2. Department of Public Works and Highways (DPWH), Php 695.7 billion;
3. Department of the Interior and Local Government (DILG), Php 249.3 billion;
4. Department of Health (including PhilHealth), Php 210.2 billion;
5. Department of National Defense (DND), Php 205.8 billion;
6. Department of Social Welfare and Development (DSWD), Php 176.9 billion;
7. Department of Transportation (DOTr), Php 87.9 billion;
8. Department of Agriculture (DA), Php 71.0 billion;
9. The Judiciary, Php 45.3 billion; and
10. Department of Labor and Employment (DOLE), Php 37.1 billion.

The biggest amount went to social services, which took up 37.0% of the budget. This was closely followed by economic services, taking 29.4 % of the budget. A distant third was allocations for general public services, which took up 16.6% of the proposed amount. The remaining amount is allocated for debt servicing and defense. It is to be noted that a considerable Php560.2B in total is allocated for debt servicing versus the Php 461B in the 2020 GAA.

Upon examination, the budget is focused on containing the spread of the virus, mitigating the collateral effects of the COVID-19 pandemic, and funding a vaccine. Line items in the General Appropriations Act have also allocated funds to restart the national economy, create jobs, and attract investment as the country works towards recovery to the post-crisis economic environment.

Extension of GAA of 2020 and Bayanihan 2

In an unexpected development, sometime in mid-December, the President certified bills that extend the validity of the General Appropriations Act of 2020 and the Bayanihan to Recover as One (Bayanihan 2). The House of Representatives and the Senate have swiftly approved these bills on Third Reading.

On 29th of December, the President has signed into law the bills that allow unspent funds under the 2020 national budget and the Bayanihan 2 laws to remain available until December 31, 2021 and June 30, 2021 respectively. The funds allocated will not be reverted to the National Treasury after its original deadline of December 19, 2020 for Bayanihan 2 and December 31, 2020 for GAA 2020.

To put this in perspective, there is about Php 38 million remaining balance for Bayanihan 2, while Php 110 billion under the 2020 GAA, a total of Php 148 billion funds still unused.

Specifically, the proposed bills will extend available funding for the following purposes:

1. Php 100 million for salaries, hazardous pay, and special allowances for frontliners;
2. Php 1.92 billion for financial assistance to MSMEs through the Department of Trade and Industry COVID-19 Restart Enterprises Program; and
3. Php 60.7 billion budget allocated for the Department of Education.

It is worth noting that while these bills pushed the validity of the funds forward, the bills did not extend the emergency powers granted to the President to reallocate or repurpose unused funds. The extent of the proposed legislation was to extend the funds' availability.

Alongside these notes, it must be emphasized that there was no shortage of controversy in the fiscal response programs enacted by the administration in 2020. Bayanihan I and II as well as the Social Amelioration Programs and other special programs were criticized for inefficient disbursement, vulnerability to corruption, weakened accountability mechanisms, and excessive discretion.

Change in House Speakership

At the onset of the 18th Congress, there was an agreed term sharing arrangement between former Speaker Alan Peter Cayetano and present House Speaker Lord Alan Velasco--a deal brokered by President Duterte. There were weeks of uncertainty in early October, following some resistance from the former Speaker and the separate meetings with the camps of Cayetano and Velasco with the President and other allies in Malacañang.

However, this was resolved when the House members elected Speaker Velasco in a session held in Quezon City Sports Club. It was then ratified during a plenary session held on the 13th of October.

With the newly installed leadership, the lower house has continued to forward the priorities focusing on economic relief – CREATE, FIST, and GUIDE, among other measures. These bills were identified by the administration's economic managers as crucial legislation to push economic recovery.

Economic Relief Bills

Comprehensive Recovery and Tax Incentives for Enterprises (CREATE)

The core provision of the CREATE bill is to reduce overall corporate income tax from 30% to 25%. If passed, it will strengthen the private sector which has, all throughout the pandemic crisis, spearheaded both social relief and economic rebuilding. Such tax cuts may also prove to increase the viability of the Philippines as an investment destination, thus generating jobs and overall economic activity in a time of general stagnation and recession.

