

POLÍTIKA

CRITICAL ISSUES OF PHILIPPINE POLITY

4TH QUARTER



The Multidimensionality of Issues and Challenges

COVID-19 infections have significantly dwindled and the economy is indeed re-opening up, but the renewed rise of infections in the different parts of the country due to the reopening and holiday season has posed an immediate threat

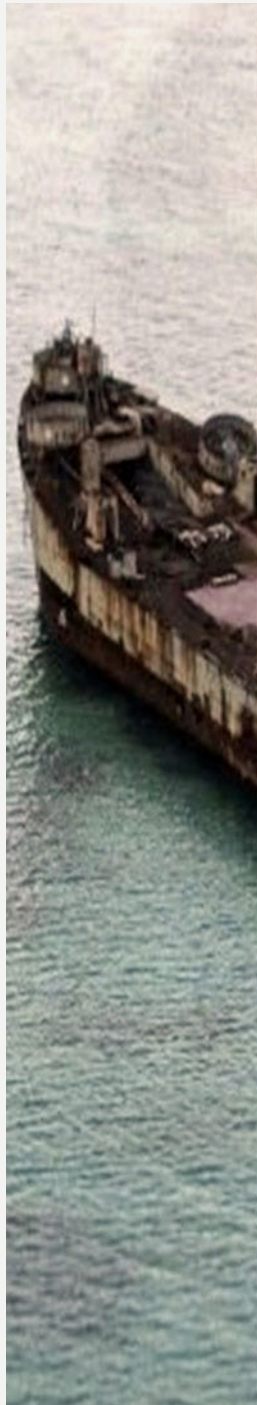
The Imperative for a Philippine National Security Strategy

The Ayungin Shoal incident and the the Summit for Democracy are instructive of the need for a comprehensive reevaluation of Philippine foreign and security policy

Legislative Accomplishments and Updates

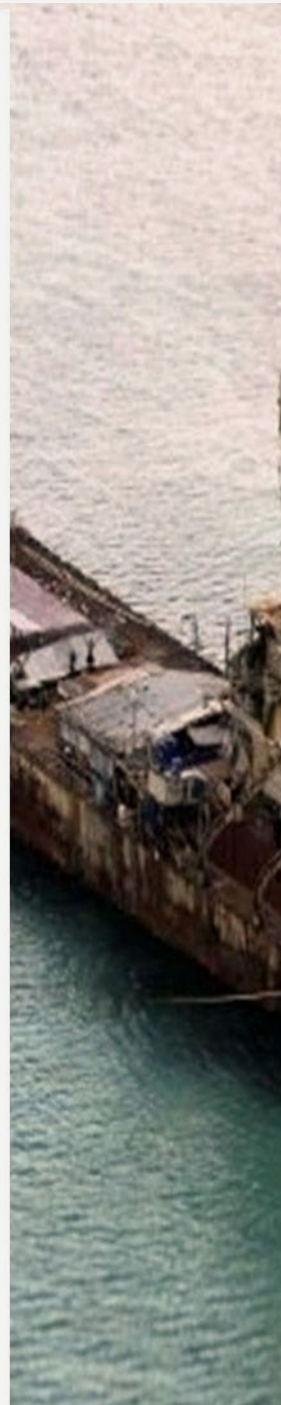
The last quarter of 2021 saw some legislative measures move as President Duterte counts his last few months in office

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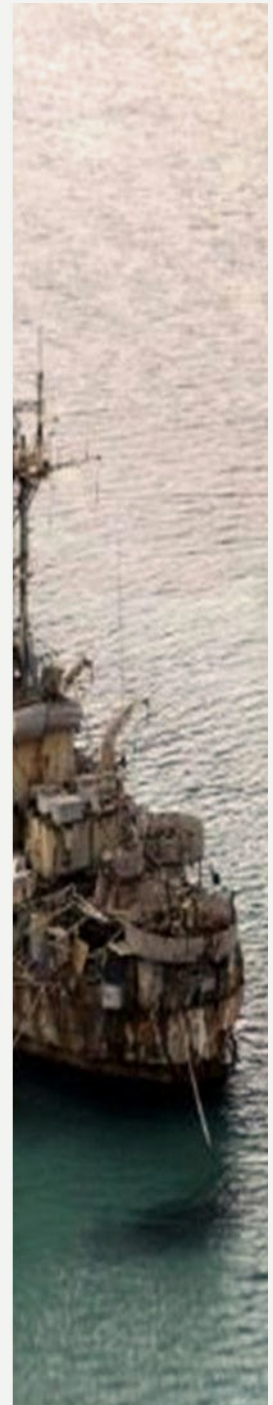
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OVERVIEW

The year 2021 witnessed the persistence and emergence of multi-dimensional issues and challenges that impinge upon good governance in the social, political, and economic realms. After almost two years since the pandemic outbreak, the wide range of the said societal problems has been primarily caused by COVID-19 and its emerging variants, the frailty of Philippine health care and social protection systems, the less-than-desirable pandemic management, and democratic backsliding amid the crisis. However, political opportunities equally abound in the upcoming 2022 elections. This is the environment that makes our POLITIKA for the Fourth Quarter of 2021 significant and interesting.

Against such backdrop, the first section provides a year-end update of the continuing social uncertainties and hardships, corruption of governance, economy, and information, the West Philippine Sea dispute, the role of the private sector, and the political opportunities being offered by the 2022 elections in terms of the political party system, participation, platforms of presidential aspirants, and the public perception on national politics. Data from the PULSE Asia and Social Weather Stations (SWS) surveys in the last quarter of 2021 are presented so as to provide evidence.

In the second section, the imperative for a Philippine National Security Strategy is discussed by highlighting the ineffectiveness of President Duterte's pre-conceived but vacillating foreign policy vis-à-vis the U.S. and China. A comprehensive reevaluation of Philippine foreign and security policy and the crafting of a grand strategy for national security and development is hence forwarded.

In the third and last section, the legislative accomplishments of the 18th Congress and updates on legislative priorities under the Third Regular Session from November 8 to December 17, 2021 are presented, after which the Congressional Sessions are scheduled for a break and convenes again on January 17, 2022.

I. THE MULTIDIMENSIONALITY OF ISSUES AND CHALLENGES

As more and more Filipinos get vaccinated, COVID-19 infections have significantly dwindled and the economy is indeed re-opening up. Business establishments have once again sprung up, particularly micro, small and medium enterprises. Jeepney and tricycle drivers are again plying their usual routes as the transportation sector is now almost fully operational, while motorcycle and bicycle deliveries actively partake in the online selling and consumption of existential necessities.

However, the renewed rise of infections in the different parts of the country due to the reopening and holiday season has posed an immediate threat to the looming recovery as the government continues to contemplate recalibrating its pandemic management, probably raising the level to Alert 3.

The multi-dimensionality of issues and challenges being confronted by Philippine society is borne by the COVID-19 pandemic and the emerging variants, the weak health care and social protection systems, polarized leadership, ineffective pandemic management, and democratic backsliding amid the crisis. These factors, in turn, spur public attention to a whole gamut of concerns including social uncertainties and hardships, corruption of governance, economy, and information, the unpredictable West Philippine Sea situation, the role of the private sector, and the political opportunities for piecemeal and institutional reforms in the 2022 elections and beyond.

Social Uncertainties and Hardships

Social uncertainties are created by the lasting effects of the economic difficulties caused by the health crisis and the impact of pandemic management. This situation is reflected by the public's perception on their urgent national concerns, quality of life, the experience of financial challenge, joblessness, poverty, and on the perceived main problem that hampers improvement.

Most Urgent National Concerns

According to the PULSE Asia survey of December 1-6, 2021, the five top-of-mind urgent national concerns for the public refer to Controlling inflation (48%), Increasing the pay of workers (40%), Creating more jobs (29%), Reducing the poverty of many Filipinos (29%), and Fighting graft and corruption in government (25%). These findings accordingly demonstrate that urgent national concerns are respectively economic, social-economic, and political economic in nature.

These are followed by Controlling the spread of COVID-19 (19%), Providing assistance/subsidy to those who lost their livelihood & jobs because of the COVID-19 pandemic (17%), Enforcing the law on all, whether influential or ordinary people (14%), Fighting criminality (13%), Addressing the problem of involuntary hunger (12%), Stopping the destruction and abuse of our environment (12%), Promoting peace in the country (12%), Reducing the amount of taxes paid (10%), Defending the integrity of Philippine territory against foreigners (9%), Protecting the welfare of OFWs (6%), and Preparing to face any kind of terrorism (4%). Refer to Figure 1.

Quality of Life

At the end of every year, the holiday season tends to uplift the morale of the public as they are hopeful for the coming of a new year. This feeling is complemented by the opening up of economic activities.

The same PULSE Asia survey showed a great improvement in the quality of life as Gainers or those perceiving their situation as "Better now" increased from 9% in November 2020 to 25% in December 2021.

