

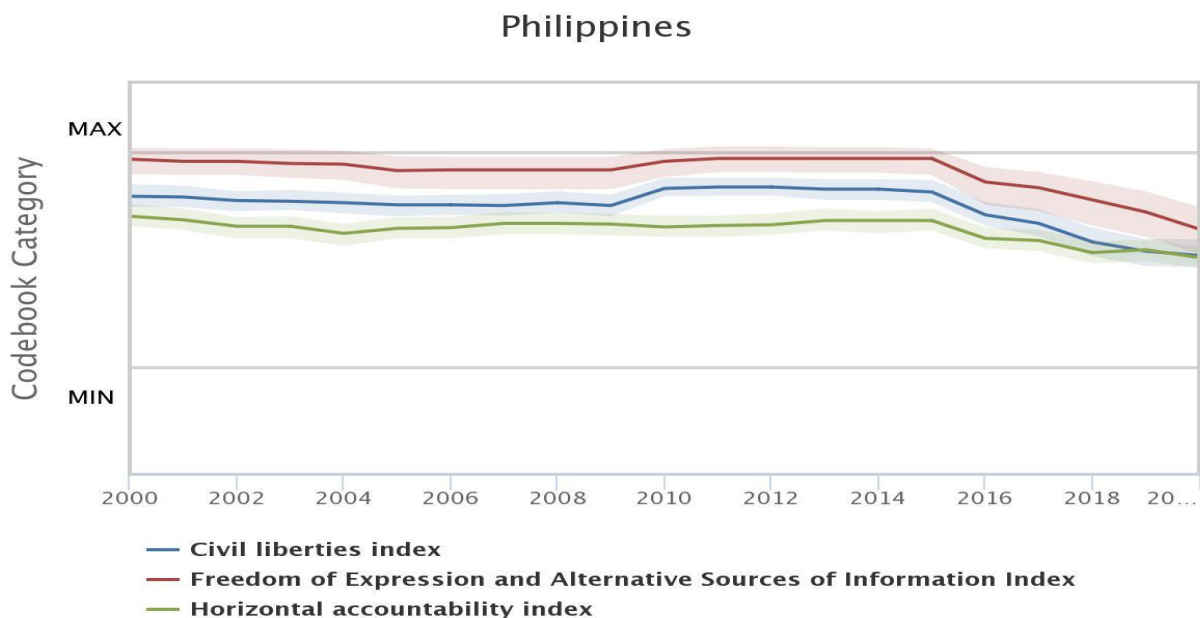
Philippines 2021: Anti-Corruption Initiatives

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Introduction: Duterte's Anti-Corruption Campaign

On March 19, 2016, during the second Presidential debate held in Cebu City, then candidate Rodrigo Duterte spoke strongly against criminality and corruption. In his closing remarks, Duterte said, "I will not promise you heaven, but I will try to stop corruption. In three to six months, I will stop corruption in government."ⁱ This was a big and bold campaign promise. And both the message and the messenger were embraced by the voting public with Rodrigo Duterte winning the presidency. It was a promise to eradicate corruption by promoting transparency and accountability. And in signature Duterte style, can at times, include public shaming. Listed among the key action plans were the passage of the Freedom of Information Bill and the amendments to the bank secrecy law. Public officials were encouraged to live simple lifestyles. And government trimmed down, to get rid of multiple agencies that duplicated work and burdened taxpayers through cost and inefficiency.ⁱⁱ Six years into the Duterte administration, it is time to examine anti-corruption initiatives in the Philippines.

The Philippines is one of the oldest democracies in Southeast Asia. But in the last ten years, liberal democratic principles in the Philippines have been challenged and attacked. One of the key drivers of democratic backsliding is the lack of horizontal accountability. In Transparency International's (TI) Global Corruption Barometer 2020, 86% of the respondents believed that government corruption is a big problem. The Philippines received a dismal score of 34/100 in TI's Corruption Perceptions Index score.ⁱⁱⁱ In the Varieties of Democracy's Liberal Democracy Index, the Philippines shows a continued democratic backsliding from 2010 to 2020.