Based on the most recent reports, CREATE has been approved on Third Reading in both chambers of Congress. However, Congress was unable to convene a bicameral conference to iron out differences prior to the adjournment of Congress in December 2020. According to Senator Pia Cayetano who is the principal author of CREATE in the Senate, this is due to a delay in identifying the legislators that will comprise the representatives from the House committee. Present timelines set the bicameral conference to meet sometime in January of 2021.

Financial Institutions Strategic Transfer (FIST)

The FIST Act is seen to help cushion the adverse impact of the pandemic on our financial sector. If passed into law, financial institutions will be able to offload non-performing assets. Presumably, such efforts will increase investor and depositor confidence, mitigating the economic after-effects of the COVID-19 crisis. Furthermore, if Philippine financial institutions are in good shape, they can assist the private sector and subsequently preserve jobs and income stability.

Both chambers of Congress have ratified the bicameral conference report of FIST in December.

Among the core features of the proposed law are as follows. First, only the private sector shall be allowed to form FIST corporations (FISTCs). The reasoning behind this is that it would be financially risky for the government to be involved in acquiring non-performing assets given that government revenue is down due to the pandemic. Second, foreign FISTCs shall not be allowed to take part in the bidding and foreclosure of real property. Third, specific periods were lowered to prevent delay in offloading of assets as both panels agreed to lower the period of considering loans and other financial assets as non-performing loans to 90 days. Fourth, the borrower's right to renegotiate loans is retained, but the bill lowers the period of restructuring from 90 days to 30 days. This gives the borrower at least 120 days to pay off or renegotiate a loan and prevent the transfer of the asset to a FISTC. Lastly, the bill likewise extended the applicability period to assets that have become non-performing from Dec. 31, 2020, to Dec. 31, 2022.

Government Financial Institutions Unified Initiatives to Distressed Enterprises for Economic Recovery (GUIDE)

GUIDE aims to enable government financial institutions to form special holding companies that will infuse equity to companies facing bankruptcy. Although this was not explicitly mentioned in the President's SONA, the Department of Finance and the National Economic and Development Authority have urged Congress to prioritize this measure along with CREATE and FIST.

GUIDE is still pending in the House of Representatives plenary under the Period of Interpellations, while pending at the Committee level in the Senate.

SONA 2020 Priority Bills

The President held the State of the Nation Address (SONA) in the third quarter of 2020, where he identified priority bills which Stratbase has since been monitoring. The following tables (Figure 22 and 23) for the priority bills based on the 2020 SONA and their subsequent statuses in the upper and lower chambers.

Figure 1
SONA 2020 Priority Bills

BILL/ TOPIC	STATUS
Bayanihan to Recover as One (Bayanihan II)	Signed into law on September 11, 2020
Comprehensive Recovery and Tax Incentives for Enterprises (CREATE)	Approved on Third Reading in HOR and Senate
Financial Institutions Strategic Transfer (FIST)	Approved on Third Reading in HOR and Senate
Department of Overseas Filipinos	Approved on Third Reading in HOR; Period of Interpellations in the Senate
Death Penalty	Pending in Committee level for HOR and Senate
National Housing Development	Pending in Committee level for HOR and Senate

