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## **Philippine Technocracy and Class Politics in Policy-making**

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### **Introduction**

My paper looks into the nature of the impingement of class politics, i.e., inter-elite as well as intra-class conflicts, on technocratic decision-making which characterizes the post-martial law period.

The first part will examine the conflicts within the technocracy and inter-elite dynamics in policy-making as it is also shaped by the issues of corruption and elite relationships with the President.

The second part, on the other hand, will highlight the role of left-wing civil society organizations (CSOs) in intervening in technocratic policy-making.

### **I. Technocracy and Class Politics During the Post-Martial Period (1986 to the present)**

Technocracy, “in classical political terms refers to a system of governance in which technically trained experts rule by virtue of their specialized knowledge and position in dominant political and economic institutions.”

During the post-martial law period (1986-present), the technocratic paradigm was expressed within the context of neo-liberalism in an era of globalization. This meant a more intensified call for liberalization, free trade as well as “further deregulation, privatization and the breakup of monopolies and a capitalist market-led development as opposed to the authoritarian state-led development during the martial law period” (1972-1986).

#### **A. Inter-Elite Dynamics in Policy-making**

The post-martial law period also witnessed inter-elite conflicts which impacted on technocratic policy-making.

In general although Philippine presidents generally recruited technocrats who represented the neo-liberal development paradigm, elite conflicts associated with the President obstructed economic policies.

An example of this was when the Ramos Administration (1992-1998) broke up the country's monopolies in certain sectors such as in the telecommunications industry signaling his commitment to market reform and full economic liberalization.

This was unlike under the Corazon C. Aquino presidency (1986-1992) whereby "crony capitalism" through monopolies continued to prevail. An example was "Mrs. Aquino's natal family, the Cojuangcos, who continued to monopolize the telecommunications industry through the Philippine Long Distance Telephone (PLDT) Company, prompting the criticism that she was protecting her own crony network." Such a network was referred to as Kamag-anak Inc. (Relatives Inc.).

### **B. Technocracy and Corruption Among the Elites**

Technocratic policy-making was also stymied by corruption by the president as well as his/her presidential cronies.

This was seen with the ouster of President Joseph Estrada in 2001 in what was dubbed as People Power 2 or EDSA Dos (EDSA 2) due to corruption scandals emanating from his involvement in *jueteng*, an illegal numbers game. With the downfall of Estrada was also the demise of his technocrats.

Corruption scandals also hounded the fate of technocracy under the Arroyo Administration (2001-2010). This led to the massive resignation of 10 of Arroyo's economic and social technocrats the first ever in Philippine history.

### **C. High Growth Rates Amidst Poverty and Socio-Economic Inequalities**

Despite the corruption scandals which characterized the the post-martial law administrations of Ramos, Arroyo, and the Benigno S. Aquino (2010-2016), the country witnessed high economic growth rates of as much as 7%.

This, however, was not shared by the vast majority of the Filipino people.

In President B.S. Aquino's term in the second quarter of 2013, for example, some 4.9 million families went hungry in the second quarter of year, up by around one million from the previous quarter according to the a Social Weather Station (SWS) Survey." Thus, the growth has been described as a jobless and exclusive one, i.e., the rich are getting richer and the poor are getting poorer.

In April 2017, half of Filipinos, or 50% considered themselves poor, according to the results of a new Social Weather Stations survey. The number is higher than some 44 percent of Filipinos who described themselves as poor in December. “The poll results showed that at least 1.5 million families were added to those who described themselves as poor...”

## **II. Left-wing Politics and Technocratic Policy-Making**

The 1986 People Power Revolution and the ushering in of a “democratic dispensation” albeit under elite rule, has also opened several avenues for the left movement to intervene in policy-making.

An important issue which led to the formation of one of the broadest left coalitions, the Freedom from Debt Coalition (FDC), was what to do with the Marcos debts. FDC represents the various left political blocs and members of the business community among others.

During the time of President Corazon Aquino, the total annual debt service payments was USD3.6 billion in 1990 and this increased to USD10.2 billion in 2003 a year after she left office.

### **A. Working with the Philippine Congress**

An FDC strategy which is also pursued by civil society organizations (CSOs) during the post-martial law period was to work closely with members of Congress.

In the current Duterte Administration, under the initiative of FDC, the 2017 government budget provided for a debt audit of questionable loans incurred by the Philippine government

### **B. Raising Issues at the Global Level**

At the global level, FDC was in the forefront of the establishment of the Structural Adjustment Participatory Review International Network (SAPRIN) which called for popular participation in the structural adjustment process and a change in the orientation of the IMF towards short-term solutions.

