

DOMESTIC ANTI-CORRUPTION AS FOREIGN POLICY THRUST: A CASE STUDY FROM THE PHILIPPINES

By Lisandro E. Claudio

In August 2010, Benigno ‘Noynoy’ Aquino III—son of former Philippine president Corazon Aquino and anti-dictatorship martyr Benigno “Ninoy” Aquino Jr.—was elected President of the Philippines by a landslide margin. Aquino ran under a strong anti-corruption platform, vowing to clean up government bureaucracy and punish corrupt officials from the previous regime.

His campaign slogan ‘kung walang corrupt, walang mahirap’ (without corruption, there will be no poverty) resonated with an electorate that had witnessed one corruption scandal after another unfold during the 9-year presidency of the deeply unpopular Gloria Macapagal-Arroyo.

Three years after his election, anti-corruption remains the central leitmotif of Aquino’s presidency. It is not just the fulcrum of domestic policy; it is also the discursive foundation of the president’s foreign affairs platform.

In recognition of his efforts, the World Economic Forum Partnering Against Corruption Initiative invited Aquino to deliver a plenary address at Davos. In his address, Aquino confidently noted that:

We have now ignited a virtuous cycle, where justice breeds the predictability of outcomes; where crimes do not go unpunished, and following the rules has its own rewards. Stability ensues, and stakeholders begin to buy into the system—investors flock in, economic gains are channeled into investments in our people’s future such as those in health and education, and the citizenry is empowered to spur further growth.^[1]

This statement reflects the primary goal of Aquino’s foreign policy: to project the Philippines as a country that respects the rule of law and a place conducive to foreign investment. The president has cause for optimism. In the third quarter of 2012, the Philippine economy grew by 7.1%, making it the second fastest-growing economy in Asia, next to China. “The acceleration of domestic de-

mand,” notes the World Bank, “reflects the country’s strong macroeconomic fundamentals, stronger government finances, and high confidence in the Aquino government’s commitment to reform.”^[2] Bloomberg predicts that economic growth will continue and that the Philippines will join the ten fastest-growing economies in the world this year.^[3] The growth, it adds, has occurred as Aquino increases government spending even while reducing the budget deficit.^[4]

ANTICORRUPTION REMAINS THE CENTRAL LEITMOTIF OF AQUINO’S PRESIDENCY. IT IS NOT JUST THE FULCRUM OF DOMESTIC POLICY; IT IS ALSO THE DISCURSIVE FOUNDATION OF THE PRESIDENT’S FOREIGN AFFAIRS PLATFORM.

The President credits his success to an increase in government transparency.^[5] In 2012, for example, the Department of Public Works and Highways saved an estimated 300 million dollars through preventing fund leakages and ensuring more transparent bidding, which encouraged competition among contractors.^[6]

Despite these positive indicators, however, a significant portion of economic growth remains contingent on remittances from overseas work. Crit-

ics argue that this situation reflects a continued lacuna in domestic employment. The various legal front organizations of the Communist Party of the Philippines (CPP), which have become Aquino’s main critics, view current growth as cosmetic. As the Communist-affiliated Migrant, a group advocating migrant rights, notes, “The Aquino administration, while mouthing local job generation as its core program to eliminate forced migration, continues to hail the ‘remittance bonanza’ to further promote labor export in the attempt to offset the downtrend in growth rate.”^[7] Ironically, this position of the far left mirrors that of a small coterie of rightwing pundits, who are against Aquino and support his discredited predecessor. This position negates other reasons for sustained growth (noted earlier), which can be attributed to Aquino’s robust macroeconomic policy and anti-corruption drive.