Figure 2
SONA 2020 Priority Bills

BILL/ TOPIC	STATUS
Rental Housing Subsidy	Pending in Committee level for HOR and Senate
Amendments to the Continuing Professional Development Act of 2016 (RA 10912)	Pending in Committee level for HOR and Senate
Advanced Nursing Education	Pending in Committee level for HOR and Senate
Creating a Medical Reserve Corps	Pending in Committee level for HOR and Senate
National Disease Prevention and Management Authority	Pending in Committee level for HOR and Senate
Unified System of Separation, Retirement, and Pension of the Military and Uniformed Personnel	Pending in Committee level for HOR and Senate
Modernization of the Bureau of Fire Protection	Approved on Third Reading in HOR; Period of Interpellations in the Senate
Modernization of the Bureau of Immigration	Pending in Committee level for HOR and Senate
Department of Disaster Resilience	Approved on Third Reading in HOR; Pending in Committee level for Senate
Evacuation Centers in every province, city and municipality	Pending in Committee level for HOR and Senate
National Land Use Act	Pending in the Committee for HOR and the Senate
Boracay Island Development Authority	Pending in Committee level for HOR and Senate
Coco Levy Trust Fund	Approved on Third Reading in HOR and Senate
Internet Transactions Act	Approved on Third Reading in HOR; Pending in Committee level in Senate

During the SONA, the President identified a number of priority measures and directives. Of the aforementioned legislative measures, the following bills have gained traction: CREATE, FIST, the Coco Levy Trust Fund, and the Internet Transactions Act.

The provisions of the Coco Levy Trust Fund consolidate all assets and benefits emanating from the coconut levy and create a Trust Fund to be used to rehabilitate and modernize the coconut industry.

Meanwhile, the Internet Transactions Act creates an E-commerce Bureau under the Department of Trade and Industry. This effectively centralizes all consumer-related cases and concerns directly related to e-commerce.

Other Significant Legislative Developments

Anti-Money Laundering Act Amendments

The House of Representatives has approved several amendments to the Anti-Money Laundering Act (AMLA) on Third Reading. Meanwhile, the Senate has approved their version on Second Reading.

Primarily, the amendments seek to do the following:

- a. Include Real Estate Developers and Brokers under ‘covered transactions’ (HOR version includes this, Senate did not);
- b. Include Offshore Gaming Operators and Service providers under ‘covered transactions’;
- c. Increase threshold of single cash casino transactions to 5 million pesos;
- d. Include violations against tax crimes and the Strategic Trade Management Act, in relation to the proliferation of weapons of mass destruction as unlawful activities under AMLA; and
- e. Expand the powers of the Anti-Money Laundering Council.

Upon the approval of the Senate of its version, the two chambers will meet in a bicameral conference session to finalize the amendments.

Priority Measures of the House Leadership

The House has included 12 economic measures in the list of bills prioritized for floor and committee deliberations to help the Philippine government jumpstart the economy and mitigate the impact of the COVID-19 pandemic on the livelihood of the Filipino people.

The five measures that are still under plenary deliberation are House Bill (HB) 7749 or the Government Financial Institutions Unified Initiatives to Distressed Enterprises for Economic Recovery (GUIDE); HB 7425 or Value-Added Tax on Digital Transactions; HB 7406 or Bureau of Fire Protection (BFP) Modernization Program; HB 6135 or Fiscal Mining Regime; and HB 7425 or Internet Transactions Act.

Pending under committee deliberations are the Military and Uniformed Personnel (MUP) Services Separation, Retirement, and Pension Bill; Armed Forces of the Philippines (AFP) Modernization Bill; Coconut Farmers Trust Fund Bill; Department of Water Resources and Water Regulatory Commission Bill; Warehouse Receipts Bill; National Disease Prevention and Management Authority Bill; and the National Land Use Bill.

The 10 economic measures that have already passed the House were HB 4157 or Corporate Recovery and Tax Incentives for Enterprises (CREATE) Bill; HB 6816 or Financial Institutions Strategic Transfer (FIST) Bill; HB 6654 Converting the Insurance Commission into a Collegial Body; HB 6768 or Financial Consumer Protection Bill; HB 6136 or Motor Vehicles User Tax; HB 6134 or Rural Agricultural and Fisheries Development Financing Systems Act; HB 300 or Foreign Investment Act Amendments; HB 78 or Public Service Act Amendments; HB 59 or Retail Trade Liberalization; and HB 6927 or E-Government Act.

Counterpart measures of the mentioned House bills are all pending at the Committee level in the Senate, except for the Value-Added Tax on Digital Transactions because legislative rules mandate that tax measures must be first approved in the lower chamber before a bill may be filed in the Senate.