Figure 1
Most Urgent National Concerns: **PHILIPPINES**
In Percent/Multiple Response Allowed
(December 1 - 6, 2021)



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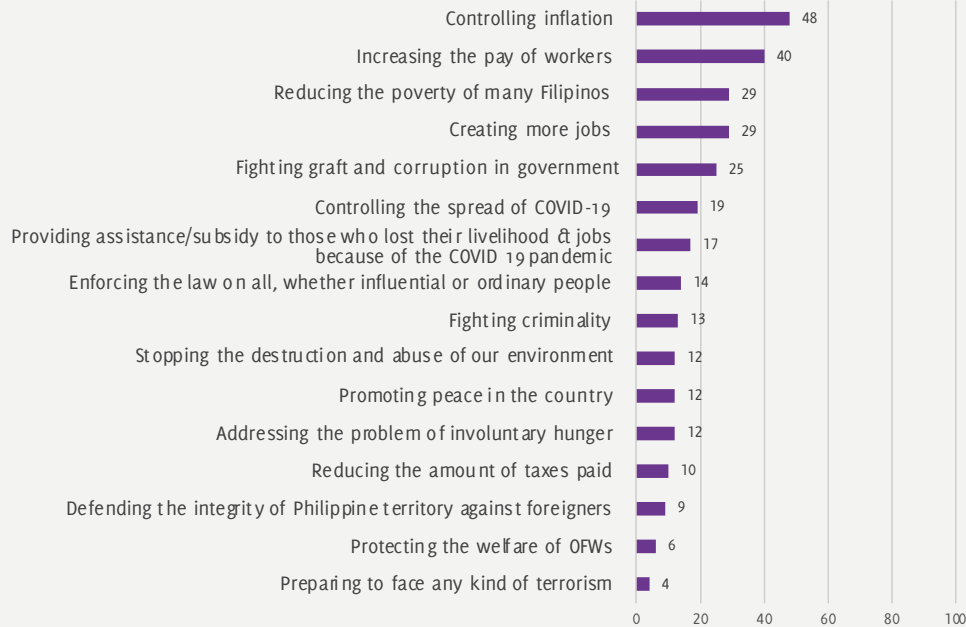


Table 1
Quality of Life Indicators: **PHILIPPINES**
(November 2020 to December 2021)



PulseAsia
RESEARCH INC.

Quality of Life Indicators

	PHILIPPINES				
	Nov20	FEB21	JUN21	SEP21	DEC21
PERSONAL QUALITY OF LIFE NOW COMPARED TO LAST YEAR					
Gainers (Better now)	9	14	12	9	25
Same as then	20	26	27	26	32
Losers (Worse now)	71	61	61	65	43
Net Gainers*	-62	-47	-49	-56	-18
PERSONAL QUALITY OF LIFE LAST YEAR IF QUALITY OF LIFE NOW IS SAME AS THEN					
Very Poor	4	1	1	4	2
Poor	41	31	37	32	24
Comfortable	47	66	61	62	73
Neither poor nor well-off					
Well-off/Wealthy	8	2	1	2	1
EXPECTED CHANGE IN PERSONAL QUALITY OF LIFE BY NEXT YEAR					
Optimist (Better than now)	49	50	42	42	62
Same as now	33	34	38	38	32
Pessimist (Worse than now)	18	16	20	20	6
Net Optimist**	+31	+34	+22	+22	+56

Notes: (1) *NET GAINERS = % Gainers minus % Losers (2) **NET OPTIMIST = % Optimist minus % Pessimist

On the other hand, the Losers or those perceiving that their life is “Worse now” decreased from 71% to 43% in the same period being considered. In essence, however, the difference between Gainers and Losers still utters a significant -18%. Refer to Table 1.

Experience of Financial Challenge

In October 2021, the SWS conducted a commissioned survey by Stratbase to ascertain public opinion with regard to the financial challenges they have experienced or they continue to experience. Accordingly, 61% or 6 out of 10 Filipinos mentioned the “Loss of income” problem and this is true across geographic areas—NCR (56%), BAL. LUZON (61%), VISAYAS (61%), and MINDANAO (63%). In terms of “Unemployment,” five out of ten Filipinos cited this problem (52%), whereas NCR (60%) and BAL. LUZON (59%) appeared to be the most affected, and VISAYAS registered at 52%, while MINDANAO posted a much lower 36%. The other financial challenges encountered pertain to the “Inability to purchase goods and services” (26%), “Non-payment of debt or rent” (14%), and “Business closure” (14%). Refer to the table below.

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Table 2
Experience of Financial Challenge: **BY AREA**
(October 2021)

	PH	BAL. NCR	LUZ	VIS	MIN
Loss of Income	61%	56%	61%	61%	63%
Unemployment	52	60	59	52	36
Inability to purchase goods and services	26	27	30	25	18
Non-payment of debt or rent	14	15	19	13	5
Business Closure	14	18	16	12	9
None	5	4	6	2	4

Q. Alin po sa mga sumusunod ang nararanasan na ninyo o patuloy pang nararanasan hanggang sa ngayon?
(SHUFFLE CARD) (MULTIPLE ANSWER ALLOWED)

Main Factor in the Improvement of the Philippine Economy

Under the same SWS survey, the public was also asked about the “Main factor that prevents the Philippines’ current economic situation from improving.” At the national level, the “Emergence of new COVID variants” garnered the first spot at 25% followed by the “Slow pace of COVID vaccination” (21%), Confusing gov’t guidelines on COVID (18%), and the “Implementation of lockdowns” and “Corruption in government” both at 17%.

By geographical area, Mindanao cites the “Emergence of new COVID variants” (40%) as the prime reason, with Visayas pointing to the “Slow pace of COVID vaccination” (23%), while NCR and BAL. LUZON (21%) referring to the “Confusing gov’t guidelines on COVID,” the Visayas at 21% on the “Implementation of lockdowns,” and interestingly, the NCR pointing to “Corruption in government” at 25% as the main reason.

Lumped together, it can be said that the main factor for economic improvement is a composite of reasons that include the health situation, pandemic management, and corruption. Refer to Table 3.

Table 3

Main Factor that Prevents the Philippines' Current Economic Situation from Improving: **BY AREA**
(October 2021)

	PH	BAL. NCR	LUZ	VIS	MIN
Emergence of new COVID variants	25%	20%	18%	25%	40%
Slow pace of COVID vaccination	21	20	23	19	20
Confusing gov't guidelines on COVID	18	21	21	20	11
Implementation of lockdowns	17	12	16	21	19
Corruption in government	17	25	21	13	9
Others	1	1	1	0.3	0.3

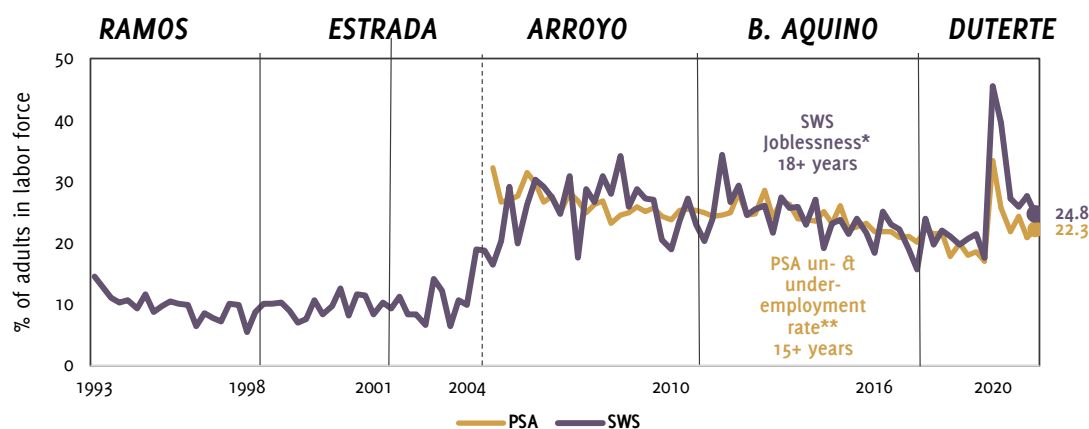
Q. Sa inyong palagay, alin po sa mga sumusunod ang pangunahing dahilan na humahadlang sa pagbuti ng kasalukuyang sitwasyong ng ekonomiya ng Pilipinas? Maaari po kayong magbigay ng isang sagot lamang.
(SHUFFLE CARD) (ONE ANSWER ONLY)

Joblessness

In the Third Quarter 2021 SWS survey from September 12 to 16, 2021, adult joblessness eased to 24.8%, equivalent to some 11.9 million jobless Filipinos. Although still above the pre-pandemic average of 19.8% in 2019, this joblessness rate was 2.8 points below the 27.6% recorded in June 2021 and far from the catastrophic level of 45.5% in July 2020. According to the PSA, while the 26.1% average joblessness rate for the first three quarters of 2021 was lower than that of 2020, it has yet to recover to pre-pandemic levels. The September 2021 survey also revealed that joblessness declined in all areas except for Visayas: Metro Manila (from 40.9% to 33.6%); Balance Luzon (from 30.9% to 27.5%); Mindanao (from 19.2% to 16.4%); and Visayas (from 21.3% to 22.6%). Joblessness also dropped in rural areas (from 25.3% to 20.0%) and hardly changed in urban areas (from 30.7% to 30.0%). Refer to the figure below.