Source: V-dem^{iv}

Corruption continues to be a problem in the Philippines despite the administration's attempts to curb these. The key agencies mandated to fight corruption are the Office of the Ombudsman (OMB), the Department of Justice (DOJ), the Sandiganbayan (anti-corruption court) and two newly created agencies namely, the Presidential Anti-Corruption Commission (PACC) and the Anti-Red Tape Authority (ARTA).

Systemic and Endemic Corruption vs Populist and Non-institutional Anti-Corruption Efforts

Since 1986, after the fall of the Marcos dictatorship, there has been a lot of anti-corruption talk and rhetoric. Every single Philippine president has mentioned that he or she will have "zero tolerance" for corruption. During the time of former Gloria Macapagal-Arroyo, she asked the former Chief of Hong Kong's Independent Commission Against Corruption (ICAC), Tony Kwok, to serve as consultant to the Office of the Ombudsman in 2005. An upbeat Tony Kwok said, "if it can be done in Hong Kong, it should be equally possible for the Philippines."^v The problem of corruption in the Philippines is endemic due to institutional weakness, a weak state apparatus exploited by economic and political players who want to maintain power and wealth.^{vi} Michael Johnston characterizes the Philippines in his book *Syndromes of Corruption* as an "Oligarch and Clan Symptom." It is about the contending interests of a few elite families with far-reaching influence to protect their interests in both the public and private sector.^{vii}

President Duterte, himself, admitted on national television that the Department of Public Works and Highways (DPWH) is guilty of having "ghost projects." These are usually infrastructure projects that were declared completed by the contractor and public works officials. This means government is required to pay the full sum of the contract or any remaining balance to the contractor. These projects are far from being completed or fail to meet the specifications that they will require major repairs. In November 2020, the president said in a public appearance, "The main racket in the DPWH is the ghost project. There's (sic) no delivery. There are many of those." In that same tirade on national television, Duterte identified DPWH engineers and lawmakers who were purportedly colluding to make money and benefit from corrupt practices including the delivery of substandard infrastructure projects. Given the government's strong emphasis on the Build, Build, Build Program to promote development through upgrading and creating much needed infrastructure projects across the country, these allegations against a lead government agency, are both serious and alarming. The Duterte administration refer to Build, Build, Build program as the Philippine's "golden age of infrastructure." This infrastructure agenda includes public works on transport and mobility, water resources, ICT, health, urban development, and energy with a budget amounting to Php 816 billion (USD 16.6 billion).^{viii}

Another problematic agency that is alleged to lose 7.5% of its annual budget to corruption is the Philippine Health Insurance.^{ix} That is an annual loss to corruption of Php 10 billion (USD 203 million). In a country that suffers from poor access to basic health services, that is an amount that is literally, a life and death situation for the lives of many. Since the pandemic began, Filipinos have been worried about getting health services given the limited capacity of government hospitals and the staggering costs of private hospitals. Middle class Filipinos feel that they are one hospitalization away from becoming poor.^x At the height of the pandemic and with a surge in infection and hospitalization rates, PhilHealth was alleged to have made anomalous disbursement of funds worth Php 15 billion (USD 305 million). Amidst a health crisis, that allegations of corruption persist in a public agency meant to provide medical resources to millions of Filipinos, can only mean a lack of accountability and continued institutional backsliding.

One cause for celebration in the anti-corruption campaign was the recent ruling of the anti-corruption court, the Sandiganbayan. The court convicted two former, Bureau of Immigration officials for plunder after finding them guilty of receiving Php 50 million (USD 1 million) bribe money from Chinese gambling tycoon Jack Lam for the release of over 1,000 undocumented casino workers.^{xi} They will be imprisoned for life or for forty years. There was a brazen attempt to escape the charge of plunder when the then Department of Justice (DOJ) secretary Vitaliano Aguirre, a close associate of President Duterte, testified in a Senate hearing to say that the bribe money was Php 1000 (USD 20) short to qualify for plunder. Then DOJ Secretary Aguirre and the two former Bureau of Immigration officials were part of the legal team of the Duterte presidential campaign.

