5 The Philippines: a Crisis of Government

When President Ferdinand Marcos of the Philippines declared martial law in September 1972, observers felt that he had acted just in time to stop a deteriorating economic and social crisis exploding in violence.

'Marcos just succeeded in beating other revolutionaries to the draw,' said one young official in his administration, and since the political opinions he expressed were radical, I could not help wondering whether he might have been among the revolutionaries. His thesis was that Marcos himself, one of Manila's ubiquitous lawyers, with his origins on the fringes of the prosperous middle classes, has no real gut political position at all; he is neither on the right nor the left, but as a pragmatist he gained new insights into political and economic reality during his presidential years between 1965 and 1972. This was what made him act.

Someone with less need to be polite about the régime saw the situation in the context of democracy's growing difficulties in the Third World. The real issue, he argued, was whether the old politicians could adapt themselves and their policies quickly enough to avert an explosion of unpredictable dimensions which would sweep them all away. He confessed himself agnostic about the answer.

The Philippines story is of a country which could be prosperous but is fouled by corruption, socially divided by extreme and growing inequality and poverty, and with an economy which — for these reasons, among others — is rapidly running out of steam. Add a population explosion of Asiatic proportions, and it was obvious that something must be done. The Philippines government was another which elected to stimulate its internal debate on development by
inviting an ILO employment mission. Its study and report, produced in 1974, fitted conveniently into a period when the Marcos administration was in the market for new ideas.

By the time the ILO mission, under Gustav Ranis of Yale University, arrived in 1973, it was estimated that more than a quarter of the labour force was either unemployed or underemployed. During the previous two decades, inequality had become worse. The share of income of the bottom 60 per cent of the population, the real rural poor, had actually declined from 32.8 per cent to 27.2 over the previous fifteen years.

This, in fact, was one of those societies where the dream of radicals in every age since Robin Hood — robbing the rich to feed the poor — was feasible. In all modern industrial countries, you could confiscate and redistribute the entire wealth of the rich without substantially improving the lot of the poor. But in the Philippines, you could double the incomes of the poorest one-fifth of families by reducing the incomes of the richest one-fifth by only 7 per cent. That is a measure of the degree of inequality in the Philippines.

Under the nation’s system of democracy, no such radical distribution, nor even a more modest exercise, was likely to be considered. Both major parties, the Nationalists and the Liberals, represented vested interests, the big landowners and the industrialists. The congress, which they controlled, was a sink of corruption and patronage. Everyone in Manila now seems to have his story of wrongdoing under the old régime, and if even half of them are true a radical reform of the institutions had become inevitable.

The old politicians appear to have corrupted everything they touched. Elections at all levels were bought. The direct spending was considerable: someone estimated that it could cost as much as $140,000 to become even a councilman in Manila, so ‘you had to be rich to buy people.’ But public money was also used for patronage. One reason for cynicism about development programmes in many districts is that local politicians used to spend lavishly on ghost payrolls for supposed new public works schemes. Sometimes, particularly in the more remote islands, the community finished up with no road, or with one so carelessly constructed that it quickly