Figure 2

SWS Joblessness Rate and PSA Unemployment and Underemployment Rate: **PHILIPPINES**
(September 1993 – September 2021)

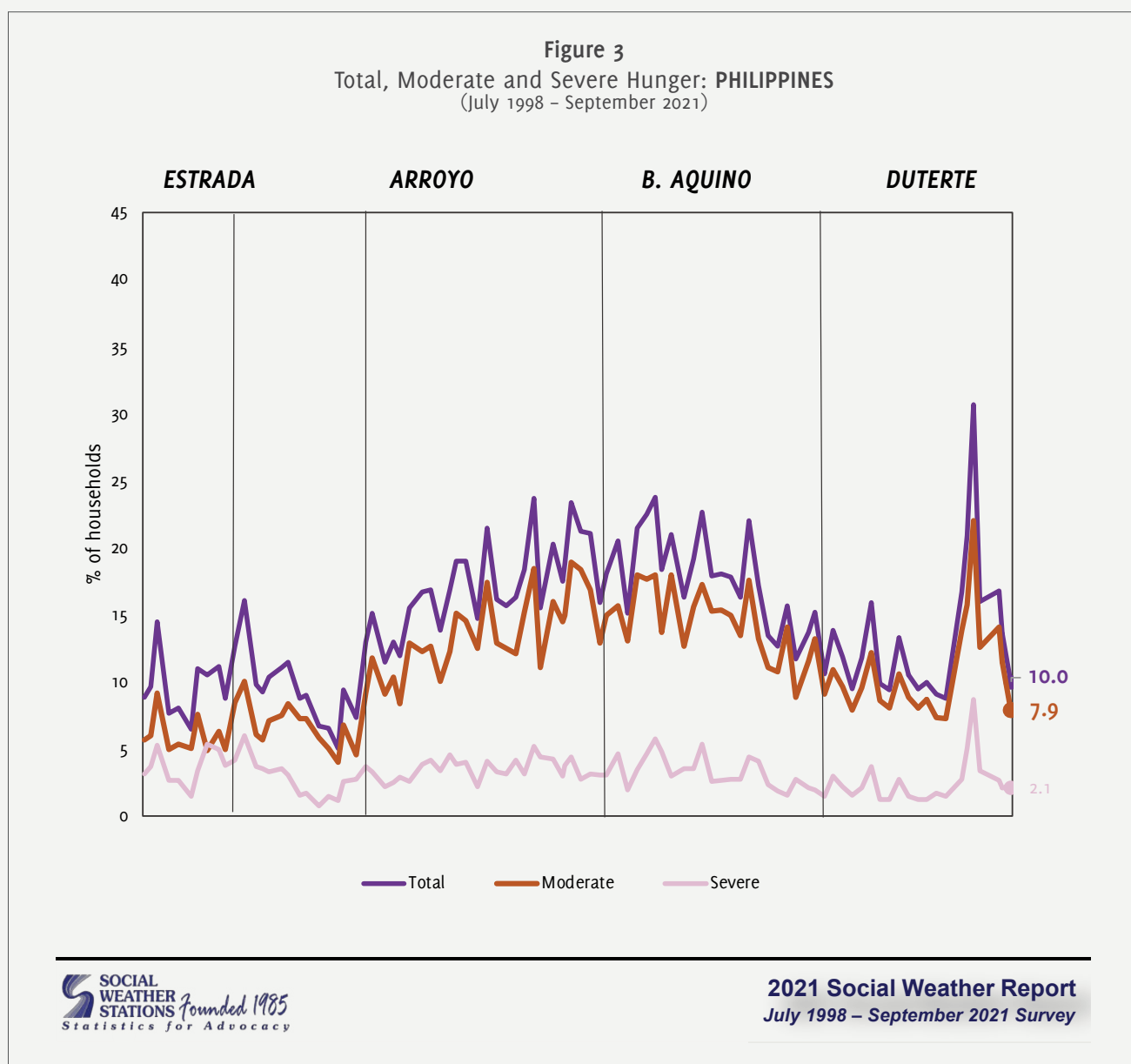


*% of the Labor Force without a job at present and looking for a job

**% of the Labor Force unemployed and underemployed

Hunger

In the same September survey, findings showed that 10.0% of Filipino families—translating to 2.5 million families—experienced involuntary hunger (i.e., hunger due to lack of food to eat) at least once in the past three months. Specifically, 7.9% (or 2.0 million families) experienced Moderate Hunger while 2.1% (or 534,000 families) experienced Severe Hunger. This 10.0% hunger rate was also 3.6 points below the 13.6% rate (or 3.4 million families) in June 2021. The hunger average for the first three quarters of 2021 reached 13.5% and, while this was lower than that of the previous year, it has not fully recovered to pre-pandemic levels. In view of the emerging trend in this area, hunger is seen to decline in all areas except for Metro Manila, where hunger was highest at 14.0%, with an estimated 473,000 families. Refer to the figure below.

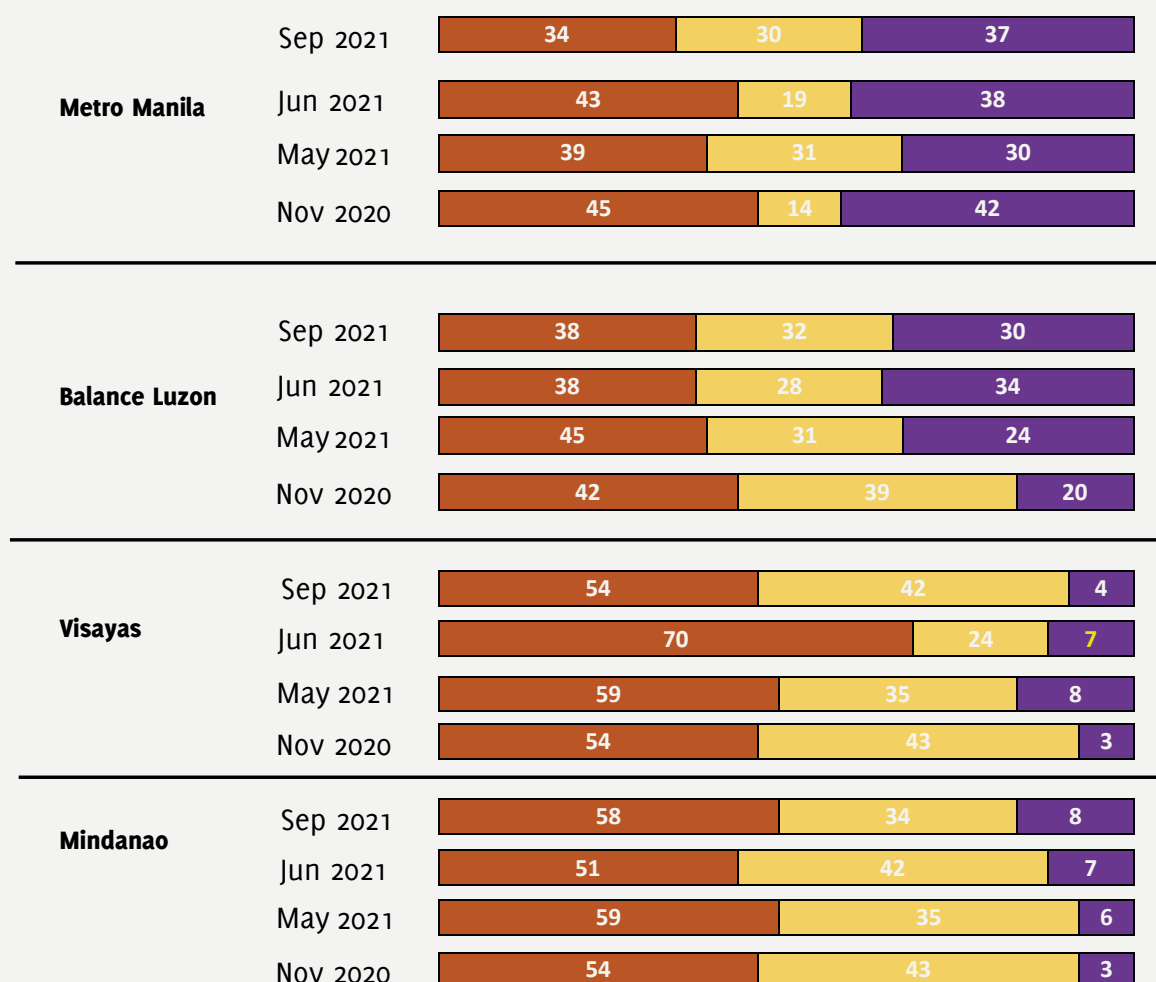


Poverty

Further, the above survey found out that 45% of Filipino families feel Poor, roughly equivalent to 11.4 million families and lower than the June survey with 12.0 million poor families (48%). Borderline Poor ranged at 34% while 21% feel Not Poor, improving also compared to the 29% and 23% of the June survey.

By geographic area, self-rated poverty decreased in the Visayas and Metro Manila, with borderline poverty rising in all areas except Mindanao. Refer to Figure 4.

Figure 4
Self-rated Poverty, Families Who are “Mahirap”: BY AREA
(November 2020 - September 2021)



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) at HINDI MAHIRAP (not poor) are classified as 'Borderline Poor'

Corruption of Governance, Economy, and Information

Amid the health-cum-economic crisis, corruption was evident. The continuing Senate probe into the government's pandemic response spending checks the proper utilization of public money. Corruption has become more despicable during the prolonged hardships in terms of joblessness, loss of income, poverty, and inequality as they all redound to the gut concerns of Filipinos of putting food on the table.

The mounting public concern over corruption is further expressed by their political outlook of looking for a candidate who has concern for the poor, will not be corrupt, and is honest and trustworthy. As democracy goes on with the 2022 national elections, the sanctity of the vote must be upheld and corruption must be consistently fought because its persistence is inimical to democratic values and practices.

As for the economy, the influx of investments from China has directly threatened democratic institutions as it manifested corrosive impacts. Under the auspices of the Center for International Private Enterprise (CIPE), the Stratbase ADR Institute carried out four case studies involving China's investments in Philippine infrastructure. The studies covered the Chico River Pump Irrigation Project, the New Centennial Water Source-Kaliwa Dam Project, and the Safe Philippines Project (funded by official development assistance), and the study on the Dito Telecommunity Corporation (DITO).