As extreme as criticisms of Aquino may be, they do have some merit. While the Aquino government views the continued increase of remittances from overseas work as positive (from 1.7 billion dollars in early 2012 to 1.9 billion in early 2013), the country’s dependency on foreign labor raises questions concerning the sustainability of the

country's growth.^[8] Moreover, economic growth remains uneven. 76.5 percent of last year's growth accrued to the forty richest individuals in the country, and poverty rates remain high.^[9]

Narrating An Anti-corruption Foreign Policy

The growth of the Philippine economy reflects not only the effects of robust domestic economic policy, it also attests to the resonance of anti-corruption discourse for foreign investors. Much of the growth is driven by the perception of good governance in the country, and this perception is constantly buttressed by Aquino's pronouncements in fora such as Davos. Aquino's international economic strategy is based as much on a constructed image as it is on concrete policy (one hesitates to call this an exercise in soft power, as any Filipino is hesitant to describe his/her country as bearing any power). In both local and international settings, Aquino projects his regime as a departure from that of the discredited Arroyo's. Aquino's success lies in his ability to establish trust. It is no coincidence that both Aquino's high domestic popularity mirrors the upgrades in ratings accorded the Philippines by credit rating agencies.

Anti-corruption discourse has a distinct advantage in foreign policy settings: it is above ideology, as nobody will deny that fighting corruption is good economic policy. Unlike leftwing Latin American leaders, for example, who govern economies with historical similarities to the Philippines', Aquino has not projected himself as an economic nationalist. In fact, the focus on anti-corruption as a means to attract foreign investment signifies Aquino's clear intention to grow the country through increased international trade. Concomitantly, Aquino has not resorted to critiques of international financial institutions such as the IMF, the World Bank, or the WTO to explain the causes of poverty in the Philippines. For the president, it is ultimately corruption that causes underdevelopment. Discussions of the structure of the world economy are irrelevant, at least in the short term.

Aquino's emphasis on good governance, as such, is not a significant departure from the economic foreign policy of previous post-authoritarian Philippine presidents (from Aquino's mother, who took office in 1986, to his disgraced predecessor). The Philippines remains committed to economic norms established by international financial institutions.

In domestic policy, Aquino has been surprisingly receptive to a progressive, center-left lobby: he supported

legislation to increase taxes on tobacco and alcohol companies in defiance of corporate lobbyists, and he supported a controversial reproductive health bill in defiance of the conservative Catholic Church. This same civil society lobby, however, has not pushed Aquino to the left in terms of international economic policy.

The implications of Aquino's position on international economics are difficult to determine. So far, Aquino's non-ideological anti-corruption discourse has allowed him to rally a broad array of groups, both domestically and internationally, to support his programs. The unevenness of the Philippines' growth, however, may force the president to re-examine the limits of anti-corruption. This re-examination will probably not result in a fundamental repositioning of the Philippines in international geopolitics. If it does occur, it will be through rhetoric acceptable in global foreign policy settings. Aquino is more likely to use the World Bank's economic buzzwords like 'inclusive growth' rather than launch critiques of neoliberalism.

In the short-term, however, Aquino is certain to ride out the success of his current efforts, and the Philippines will continue being the darling of global financial analysts. This is good news for most Filipinos. 

References and Notes

1. Aquino, Benigno S., III. "Speech." Speech. World Economic Forum Partnering Against Corruption Initiative. Davos, Switzerland. Jan. 24 2013. *Official Gazette*. Republic of Philippines. Web. Mar. 15 2013.
2. World Bank Poverty Reduction and Economic Management Unit, Asia and the Pacific Region. "Philippine Economic Update: Accelerating Reforms to Sustain Growth." World Bank, Dec. 2012. Web. Mar. 15 2013.
3. Yap, Karl LM. "Consumer Boom Fuels Philippines as Asian Exports Falter." *Bloomberg*, Jan. 31 2013. Web. Mar. 17 2013.
4. Yap, "Consumer Boom Fuels Philippines as Asian Exports Falter."
5. Yap, Cecilia, and Karl LM Yap. "Philippine Fourth-Quarter GDP Growth Holds Above 6% on Spending." *Bloomberg*, Jan. 30 2013. Web. Mar. 17 2013.
6. Aquino, "Speech."

Lisandro E. Claudio is an Assistant Professor, Department of Political Science, Ateneo de Manila University. He obtained his Ph.D from the School of Historical and Philosophical Studies, the University of Melbourne. He writes popular commentary on the Philippines politics under the byline Leloy Claudio. He is also the author of the forthcoming book "Taming People's Power: The EDSA Revolutions and its Contradictions" (Forthcoming: Ateneo de Manila University Press). lclaudio@ateneo.edu