While President Duterte is big on words and tough talk against corruption, the administration struggles to have a clear and comprehensive anti-corruption program. Instead of an institutional approach to anti-corruption, Duterte, like other populists, use “friends and political allies in law enforcement.”^{xii} Among past Philippine presidents, it was former president Benigno C. Aquino, Jr. that had a Good Governance and Anti-Corruption Plan 2012-2016. His administration’s blueprint to fight corruption. During his time, DPWH under Secretary Rogelio Singson, was able to cut the cost of large national contracts by as much as 25% by eradicating backdoor negotiations and kickbacks. This was recognized by the World Bank and business leaders.

The populist and personalistic style of governance is unlikely to solve the systemic and endemic corruption problems of the country. The Philippines is a patronage democracy that continues to struggle in its anti-corruption efforts. The creation of the Presidential Anti-Corruption Commission (PACC) by President Duterte created an additional layer of bureaucracy and might have further fragmented anti-corruption efforts. The PACC is headed by Greco Belgica, a known Duterte ally. The Anti-Red Tape Authority (ARTA) was also recently created to enforce the Anti-Red Tape Law. ARTA is headed by Jeremiah Belgica, brother of the PACC Chairman. The office of the Ombudsman is currently headed by Samuel Martires, a Duterte appointee. A retired Associate Justice of the Supreme Court, Martires was one of the justices to vote in favor of a quo warranto that removed Chief Justice Lourdes Sereno, an Aquino appointee. At the height of corruption allegations in the Department of Public Works and Highways, President Duterte announced that the Department of Justice (DOJ) will take charge of all corruption cases with a deadline of June 30, 2022. When asked by reporters, DOJ Secretary Menardo Guevarra could not provide a comprehensive plan on how this was going to be done because according to him, the president had not mentioned anything to him prior to the announcement.^{xiii} While the president might find his deputized, anti-corruption officials trustworthy and capable, good government models require a broader approach. Anti-corruption experts Johnston and Friesen propose an examination of “broader, interlinked issues of governance, poverty, and resource management” along with “strategies and tactics that will often be long-term and indirect.”^{xiv} Apart from a clear anti-corruption plan, institutions that can contribute to horizontal accountability can be strengthened by improving their capacity and increasing their autonomy from political and economic pressures.

The Future of Anti-Corruption in the Philippines

In sum, while there has been successful prosecution of corruption cases, some government agencies continue to have embedded corrupt practices in their operations. The public has yet to see how effective the new anti-corruption agencies such as the PACC and the ARTA are able to contribute to

curbing corruption. Corruption affects the country both in economic and political terms. In political terms, corruption contributes to the democratic backsliding of the Philippines due to a lack of horizontal accountability. In economic terms, the recent inclusion of the Philippines by the Financial Action Task Force (FATF) to the “grey list” made the Philippines a “jurisdiction under increased monitoring.” This is a blow for the country’s economic development plans. The FATF recommends that the Philippines address money laundering and terrorist financing.^{xv} On the part of the Philippine government, the Anti-Money Laundering Council (AMLC) has announced that it will implement 18 action plans including, faster “identification, investigation, and prosecution of terrorism financing cases.”^{xvi} It was only in February 2005 when the Philippines was taken out of the FATF’s blacklisted countries. The government needs to take the recommendations seriously so as not to waste the gains of the last 16 years. Given that the economy of the Philippines contracted by 9.5% in 2020.^{xvii} Successful anti-corruption efforts can attract investments. On the other hand, signs of unabated corruption will make investors wary of the Philippines. The government will need to re-focus and recalibrate anti-corruption efforts.

Vulnerability to corruption and the lack of accountability increases the resources of entrenched political elites and burdens citizens with poor public services. With elections approaching in May 2022, the issue of corruption will be a flashpoint and an area where the opposition will consider as a vulnerable point for the Duterte endorsed candidate. Anti-corruption efforts are needed by the Philippines, regardless of what party or who wins in the election. A comprehensive plan that involves institutions and broad, long-term systemic approach is worth considering for the Philippines. For Johnston and Friesen, reforms in the area of corruption require “political strategies and tactics that will often be long-term and indirect.”^{xviii} This means looking at issues of governance, justice and not just particular corrupt activities. It is a tall order to fight corruption. But one that needs to be done.