The said projects were characterized by governance gaps created by the lack of transparency, onerous loan agreement terms, circumvention of procurement laws, national security concerns, privacy and data governance challenges, and conflicts of interest. As they are, these projects must be reviewed objectively under a more impartial executive leadership.

Another form of corruption that has been prevalent for the past several years is the proliferation of false, manipulated, and fabricated information. The Council of Europe ventilated that it entrenches authoritarian leaders, silences participation and oppositional voices, inculcates fear, and further marginalizes the vulnerable segments of the population.

As disinformation was already widespread even before the pandemic, unscrupulous people through hired trolls abused digital technology to reach an expanding audience and sow public confusion. An exemplar of disinformation in governance was the promise of President Duterte that life would return to normal by December 2020. On the contrary, the quarantine status of the whole country was reverted back to the enhanced community quarantine status in March 2021, subjecting a vast majority of the population to another wave of hardships.

It is imperative to counter disinformation through a holistic effort characterized by collaboration between and among government, private sector, the media, and civil society.

The West Philippine Sea Dispute

In October 2021, Stratbase commissioned another SWS survey that measures public opinion regarding the WPS issue. The findings were instructive in formulating a stronger and more responsive foreign and security policy. Accordingly, 82% believed that "the next administration should assert the country's rights in the West Philippine Sea as stipulated in the 2016 Decision of the Permanent Court of Arbitration". Refer to Table 4 on page 11.

The said findings clearly contradicts the statement made by President Duterte last May 5, 2021, that the Philippines' arbitral victory is only a piece of paper, as the majority of adult Filipinos believe that the next set of leaders must uphold and leverage the country's legal victory.

With respect to upholding Philippine territorial claims in the contested waters, 85% or 8 out of 10 Filipinos concurred with the statement that "the next President should form an alliance with other countries in defending the Philippines' territorial and economic rights in the West Philippine Sea." Refer to Table 5 on page 11.

In terms of trusting other countries, the same survey indicated that the Filipinos trust the United States of America (75%), Australia (52%), the United Kingdom (52%), Japan (53%), the European Union (42%), and India (22%). Remarkably, China remains to be the least trusted country, with only 21% of Filipinos registering "Much Trust" while the majority (55%) responding with "Little Trust." Refer to Table 6.

Further, the public was asked about the "effective measures" to be carried out by the next president to address the West Philippine Sea issue. The first three top-of-mind measures for the Filipinos are: "Strengthen the military capability of the Philippines" (80%), "Conduct joint military patrols and military exercises with allied countries" (65%), and "Fully implement the terms of the Visiting Forces Agreement or VFA and the

Table 4

TEST STATEMENT: "The next Philippine government should assert its right on the islands in the West Philippine Sea as stipulated in the 2016 decision of the Permanent Court of Arbitration."
(October 2021)

	Agree	Undecided	Disagree	Net*
Philippines	82%	14%	4%	+78
NCR	87	9	5	+82
Balance Luzon	85	12	2	+83
Visayas	77	16	7	+71
Mindanao	77	20	3	+74
Urban	85	12	4	+81
Rural	80	16	4	+76
18-24	80	17	2	+78
25-34	86	11	3	+83
35-44	80	16	4	+76
45-54	81	16	4	+77
55 and above	81	14	5	+77
None/Up to some Elementary	70	23	7	+64
Elem grad/Some JHS	84	12	4	+80
JHS grad/Voc/some College	83	13	3	+80
College grad/Post graduate	83	14	3	+81

* Net figures (% Agree minus % Disagree), correctly rounded

Table 5

TEST STATEMENT: "The next President of the Philippines should form an alliance with other countries in defending the Philippines' territorial and economic rights in the West Philippine Sea."
(October 2021)

	Agree	Undecided	Disagree	Net*
Philippines	85%	12%	3%	+81
NCR	88	8	4	+85
Balance Luzon	88	8	4	+84
Visayas	82	13	4	+78
Mindanao	78	19	2	+76
Urban	88	8	4	+85
Rural	82	15	3	+78
18-24	84	11	5	+79
25-34	85	12	3	+82
35-44	85	12	3	+82
45-54	83	10	6	+76
55 and above	86	12	2	+84
None/Up to some Elementary	80	17	3	+77
Elem grad/Some JHS	82	14	4	+78
JHS grad/Voc/some College	87	10	3	+84
College grad/Post graduate	87	9	4	+82

* Net figures (% Agree minus % Disagree), correctly rounded

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Table 6
Trust in Foreign Country: **PHILIPPINES**
(October 2021)

Base: Total Who are Aware

	Aware	Much Trust	Undecided	Little Trust	Net*
United States of America	100%	75%	14%	11%	+64
Australia	100%	52%	28%	18%	+34
United Kingdom	100%	52%	27%	21%	+31
Japan	100%	53%	23%	23%	+30
Germany	100%	48%	29%	22%	+25
European Union	99%	42%	34%	22%	+20
India	100%	22%	40%	36%	-14
China	100%	21%	22%	55%	-33

* Net figures (% Agree minus % Disagree), correctly rounded

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Table 7
Effective Measures that the Next President of the Philippines Should Hold on
the West Philippine Sea Issue: **BY AREA & LOCALE**
(October 2021)

	Total PH	Bal NCR	Luzon	Vis	Min	Urban	Rural
Strengthen military capability of the PH	79%	80%	82%	78%	79%	84%	82%
Conduct joint maritime patrols and military exercises with allied countries	65	72	59	68	69	64	66
Fully implement the terms of the VFA and the EDCA	58	57	55	63	59	56	60
Finalization of the ASEAN Code of Conduct or an agreement on how countries would act within the South China Sea	45	44	54	39	35	46	45
Bring this issue to the UN General Assembly	40	45	43	37	37	41	40

Note: Don't know, No answer, and Refused responses are not shown.

Q. Sa inyong palagay, alin po sa mga sumusunod ang mga mabibisang pamamaraan na dapat gawin ng susunod na Presidente ng Pilipinas ukol sa isyu ng West Philippine Sea? Maaari po kayong magbigay ng hanggang tatlong sagot. Alin po dito ang pinaka-importante para sa inyo? Mayroon pa po bang pangalawang pinaka-importante? Mayroon pa po bang pangatlong pinaka-importante? (SHUFFLE CARDS; ALLOW UP TO 3 ANSWERS)

Enhanced Defense Cooperation Agreement or EDCA” (58%). The same survey also showed that 79% believe that the “building of infrastructures on the vacant islands in the West Philippine Sea to assert our rights to these islands” is “Important.” Refer to Table 7.

Role of the Private Sector

Through the pre-pandemic times and especially during the recurring spikes of infections in the pandemic period, the private sector has stood firm in its social responsibility. Although President Duterte has flip-floppingly expressed his tirades and recognition against and for the sector, the Stratbase-commissioned surveys in October and December 2021 are evidential to its potentials and actual accomplishments in reinvigorating the Philippine economy.

The SWS survey in October 2021 showed that 82% of Filipinos believe that the growth of the Philippine economy will be accelerated if the government collaborates with the private sector.

In particular, private investors are seen to have the capacity to boost the Philippine economy by creating jobs (65%), expanding livelihood opportunities (57%), and helping uplift the lives of Filipinos out of poverty (46%). Refer to the table below.

Table 8
Issues that Private Investors can Address to Boost the
Philippine Economy: **BY AREA**
(October 2021)

	PH	NCR	BAL- LUZ	VIS	MIN
Creating jobs	65%	74%	65%	61%	63%
Expanding livelihood opportunities	57	54	58	54	60
Help uplift the lives of Filipinos out of poverty	46	48	43	51	47
Improving healthcare systems	30	20	32	26	32
Improving the quality of education	22	18	26	27	14
Managing natural resources and taking care of the environment	12	16	13	9	11
Improving the quality and access of digital services	11	10	11	13	11
Developing public infrastructure	11	11	13	10	8

Table 9
Issues the Private Sector can Address to Boost the Philippine Economy: **PHILIPPINES**
In % up to 3 Responses
(December 1-6, 2021)



PulseAsia
RESEARCH INC.

Base: Total Interviews, 100%

In your opinion, which of the following can private investors address to boost the Philippine economy? You may give up to three issues

	RP	LOCATION				CLASS		
		NCR	BL	VIS	MIN	ABC	D	E
Creating jobs	58	61	53	67	58	57	57	65
Help uplift the lives of Filipinos out of poverty	57	39	62	60	56	35	60	61
Expanding livelihood opportunities	52	61	51	56	43	50	51	55
Improving healthcare systems	39	26	50	35	31	37	42	25
Improving the quality of and access to digital services	28	31	29	23	29	36	27	31
Improving the quality of education	24	37	21	20	26	35	23	26
Managing natural resources and taking care of the environment	20	18	18	22	23	22	20	18
Developing public infrastructure	18	14	14	17	30	20	18	19
UNAIDED								
Others	0.1	0	0	0	0	0	0	0
Pamimigay ng puhunan	0.1	0	0	0	0	0	0	0

The findings of the October SWS survey cohere with the findings of the December PULSE survey. In this survey, 5 out of 10 Filipinos on average say that the private sector can boost the economy in terms of Creating jobs (58%), Help uplift the lives of Filipinos out of poverty (57%), and Expanding livelihood opportunities (52%), which highlights the sector's capacity to generate investments. The next top-of-mind attributes pertained to Improving healthcare systems (39%), Improving the quality of and access to digital services (28%), Improving the quality of education (24%), Managing natural resources, and taking care of the environment (20%), and in Developing public infrastructure (18%) that in turn highlights the sector's expertise in innovative management and leadership. Refer to the table above.