Priority Measures of the Senate Leadership

Priority measures under the Senate leadership consist of Amendments to Retail Liberalization Act, Amendments to Foreign Investment Act, Amendments to Public Service Act, and Amendments to the Government Procurement Reform Act.

The first two bills are approved on Third Reading in the House of Representatives but are in the Period of Interpellations in the Senate, while Amendments to Public Service Act is pending at the Committee level in the Senate.

The House of Representatives has previously approved on Third Reading the following measures, all of which have counterparts pending in respective Committee levels in the Senate:

1. Warehouse Receipts;
2. National Disease Prevention and Management Authority;
3. National Land Use;
4. Converting the Insurance Commission into a Collegial Body;
5. Financial Consumer Protection;
6. Motor Vehicles User Tax;
7. Rural Agricultural and Fisheries Development Financing Systems; and
8. E-Government Act.

Schedule of 18th Congress

Congress adjournment is from December 19, 2020, to January 17, 2021, but Committee hearings will be allowed to be conducted during the break.

¹ Arter, David. 2010. 'The Breakthrough of Another West European Populist Radical Right Party? The Case of the True Finns'. *Government and Opposition*, Vol. 45(4), pp. 484–504.

² Gidron N, Bonikowski B. 2013. Varieties of Populism. Literature Review and Research Agenda, in Weatherhead Working Paper Series, No. 13-0004.

³ Dr. Andrés Mejía Acosta is a Senior Lecturer in Political Economy of Emerging Markets in King's College London and his Research subject areas are Policy and International Development.

⁴ Acosta, A. "Latin American Leadership and COVID-19: What Went Wrong?" Webinar Presentation, The Limits of Populism During COVID-19 hosted by Konrad Adenauer Stiftung, 07 November 2020.

⁵ Magno, F. 2020. "Reviving democratic institutions: Strengthening the fight against corruption." SPARK (the key link between IDEAS and ACTION, Quarterly Publication of the STRATBASE ADR Institute for Strategic and International Studies.

⁶ Transparency International. 2020. Political Integrity: Holding the powerful to account for the Common Good, <https://www.transparency.org/en/our-priorities/political-integrity>

⁷ Roberto Kukutschka, Jorge Villadares and Jon Vrush. 2020. "BUILDING POLITICAL INTEGRITY TO STAMP OUT CORRUPTION: THREE STEPS TO CLEANER POLITICS," Transparency International. Refer to <https://www.transparency.org/en/news/building-political-integrity-to-stamp-out-corruption-three-steps-to-cleaner-politics>

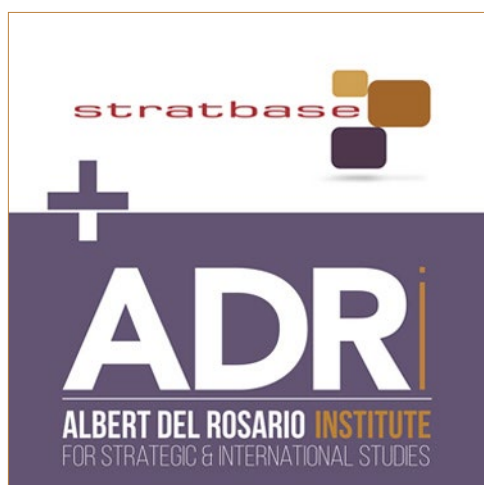
⁸ Mendoza, R.U. 2020. "COVID-19: Navigating Inclusive Recovery towards the New Normal," Special Study, A Monthly Publication of the STRATBASE





POLÍTICA

CRITICAL ISSUES OF PHILIPPINE POLITY



STRATBASE ADR INSTITUTE

is an independent international and strategic research organization with the principal goal of addressing the issues affecting the Philippines and East Asia

9F 6780 Ayala Avenue, Makati City
Philippines 1200

V 8921751
F 8921754

www.stratbase.com.ph

Copyright © 2020 Stratbase ADR Institute
All rights reserved.