ⁱ I can’t promise heaven but I will stop corruption. May 20, 2016. Philippine Daily Inquirer. <https://newsinfo.inquirer.net/775352/duterte-i-cant-promise-heaven-but-i-will-stop-corruption>. Accessed June 20, 2021.

ⁱⁱ Rodrigo Duterte’s Agenda During the 2016 Campaign. June 29, 2016. Philippine Daily Inquirer. <https://newsinfo.inquirer.net/790812/inqback-president-rodrigo-duterte-agenda-2016-elections-campaign>. Accessed June 20, 2021.

ⁱⁱⁱ Transparency International CPI and Global Barometer Index 2020 <https://www.transparency.org/en/countries/philippines>. Accessed June 24, 2021.

^{iv} Coppedge, Michael, John Gerring, Carl Henrik Knutsen, Staffan I. Lindberg, Jan Teorell, Nazifa Alizada, David Altman, Michael Bernhard, Agnes Cornell, M. Steven Fish, Lisa Gastaldi, Haakon Gjerløw, Adam Glynn, Allen Hicken, Garry Hindle, Nina Ilchenko, Joshua Krusell, Anna Luhrmann, Seraphine F. Maerz, Kyle L. Marquardt, Kelly McMann, Valeriya Mechkova, Juraj Medzihorsky, Pamela Paxton, Daniel Pemstein, Josefine Pernes, Johannes von Römer, Brigitte Seim, Rachel Sigman, Svend-Erik Skaaning, Jeffrey Staton, Aksel Sundström, Ei-tan Tzelgov, Yi-ting Wang, Tore Wig, Steven Wilson and Daniel Ziblatt. 2021. “V-Dem [Country–Year/Country–Date] Dataset v11.1” Varieties of Democracy Project. <https://doi.org/10.23696/vdemds21>

^v Antigraft adviser promises dramatic results in 20 months. May 18, 2005. Manila Times.

^{vi} Calimbahin, C. (2018). An ambivalent state: The crossover of corruption and violence in the Philippines. Handbook on the Geographies of Corruption, 331-349.

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- vii Johnston, M. (2005). *Syndromes of corruption: wealth, power, and democracy*. Cambridge University Press.
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- ix Alleged Philhealth anomalies probed in Congress probe. August 17, 2021. Rappler. <https://www.rappler.com/newsbreak/iq/cheat-sheet-alleged-philhealth-anomalies-uncovered-congress-probes>. Accessed June 30, 2021.
- x Worried Filipinos open up after viral tweet on health emergency. February 14, 2021. Rappler. <https://www.rappler.com/moveph/worried-filipinos-open-up-viral-tweet-health-emergencies>. Accessed June 26, 2021
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- xiii Experts have serious doubts with Duterte's anti-corruption campaign. October 2020. Rappler. <https://www.rappler.com/newsbreak/explainers/reasons-experts-serious-doubts-duterte-corruption-philippine-government-crackdown>. Accessed June 26, 2021
- xiv Johnston, M., & Fritzen, S. A. (2020). *The Conundrum of Corruption: Reform for social justice*. Routledge.
- xv <https://www.bworldonline.com/philippines-added-to-fatf-grey-list-anew/>
- xvi Ibid.
- xvii [https://www.bworldonline.com/philippine-gdp-shrinks-by-record-9-5-in-2020/#:~:text=Preliminary%20Philippine%20Statistics%20Authority%20\(PSA,16.9%25%20in%20the%20second%20quarter](https://www.bworldonline.com/philippine-gdp-shrinks-by-record-9-5-in-2020/#:~:text=Preliminary%20Philippine%20Statistics%20Authority%20(PSA,16.9%25%20in%20the%20second%20quarter).
- xviii Johnston, M., & Fritzen, S. A. (2020). *The Conundrum of Corruption: Reform for social justice*. Routledge.