Political Opportunities for 2022 and Beyond

The national electoral exercise in 2022 offers as well a wide range of political opportunities to initiate, strengthen, and promote further piecemeal and institutional reforms. The possibility for these reforms is highlighted by the dynamics and prospects for the nation's political party system, participation, and platforms. On top of these, the public's perception about the issues that need to be addressed by candidates, the actions that the next administration should do, and the characteristics that national candidates should possess galvanize the country's search for more competent and capable national leaders.

Party System and Political Participation

The multi-party system existing in the country is one of the hallmarks of democratic governance, where various parties coexist for the sake of political representation and contestation. In practice, however, Philippine political parties do not exhibit programmatic and ideological differences and instead thrive on personalities, dynasties, and patronage politics. As a result, many if not most politicians act and operate like butterflies and are driven by opportunism and turncoatism. Like in past electoral occasions, such dynamics were demonstrated by the 2022 national and local candidates in their effort to maneuver for an advantageous position in the upcoming elections.

Further, political participation for the underrepresented or unrepresented marginalized sectors through a party-list system that was initiated in 1992 continues to be abused with more and more organizations trying to get enlisted. Recently, more than a hundred groups have been approved by the COMELEC while more than a hundred more still await admission into the electoral arena.

Another contentious issue pertains to the substitution rule for a political candidate where a candidate can withdraw his or her candidacy within the prescription period and then be replaced by another candidate. With all its legal bases, the process has also been gravely abused. As a result, certain lawmakers in late October have moved to propose a bill that bans the substitution option for voluntary withdrawals.

Political Platforms

The political platforms of national candidates basically refer to their program of action once elected to office. A program of action, in turn, implements the platform that includes what needs to be done in the first 100 days in office and a list of priorities to address the perceived pressing problems of the country.

VP Leni Robredo

Anchored on the main slogan of "Jobs for All," (<https://lenirobredo.com/>) this presidential aspirant perceives the importance of jobs and treats employment as a right. Her first 100 days would perhaps focus on recovering from the COVID-19 pandemic through wider and more effective healthcare programs as pronounced.

Her platform is based on five principles or agenda. The first is to bring back the trust in government or *IBALIK ANG TIWALA SA GOBYERNO*. If the system or government can be trusted, investments will come in, businesses will flourish, and there will be more jobs.

The second is to enliven the strength of Philippine industry or *GISINGIN ANG LAKAS NG INDUSTRIYANG*

PILIPINO. Emphasis is given to the maritime industry, agriculture, tourism, manufacturing, shipping, green and resilient infrastructure, human investment, and tech industry.

Her third agenda is to end discrimination at work or *WAKASAN ANG DISKRIMINASYON SA TRABAHO*. This includes the implementation of the Anti-Age Discrimination Act, pass into law the Anti-Discrimination Bill, promotion of the STEM (Science, Technology, Engineering, and Math), and professionalization of the daycare system. Public-private partnerships would also be tapped to focus on middle- and senior-aged workers.

Fourth, support small businesses or *SUPORTA SA MALILIIT NA NEGOSYO*, which means prioritizing small businesses and farmers in relation to government procurement processes and laws, the MSMEs, digitalization, and the elimination of red tape to speed up business processes.

And fifth, support those who have lost their jobs or *SALUHIN ANG MGA NAWALAN NG TRABAHO*. This involves investing in education that would provide retraining and skills-matching programs, strategic support to state universities and colleges, vocational training, partnering with the private sector, the creation of Public Employment Program and the Unemployment Insurance program.

Mayor Isko Moreno

With the campaign slogan “BILIS KILOS” or “Swift Action,” Mayor Isko banks on building a COVID-19 Field Hospital in 52 days as part of his plans on reinforcing the health system. The mayor was also vocal about defending our maritime rights in the WPS when China’s coast guard militia water cannoned a Philippine naval supply boat in Scarborough Shoal in November.

If elected, his administration will “devote the first two years towards reinforcing the country’s health system to best cope with the pandemic, looking at the future possible outbreaks, and be prepared for the same in any case of an eventuality.” (<https://newsinfo.inquirer.net/1517295/promises-5-presidential-aspirants-present-plans-for-ph>)

He also envisions the putting up of cold-storage facilities in all provinces on National Food Authority lands. Salary increase is also part of his program, including the provision of jobs and business and career opportunities. (<https://newsinfo.inquirer.net/1503491/talk-with-presidential-bets-needed-so-we-can-justify-why-he-or-she-has-our-vote>)

In his pronouncements, he emphasized that he will work with Congress to slash oil and electricity prices by 50%. “While it is true that this will be a loss of substantial enough revenues for our government, it will also—at the same time, at the other side of the coin—alleviate the suffering of our people,” he said. (<https://newsinfo.inquirer.net/1517295/promises-5-presidential-aspirants-present-plans-for-ph>)

Some say however that this is just temporary or a moratorium on oil and electricity hikes.

In agriculture, the mayor plans to lessen rice imports by imposing higher quality standards with government importing only enough for a 30-day rice reserve for calamities or disasters, crackdown on illegal rice importation, set a floor price for rice and provide subsidies to farmers, put up “silos” to avoid drying crops on the road, and create a Department for Fisheries that is distinct from the Department of Agriculture.

Further, he expressed willingness to work with anybody vetted by a personal selection group or search committee. “Meritocracy will be the guiding principle,” he also said and vowed to reduce the number of undersecretaries and assistant secretaries under his administration. (<https://newsinfo.inquirer.net/1517295/promises-5-presidential-aspirants-present-plans-for-ph>)

“If we can do it Manila, we can in the whole country,” as one of his Filipino slogan states.

Senator Manny Pacquiao

Capitalizing on his *“laki sa hirap”* origins, Senator Pacquiao embarks on an anti-corruption crusade, plans to implement a housing program for informal settlers and reduce foreign borrowings, and uphold rights in the South China Sea.

According to him: *“Panahon na upang manalo naman ang mga naaapi. Panahon na para makabangon ang bayan natin na lugmok sa kahirap. Panahon na nang isang malinis na gobyerno na kung saan ang bawat sentimo ay mapupunta sa bawat Pilipino,”* said Pacquiao. (<https://www.rappler.com/nation/elections/manny-pacquiao-run-president-2022>)

In another news source, the improvement of health care services is also one of his concerns, together with reviving the country’s economy and providing jobs for thousands of Filipinos who were left unemployed during the pandemic. In his first 100 days in office, he will increase the revenue income of government so that borrowings will be curbed. As he elaborates, *“Let’s focus on the revenue income of our country. We need to focus on that because the Filipinos do not deserve [a government that] borrows money every year for its annual budget.”* (<https://newsinfo.inquirer.net/1517295/promises-5-presidential-aspirants-present-plans-for-ph>)

Ferdinand “Bongbong” Marcos, Jr.

Bearing the slogan of *“Sama-sama tayong babangon muli”* or *“We will recover as one,”* former Senator Bongbong Marcos offers a unifying leadership that can lead the country *“through the crisis, get our people safely back to work for all of us to begin to live our lives once again.”* (Dictator’s son Bongbong Marcos to run for president in 2022 ([rappler.com](https://www.rappler.com)))

On the aspect of education, the former senator considers education as a continuing public expenditure that naturally grows proportionately with the burgeoning population. According to him, *“Therefore, budgetary allocation for public schools and related facilities, and new alternative learning systems and platforms on account of the pandemic, academic and support personnel compensation, scholarship and related academic entitlements and continuing education for teachers should be spared from budgetary cuts.”* (Restore cuts in education agencies – Marcos (bongbongmarcos.com))

In Filipino, he also asked how can the country develop if the education system and the institutions administering it cannot properly operate due to the lack in budget. He emphasized: *“Education is a very important weapon towards economic recovery in the face of the challenges posed by the Covid pandemic. Kailangang siguraduhing may bala ang mga ahensyang nangangasiwa nito para muling tayong makabangon.”* (Restore cuts in education agencies – Marcos (bongbongmarcos.com))

Restoring cuts in education agencies, EDUCATION is a continuing public expenditure that naturally grows proportionately with the burgeoning population, said former Sen. Ferdinand ‘Bongbong’ Marcos, Jr.

Senator Panfilo “Ping” Lacson

Referred to as the *“Heneral ng Bayan”* or *“Nation’s General”* by his supporters, Senator Lacson runs on the same platform that catapulted Rodrigo Duterte to Malacañang in 2016: a campaign against illegal drugs, criminality, and corruption. However, they (with running mate Senator Sotto) would do it in a different manner. (<https://www.rappler.com/nation/elections/ping-lacson-files-certificate-candidacy-president-2022>)

“My first 100 days will be devoted to providing a more efficient lifeline to our nation in the health and economic sectors,” said Lacson in a forum. On the same note, he added: *“There is no debate that our people*

must get back to work. But there must be a sheer guarantee that the government has a future-proof strategy – one that will insulate our people from the vulnerabilities of sudden outbreaks.” (<https://newsinfo.inquirer.net/1517295/promises-5-presidential-aspirants-present-plans-for-ph>)

Campaigning for a “clean government,” he also promised to sign a bank secrecy waiver on the very first day of his term. “This will happen on my first day in office, not in the first 100 days. This will signal our commitment to restoring the trust of our people in their public officials,” according to him. (<https://newsinfo.inquirer.net/1517295/promises-5-presidential-aspirants-present-plans-for-ph>)

Platforms, Citizens’ demands, and Candidates

The abovementioned platforms could only be useful as a measure of the candidate’s capability and competency as a national leader if such would be juxtaposed with the pressing public issues and demands, i.e., the preferred issues and traits, what the next administration should do, the WPS issue, recognition of the private sector, the most urgent concerns at the national level, and the economic difficulties Filipinos are going through. If the platforms, candidate’s character and integrity, and public demands cohere, then we can say that the political opportunity of actualizing democracy in the country is gaining track. Otherwise, we just have to intensify our struggles for democratic political and economic reforms.