### **C. Working with “Reformist” Technocrats**

Another way in which left-wing CSOs are also able to intervene in technocratic policy making is through the institutionalization of their participation in this process.

This was seen under the Estrada Administration (1998-2001) when the Department of Agriculture (DA) established the Task Force on WTO Agreement on Agriculture (Re)negotiations or TF-WAAR.

“TF-WAAR (which later became TF-WAR in 2001) is a multisectoral consultative body composed of twenty-eight representatives from state institutions and agencies, which have a key participation in trade policymaking, and stakeholders...”

The creation of the TF-WAR came in the aftermath of the 1997 Asian financial crisis and the “deepening institutional crisis within the WTO as epitomized by the stalemate between developed and developing countries” which brought forth “the pressure to include civil society actors who questioned the neoliberal paradigm in the negotiating process.”

The “popularization” of technocratic decision-making is also due to the presence of what is referred to as “reformist” technocrats – “those who are not hardcore neoliberals and are open to other paradigms”.

#### **D. Limits to CSO Intervention in Policy-making**

Despite this headway which CSOs have made in intervening in policy-making, a reality which remains is that the elites, through the technocrats, still have the hegemony in determining the country’s economic policies.

This was seen in the struggle of the CSOs against the privatization of two major basic sectors in the country, i.e., energy and water.

A repercussion of the privatization of the energy sector as embodied in the Electric Power Industry Act (Epira) was the increase in electricity prices in the Philippine, the second highest in Asia. In the last five years of Epira, electricity prices went up by about 130 percent.

### **III. Economic Technocrats vs. Social Technocrats**

Philippine presidents have also played a crucial role in opening the door for left-wing CSOs and social movement players for positions in their respective administration’s policy-making. But this has generally been limited in the arena of social policies.

Under the Ramos Administration, there was an attempt by the president to address the problem of “exclusive growth” through his Social Reform Agenda (SRA), an anti-poverty program aimed at addressing social inequalities.

This was also the same for the succeeding administrations under Presidents Estrada, Arroyo and B.S. Aquino which sought to come out with social policies which will bring about “inclusive growth”.

The agency which is tasked to do this is the National Anti-Poverty Commission (NAPC). The NAPC, however, is a “marginalized” government agency which has generally taken a back seat to the more dominant economic agencies such as the Department of Finance and Department of Trade and Industry where the economic technocrats reign.

Under the Duterte Administration, however, the President has put in the center of his government's policy the anti-poverty programs of his government which includes the NAPC.

He has appointed his Cabinet Secretary, Leoncio "Jun" Evasco, a former member of the Communist Party of the Philippines (CPP), to coordinate all of these anti-poverty agencies. Furthermore, Duterte's social technocrats are identified with the mainstream Left, i.e., the CPP. They occupy the top positions in the Department of Social Work and Development, the Department of Agrarian Reform and NAPCI.

This is not surprising as President Duterte styles himself as a "socialist" and has close associations with members of the CPP, foremost of whom is CPP founder Jose Ma. Sison.

Given such a set-up, clashes of economic perspectives inevitably occurs between Duterte's economic technocrats, i.e., those who head the key economic agencies of the Departments of Finance, Budget and Trade and Industry and the National Economic Development Agency (NEDA), which continue to pursue the neoliberal agenda for economic growth and his social technocrats who want to implement policies for the radical redistribution of wealth.

An example of the latter is the support which President Duterte has given to Department of Agrarian Reform Secretary Rafael Mariano's call for a two-year moratorium on land conversions. Mariano is the first peasant ever to be appointed to a cabinet position.

This has been strongly opposed by Duterte's NEDA Director-General Ernesto Pernia who believes that such a policy will not be good for foreign investors and the real estate sector.

Pernia's position has been backed by the business community, in particular, the Chamber of Real Estate and Builder's Association (CREBA).

President Duterte has also called for the termination of the end of contract scheme or "endo" practice of "hiring employees for five months to circumvent labor laws providing them benefits and job security". The practice is also referred to as contractualization.

Such a policy has the support of the labor sector but is not welcomed by the business community. Labor groups have accused the Department of Labor and Employment (DOLE), however, of coming out with a policy which has failed to terminate the practice of "endo"

## **Conclusion**

The post-martial law period, therefore, highlighted the varying nature of class politics which impinged on technocratic policy-making as well as vice-versa. The dominant development paradigm is neo-liberalism which has brought about high economic growth rates but the widening of socio-economic inequalities and the perpetuation of poverty for the vast majority. For the elites, the main concern is good governance, i.e., the curtailment of corruption

and the need for political stability. For left-wing CSOs, however, this is not enough and have advocated for the radical economic policies which will bring about structural change needed for the redistribution of wealth.