Public Perception on National Politics

Being at the ground level where national and local politics impact upon the everyday life of Filipinos, the public at opportune times expresses its perception as to what is deemed important to be considered for the 2022 elections.

The findings of the Stratbase commissioned SWS survey of October 2021 revealed that the first three top-of-mind “Issues that Should Be Addressed by Candidates Running for National Positions in the May 2022 Elections” pertain to “Controlling the prices of basic services/commodities” (57%), “Providing jobs” (54%) and “Eradicating graft and corruption in gov’t” (44%). The second top-of-mind issues refer to “Increasing the wages of workers” (27%) and “Reducing the poverty of Filipinos” (24%).

Hence, the issues that need to be addressed by the aspiring national candidates are political-economic in nature. Refer to Table 10.

In another commissioned survey, this time with PULSE Asia, the findings showed the same trend when the public was asked about the “Issues that Candidates for National Position Should Focus On.” Accordingly, the five top-of-mind issues respectively refer to “Controlling the prices of basic services and commodities” (45%), “Providing jobs” (44%), “Eradicating graft and corruption in gov’t” (36%), “Increasing the wages of workers” (34%), and “Reducing the poverty of Filipinos” (32%). Refer to Table 11.

In the same Stratbase commissioned SWS survey in October, the top three qualities for Filipinos refer to a candidate who “Has concern for the poor” 66%, “Honest and trustworthy” (49%) and “Not corrupt” (41%). See Table 12.

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Table 10
Issues that Should Be Addressed by Candidates Running for National Positions in the May 2022 Elections: **PHILIPPINES**
(October 2021)

	<u>PH</u>	<u>NCR</u>	<u>BAL- LUZ</u>	<u>VIS</u>	<u>MIN</u>
Controlling the prices of basic services/commodities	57%	61%	50%	59%	66%
Providing jobs	54	58	50	52	62
Eradicating graft and corruption in gov't	44	51	44	44	41
Increasing the wages of workers	27	21	26	34	23
Reducing the poverty of Filipinos	24	19	24	20	28
Fighting illegal drugs	19	14	19	19	19
Ensuring the availability of quality education	17	12	19	17	14
Improving public health and COVID-19 response through UHC	16	11	19	15	12
Defending the territories of the Philippines against China	12	16	12	9	13
Fighting crimes that victimize ordinary citizens	10	14	10	12	6
Preventing the damage and abuse of the environment	6	5	6	5	6
Improving the quality and access of Digital Services	4	3	6	2	2
Ensuring a reliable source of electricity	3	5	4	2	2

Table 11
Issues that Candidates for National Position Should Focus On: **PHILIPPINES**
In % up to 3 Responses
(December 1-6, 2021)



Base: Total Interviews, 100%

In your opinion, what issues SHOULD candidates who will run for national positions such as president, vice-president, and senator in the May 2022 elections focus on? You may give up to three issues.

	RP	LOCATION				CLASS		
		NCR	BL	VIS	MIN	ABC	D	E
Controlling the prices of basic services and commodities	45	47	35	63	46	40	43	61
Providing jobs	44	48	45	44	39	45	44	43
Eradicating graft and corruption in gov't	36	32	39	33	36	39	37	31
Increasing the wages of workers	34	41	32	37	31	29	35	37
Reducing the poverty of Filipinos	32	29	30	33	40	20	33	43
Fighting illegal drugs	26	21	24	22	37	18	28	23
Defending the territories of the Philippines against China	19	13	26	19	9	21	20	11
Improving public health and COVID-19 response through Universal Health Care	18	22	16	14	22	10	18	21
Fighting crimes that victimize ordinary citizens	17	16	22	12	12	27	17	8
Ensuring the availability of quality education	12	19	10	13	9	27	11	6
Improving the quality of and access to digital services	7	4	9	2	8	2	8	6
Preventing the damage and abuse of the environment	6	3	6	7	7	15	5	4
Ensuring a reliable source of electricity	4	3	5	1	3	7	3	4

Table 12
Characteristics Candidates Running for National Positions Should Have/Possess: **BY AREA**
(October 2021(1/2))

(Base: Total Registered Voters)

	PH	<u>Metro Manila</u>	<u>Bal Luzon</u>	<u>Vis</u>	<u>Min</u>
Has concern for the poor	66%	64%	62%	65%	77%
Honest and trustworthy	49	56	47	46	55
Not corrupt	41	44	36	45	47
Has a clear plan for the country's problems	26	33	29	27	30
Fulfills his/her promises	22	23	23	26	15
Cares for person like me	20	19	19	21	20
Approachable	15	7	15	16	19
Has a good leadership qualities	15	16	18	13	11
Defends the territories of the PH against China	12	12	14	12	9

In December, Stratbase commissioned another survey with PULSE and the findings cohere with that of SWS. In terms of the “Most important characteristics that candidates for the national position should have,” the four top-of-mind traits refer to a candidate who “Has concern for the poor” (53%), “Not corrupt” (47%), and is “Honest and trustworthy” (45%), while the fourth refers to a candidate that “Has a clear plan for solving the country’s problems” (31%).

Based on geographical locations, regional responses were affirmative of the four traits with NCR respectively registering at 57%, 48%, 51%, and 31%; while Balance Luzon posted at 57%, 49%, 43%, and 27%; Visayas with 56%, 41%, 45%, and 34%; and Mindanao accordingly responding at 43%, 45%, 46%, and 39% for the four traits.

According to class, Filipinos under the ABC category responded at 64%, 43%, 44%, and 22%; with class D at 51%, 48%, 44%, and 34%; and class C at 61%, 58%, 53%, and 26% with regard to the four leadership characteristics. Refer to Table 13.

Table 13
Most Important Characteristics that Candidates for National Position Should Have: **PHILIPPINES**
In % up to 3 Responses
(December 1-6, 2021)



PulseAsia
RESEARCH INC.

Base: Total Interviews, 100%

In your opinion, which of the following are the most important characteristics that candidates who will run for the national position such as president, vice-president, and senator in the May 2022 elections should have? You may choose three answers.

	RP	LOCATION				CLASS		
		NCR	BL	VIS	MIN	ABC	D	E
Has concern for the poor	53	57	57	55	43	64	51	61
Not corrupt	47	48	49	41	45	43	48	38
Honest and trustworthy	45	51	43	45	46	44	44	53
Has a clear plan for solving the country's problems	31	31	27	34	39	22	34	36
Fulfills his/her promises	28	33	27	36	22	21	28	34
Cares for a person like me	27	14	33	29	22	30	27	26
Approachable	18	17	19	11	22	14	19	11
Has good leadership qualities	17	18	15	18	20	28	16	18
Defends the territories of the Philippines against China	15	15	18	11	12	10	16	15
Honors and respect the laws	10	9	8	7	17	9	9	14
Has proven ability to response to the future pandemic	5	3	3	8	5	11	4	3
Not beholden to anyone that can influence his/her decisions in politics	4	6	2	6	6	5	4	2
UNAIDED								
Other	0.02	0	0	0	0	0	0	0
Matapang	0.02	0	0	0	0	0	0	0

And as to what the next administration should do, the October 2021 survey also revealed that government should focus on three priorities, namely, Providing jobs (80%), Controlling the price of basic services and commodities (50%), and Reducing corruption in government (42%). Refer to Table 14.

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Table 14
Actions that the Next Administration Should Focus on to Improve the
Philippine Economy: **BY AREA**
(October 2021)

	PH	NCR	BAL. LUZ	VIS	MIN
Providing jobs	80%	78%	83%	77%	77%
Controlling the price of basic services and commodities	50	55	63	38	32
Reducing corruption in government	42	48	57	32	17
Developing health infrastructures	40	36	48	31	33
Developing educational infrastructures	33	31	40	31	24

Q. Alin sa mga sumusunod ang dapat pagtuunan ng pansin ng susunod na administrasyon upang mapabuti ang ekonomiya ng Pilipinas?
(SHUFFLE CARD) (MULTIPLE ANSWER ALLOWED)

Therefore, the leadership qualities that Filipinos look for in a national candidate for the 2022 elections is one who exhibits concerns for the gut issues of the ordinary people; one who has political integrity, or who is capable of working with the people for national development.

II. THE IMPERATIVE FOR A PHILIPPINE NATIONAL SECURITY STRATEGY¹

In late November and early December of 2021, two events transpired that more or less illustrate the trend in President Rodrigo Duterte's pre-conceived but vacillating foreign policy vis-à-vis the U.S. and China. In essence, the Ayungin Shoal incident and the attendance of Pres. Duterte in the Summit for Democracy are instructive of the need for a comprehensive reevaluation of Philippine foreign and security policy and the crafting of a grand strategy for national security and development.

The Ayungin Shoal Incident

The recent Ayungin Shoal incident, and the breakdown in the Philippine-China rapprochement marked by President Duterte's open criticism of the China Coast Guard's (CCG) harassment of the Philippine Navy's (PN) supply boats near the BRP Sierra Madre during the Association of Southeast Asian Nations (ASEAN)-China summit in late November 2021 in general, is instructive of the need to formulate a Philippine grand strategy. A grand strategy consists of a set of ideas for using a nation's resources to achieve its interests over the long run. The term grand signifies the large-scale nature of the strategic undertaking in terms of time (long-term, ideally measured in decades), stakes (the interests concerned are the large, important, and most enduring

and vital ones), and comprehensiveness (a strategy that provides a blueprint or guiding logic for nation's policies across many areas). It is often defined in terms of national security, power, and wealth, but the ends point to valued public goods such as national honor, stability, territorial integrity, and freedom from fear and coercion.

A president chooses or designs a grand strategy on deep-seated beliefs on how the country should deal with the international challenges or opportunities it faces at a given point in history. National leaders should view grand strategy as means to maintain and or strengthen their hold on executive power. The National Security Strategy, or NSS, contains a country's grand strategy. It represents a state's plan for the coordinated use of all the instruments of national power—from diplomacy to the military capability—to pursue the objectives that defend and advance national interests.

Addressing China's Maritime Expansionism

The major security conundrum that has confronted the Philippines since the second decade of the 21st century is China's expansion into the West Philippine Sea, which jurisdictionally comprises the latter's exclusive economic zone. In March 2010, China declared the South China Sea as one of its "core interests," indicating its determination to assert its rights over the disputed waters. Top-level Chinese officials have abandoned their moderate public posture on the maritime dispute, and have become increasingly forceful and nationalistic. They have constantly harped on China's emergent status, the decline of the U.S., and their unwavering claim of sovereignty over the East China and South China Seas. They picture their country as a reactive and defensive victim of increasing maritime encroachments by two smaller Southeast Asian powers—Vietnam and the Philippines--and the unwarranted meddling of the U.S. By 2011, China's militant nationalism, growing naval prowess, and unilateral actions were overtly directed against a militarily-weak Southeast Asian country—the Philippines.

Since 2011, the Philippines has adopted three types of strategy—balancing, appeasement, and limited hard balancing—against China's maritime expansion in the West Philippine Sea. The late President Aquino challenged China's expansive maritime claim in the South China Sea. He applied a balancing strategy towards China by shifting the AFP's focus from domestic security to territorial defense, bolstering closer Philippine-U.S. security relations; acquiring American military equipment; seeking from Washington an explicit security guarantee under the 1951 MDT; and promoting a strategic partnership with Japan.

President Duterte, however, unraveled the late President Aquino's agenda of balancing China's expansive claim in the South China Sea. He distanced his country from its long-standing treaty ally and gravitated toward China which is determined to reconfigure the global commons in East Asia. He thought that an appeasement policy on China was worth pursuing because it would make the country a beneficiary of the latter's emergence as a global economic power.

Summit for Democracy

In his speech during the virtual Summit for Democracy, President Duterte admitted that he was proud to be invited to this historic event to tell the world about the Philippines' experience in democracy. He proudly proclaimed that the Philippines is the first republic in Asia and was the inspiration for many Asian anti-colonial movements. He stated that the Philippines is free as there is freedom of expression and of the press. He asserted that his administration worked to provide the Filipino people the basic means to lead a life of dignity and this entailed creating jobs, safeguarding peace and security, and instituting social safety nets.

President Duterte was also candid in admitting his failures in the office such as his failed efforts to broaden democratic participation through federalism that was thwarted by the Congress' lack of support to this political initiative. He also admitted that part of his pledge to his countrymen was to bring meaningful

change but he encountered difficulties in making the necessary reforms, healing deep wounds of division, and redressing stark inequalities in the country. He also mentioned how the COVID-19 struck and unraveled many of his administration's hard-earned gains such as economic expansion. Finally, President Duterte pungently pointed out that Philippine democracy is a work in progress, as he noted that corruption, poverty, and peace and order issues have also been continued to be the country's major challenges. This is because they weakened Philippine institutions and deprived many Filipinos of democratic agencies. He concluded his speech by promising that his administration will ensure an honest, peaceful, and credible elections in May 2022.

Why was President Duterte Invited?

Prior to the summit, the Department of Foreign Affairs (DFA) announced that the U.S. invitation to the Philippines and President Duterte's acceptance of the invitation demonstrated the country's abiding commitment to democracy as manifested by the Filipinos in their hearts, minds, and actions. However, not everybody was pleased when the Biden Administration invited President Duterte to the summit. For example, the Brookings Institution characterized the Philippines not as a democracy but as an invited ally. It pointed out that the Philippines has the third-lowest index ran of 15 countries in East Asia and Pacific region, just above Myanmar in the World Justice Project's Rule of Law Index. Two Washington Post columnists observed that based on the U.S. State Department's own report, the governments of both Pakistan and the Philippines are responsible for unlawful or arbitrary killings. Another American columnist raised the question of why leaders like Jair Bolsonaro of Brazil, Rodrigo Duterte of the Philippines, and Narendra Modi of India were invited given their strong autocratic tendencies that have demonstrably undermined democracies in their respective countries.

Those who criticized the Biden Administration for inviting President Duterte to this event overlooked a simple fact--the Summit for Democracy was convened with the U.S.-China strategic competition in the backdrop. Confronted with growing diplomatic and military challenges from both China and Russia, one of the U.S.'s responses are to address this traditional geopolitical challenge by forming a coalition of developed and developing democracies (or democracies at work) that can work together to safeguard their free-market economies, their professional militaries, their technological innovations, and common values and institutions against two revisionist great powers. From the Biden Administration's perspective, security priorities outweigh issues related to human rights and democratic governance. This is the rationale behind the U.S. and the European Union's decision to form the U.S.-E.U. Trade and Technology Council and the formation of the Quadrilateral Security Dialogue (QUAD) by Australia, India, Japan, and the U.S. In order to ensure vital cooperation from its allies and security partners, the U.S. needs to provide them with more political space for respect for human rights and the adherence to democratic governance, as their significance to American strategic and diplomatic interests increases.

The Prodigal Son?

In the aftermath of the May 2016 presidential election, President Duterte made policy decisions—internal as well as external—that had serious consequences on the democratic make-up of his country as well as the geopolitical situation in the region. He overhauled the mechanism of Philippine foreign policy by veering away from the U.S. and leaning toward China. He disclosed his plans to terminate joint Philippine-U.S. military exercises, and long-standing alliance with Washington, and to reach out to Russia. He even downplayed the Philippines' legal victory in its territorial dispute with China over the South China Sea. Early on, President Duterte was predisposed to downgrade relations with the U.S. and to engage in more multi-faceted interactions with Russia, and China.

His efforts to pivot to China, however, suffered a series of setbacks. Promised Chinese public investment in Philippine infrastructure failed to arrive, the People Liberation Army's (PLA's) units deployed in the

South China Sea continued to harass Armed Forces of the Philippines' (AFP) ships and planes patrolling the disputed waters, and the Philippine public remains suspicious and wary of China in the light of its expansion in the West Philippine Sea. On July 30, 2021, he withdrew the notice of termination for the 1999 Visiting Forces Agreement (VFA) after meeting U.S. Defense Secretary Lloyd Austin during his official visit to the Philippines. In September 2021, Foreign Affairs Secretary Teodoro Locsin welcomed the creation by Australia, the United Kingdom, and the U.S. of a new security arrangement, AUKUS, claiming that it will help maintain peace and stability in Southeast Asia. During the 9th U.S.-ASEAN Summit in late October 2021, President Duterte declared that AUKUS will promote peace and stability in Southeast Asia and will ensure ASEAN's centrality in the evolving regional security architecture. From the eyes of the Biden Administration, these actions transformed him from an authoritarian leader to a prodigal son; thus, earning him a seat in the Summit for Democracy.

From Appeasement to Hard Balancing

The Duterte administration, however, was confronted by China's failure to deliver the promised loans and direct investments to finance the Philippine government's Build, Build, Build program. While the Philippine Armed Forces (AFP) observed increasing Chinese naval presence and assertiveness near the artificial islands, the People's Liberation Army (PLA) persistently constructed more structures in the South China Sea. This forced this administration to reluctantly embrace a policy of limited hard balancing. This policy requires accepting that China is a major economic and military power in the region and that the Philippines must maintain healthy economic and diplomatic relations with this emergent power; but the Philippines must also seek to mitigate any adverse externalities of this geopolitical reality, i.e., assertiveness, coercive behavior, and territorial expansion, by developing credible military capabilities and harnessing countervailing coalitions of other major powers designed to thwart or impede specific Chinese policies.

This policy was a result of the defense, military, and foreign affairs establishments questioning President Duterte's appeasement policy. It was also a result of this administration's belated realization that it needs an impromptu strategy aimed at constraining China's revisionist agenda in the South China Sea. This, in turn, is generating an impasse within the Duterte administration as it is caught in a bind on whether it will continue its appeasement policy or adopt a policy of limited balancing against China's maritime expansionist claim of the West Philippine Sea in the last few months of its six-year term.

A major challenge for the 17th Philippine president is to transform the current administration's unplanned and makeshift strategy of limited hard balancing into a well-thought, and comprehensive grand strategy, through a formal NSS, that will guide the Philippines in addressing China's expansion into the country's maritime domain in the next six years.

III. LEGISLATIVE DEVELOPMENTS AND UPDATE

The last quarter of 2021 saw some legislative measures move as President Duterte counts his last few months in office. One important measure that was passed is the Amendments to the Foreign Investments Act, which was ratified last December 7, 2021. The bill aims to make local rules less stringent for foreign businesses and boost the economy as more jobs will be created along with the opening of more businesses.

On December 30, 2021, R.A. No. 11639 or An Act Appropriating Funds For The Operation Of The Government Of The Republic Of The Philippines From January One To December Thirty One, Two Thousand And Twenty-Two, which was signed by President Duterte was transmitted.

Among those that moved was Senate Bill 2094 (Amendments to The Public Service Act) as it was passed

Table 15
Status of Legislative Measures

Bill	Status
SB 2094 – Amendments to the Public Service Act	Approved on Third Reading, Conducted Bicam Conference to settle disagreeing provisions of SB 2094 and HB 78 (Dec 15, 2021)
Counterpart Bill: HB 78	Transmitted to and received by the Senate (March 11, 2020)
SB 1840 –Amendments to the Retail Trade Liberalization Act	Ratified (Sept 21, 2021)
SB 1156 – Foreign Investments Act	Ratified (Dec 7, 2021)
SB 1591 – Internet Transactions Act	Referred to the Committee(s) on Trade, Commerce and Entrepreneurship; Ways and Means and Finance Conducted Technical Working Group (October 22, 2020)
SB 1764 – Digital Payments Act	Conducted Technical Working Group (Dec 15, 2021)
Counterpart Bill: HB 8992	Approved on March 25, 2021 and transmitted to the Senate (April 12, 2021)
SB 2003 - GUIDE Act	Referred to the Committees on Banks, Financial Institutions and Currencies, Government Corporations and Public Enterprises, Ways and Means, and Finance (March 03, 2021) Conducted Technical Working Group (March 4, 2021)
SB 2232 – Taxing Philippine Offshore Gaming Operations	Enacted Into Law – Republic Act No. 11590 (September 23, 2021)
SB 2302 – Measures to Protect Individuals Engaged in Food, Grocery and Pharmacy Delivery Services	Approved on Second Reading without Amendments (Dec 14, 2021)
HB 7425 – Digital Transactions Act	Approved on Third and Final Reading (Sept 21, 2021) Transmitted to and Received by the Senate (Sept 22, 2021)
Counterpart Bill: SB 406	Read on First Reading and Referred to the Committee on Ways and Means (August 5, 2019)

on third and final reading last December 15. Airports and seaports are now included as “Public Utilities” in addition to distribution of electricity, transmission of electricity and water and pipeline distribution, and wastewater pipeline distribution. In addition, telecommunications, railways, and subways, tollways and expressways, are now deemed and included as critical infrastructure.

Furthermore, SB 1764 or the Digital Payments Act, which aims to institute digital payments, particularly in all government agencies, offices and local government units, was pushed for approval to promote ease of doing business. This will also go a long way in ensuring the efficient delivery of services to the people. Since consumers have experienced the convenience of making digital payments—be it for buying goods or the payment of services or their monthly bills. Now, Filipinos will be given the option of doing the same for their transactions with the government. The Senate version of the bill is currently being discussed by the technical working group since December 15.

Another bill that moved was Senate bill 2302 or measures which aim to protect individuals engaged in food, grocery, and pharmacy delivery services. It was passed on second reading last December 15. The bills aim to clearly lay down the penalties for erring parties who maliciously avail of delivery services with the intention of not compensating the said service giver.

Amendments to the Public Service Act (SB 2094)

The Senate bill aims to open different services sectors to foreign ownership by defining ‘public utilities’ and separating them from ‘public services.’ These services include electric distribution, electricity transmission, and water pipeline distribution or sewerage pipeline system. The Senate bill also stipulates that the President can suspend or prohibit any merger, acquisition, or investment in public service in the interest of national security. Foreign nationals can only invest if there is reciprocity with Philippine nationals, signifying that Filipinos must also be able to invest in the country of the foreign investor.

SB 2094 was passed on Third and Final Reading last December 15, 2021.

Amendments to the Retail Trade Liberalization Act (SB 1840)

Both Houses approved SB 1840 or the Retail Trade Liberalization Act, which amends the minimum investment hurdle for foreign retailers and aims to attract higher direct investments and create more jobs as the country struggles through the hardships brought about by the pandemic. Under the proposed measure, foreign retailers will peg minimum investment at PHP 25 million with a per-store minimum of PHP 10 million.

Measures to Protect Delivery Services (SB 2302)

The measure serves as a protection for those engaged in food, grocery, and pharmacy delivery services. Since delivery services have been the top option for citizens since the pandemic hit, many hoax orderings have pestered the operations of the said industry. To combat this, SB 2302 aims to serve as a formal basis to penalize erring individuals in order to protect courier drivers and vehicle owners alike.

The bill was passed on Second Reading without amendments last Dec 7, 2021.

Amendments to the Foreign Investments Act – SB 1156

The bill was ratified last December 7, 2021. Generally, the amendments will prospectively make the business environment more encouraging for foreign entities as the Philippines is known for being one of the most restricting countries in terms of foreign investing. Furthermore, the bill will boost the economy as more jobs will be created along with the opening of more businesses.

One of the salient features of the bill aims to allow foreigners to own small and medium-sized enterprises with a minimum paid-up capital of less than \$100,000 if it involves advanced technology or employs at least 15 direct employees. This rate would purportedly attract more foreign investments and encourage the transfer of technology thereby generating more jobs for Filipinos.

Additionally, the proposed bill provides regulations for offshore business entities which conduct transactions locally through e-commerce as domestic market enterprises, which will make such entities subject to the Act and other relevant laws.

Another feature of the bill would allow pertinent agencies to review proposed foreign investments that may pose a threat to national security or jeopardize international investments. Moreover, the said agencies may make recommendations to the President for appropriate action.

In order to appease the fears of total foreign takeovers, the amendment provides that the National Security Council will be able to review proposed foreign investments to proscribe any signs of possible encroachments in the control of critical infrastructure.

Digital Payments Act (SB 1764)

The Digital Payments act or SB 1764 was created to adopt digital payments, particularly in all government agencies, offices and local government units. The existence or proliferation of several digital platforms enabled and facilitated online payments and transactions that have in turn become essential. More importantly, the digital way of doing business eliminates or to a large extent minimizes physical or face-to-face contact, thereby providing a much safer environment for all concerned.

The adoption of digital payments is exceedingly significant in line with the need for contact-less transactions through financial technologies in transitioning to the new normal. As of December 15, the bill is being discussed within the Technical Working Group.

Migrant Workers Act (SB 2234)

The Migrant Workers Act will entirely create a new government agency which will be dedicated to overseeing the affairs and protecting the rights of millions of overseas Filipino workers (OFWs). More specifically, it seeks to turn the Philippine Overseas Employment Administration (POEA) into the Department of Migrant Workers, which will oversee all policies protecting the welfare of OFWs. Furthermore, it will be tasked to regulate the recruitment, employment, and deployment of OFWs, as well as launch investigations and file cases concerning illegal recruitment and human trafficking cases in the said industry.

Priority Legislative Measures

The Third Regular Session of the 18th Congress resumed last November 8 and proceeded until December 17, 2021. After the holiday break, the session will span again from January 17 to February 4, 2022 and adjourn to give way to the May 9 elections. It will resume again on May 23 and end up until June 3, 2022.

Table 16
Priority Legislative Measures

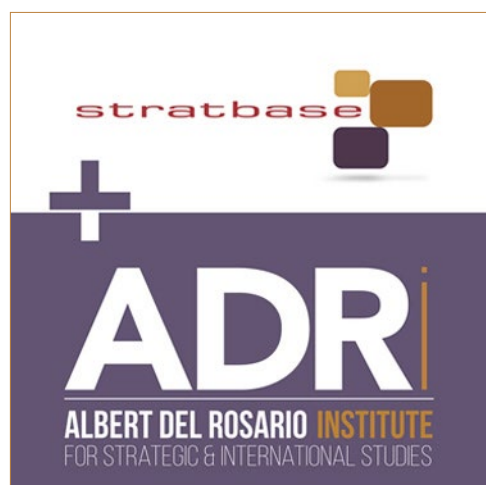
Bill	Status	Approval Timeline
Amendments to the Retail Trade Liberalization Act	Ratified	Ratified on Sept 21, 2021
Amendments to the Foreign Investments Act	Ratified	Ratified on Dec 7, 2021
Amendments to the Public Service Act	Bicam	Q1 of 2022
POGO Tax Regime	Ratified	Ratified on July 28, 2021
Department of Migrant Workers and Overseas Filipinos Act	Plenary	Q1 of 2022
GUIDE	Committee	Q1 of 2022
PIFITA	Committee	Q1 of 2022
Virology Science and Technology Institute of the Philippines	Committee	Q1 of 2022
Rural Agricultural and Fisheries Development Financing System Act	Committee	Q2 of 2022
CTRP Package 3 / Valuation Reform Bill	Committee	Q2 of 2022
Measures to Protect Delivery Services	Committee	Q1 or Q2 of 2022

¹ This section is a merger of two articles published in Business World and Philstar, respectively entitled “A Grand Strategy for the Next President: A Case for Limited Balancing Toward China” and “The Philippines and the Summit for Democracy: How President Duterte became the Prodigal Son.”



POLÍTICA

CRITICAL ISSUES OF PHILIPPINE POLITY



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