

AUSTRALIAN POLITICAL EXCHANGE COUNCIL

SIXTH AUSTRALIAN DELEGATION TO THE PHILIPPINES

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DELEGATION

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Contents

Executive Summary.....	3
Sunday, 30 September.....	4
Sonya’s Garden	4
Tagaytay Highlands Resort.....	4
City of Marikina.....	4
Monday, 1 October	5
Courtesy Call at Mandaluyong City Hall.....	5
Courtesy Call to Secretary and Presidential Advisor for Environmental Protection	5
Public Private Partnership Centre	5
Dinner with Senator Francis Pangilinan	6
Kaya Natin!.....	6
National Kidney and Transplant Institute (NKTl)	6
University of the Philippines, Department of Political Science	7
PTV4	7
Wednesday, 3 October	8
Bohol Province	8
Governor’s Meeting.....	8
Lunch with the Philippine Australian Alumni Association	8
AusAID Site Visit.....	8
Bohol Provincial Officials.....	8
Thursday, 4 October.....	9
Bohol, Philippines.....	9
Acknowledgements.....	9

Executive Summary

The 6th Delegation to the Republic of the Philippines was an opportunity to learn first-hand the similarities and differences between two countries in the Asia-Pacific region that share similar democratic heritage.

The initial gathering of delegates in Canberra prior to departure was an opportunity to receive briefings from a number of sources including academics and the diplomatic corp. This was an opportunity to determine the direction of our enquiries and to meet with fellow delegates.

Our discussions crystallised the idea that the Philippines was a nation in a state of political transition. The election of President Benigno (“Noynoy”) Aquino III on a platform of reform was a perfect opportunity to examine how effective this process had been in the face of many years of historical practice.

An overview of Philippines political history prompted the idea that previous Presidents had been elected with similar reform agendas only to become trapped or waylaid by the heavily entrenched existing political system (or wealthy political elite).

Framing our exploration of the Philippines around the effectiveness of the current reform process provided an excellent over-arching theme to our examinations.

Context and understanding often comes from comparing the familiar with the foreign. The Australian political system is built around a strong party system. Even with the rise of presidential-style election campaigns, the defining characteristic of political parties dominates political debate. This is in stark contrast to the Philippines, where the cult of personality dominates. Political parties appear to only have a minor influence of the political process. Political success is determined by the identity and profile of the individual candidate. One of the most memorable meetings of the tour involved a senior official lamenting that Senate candidate selection ignored party membership, ideology or activity.

Many elected positions in the Philippines are term-limited. An elected member may only serve for a specified number of terms. We encountered numerous examples of entrenchment where public figures either rotated through Senate, Congress and gubernatorial positions or allowed family members to inherit or replace them when term limits were reached. The union movement is highly influential in the Australian political system. In comparison, an organised union movement appeared almost entirely absent from the Philippine political system.

Religion is a powerful force in the Philippines but far less overt than we anticipated. With approximately 90 per cent of the population being Christian, of which 80 per cent are Roman Catholic, there was an expectation that there would be some sign of this influence in the lives of Filipinos. The greatest evidence of this influence appeared to be the number of times delegates were greeted by Filipinos with the question of whether they were Catholic.

Australia is the largest grant aid donor to the Philippines with approximately \$129 million of assistance provided in 2012-13. While many Australian Government representatives were keen to emphasise the importance of this level of assistance, the delegation remained focussed on assessing the impact of that aid on Filipinos. Our visit to Bohol was an important opportunity to see first-hand what effect this aid contribution was having. Seeing a number of road and construction sites funded by AusAID was a valuable demonstration of a concrete benefit.

What was evident during our journey is that telecommunications are highly developed in the Philippines. Mobile phones were ubiquitous, as was text messaging. This level of communication infrastructure meant that news and information could quickly circulate throughout the population despite low levels of literacy in poorer parts of the country.

Sunday, 30 September

Sonya's Garden

Sonya's Garden is a private garden, restaurant and bed and breakfast located in the Tagaytay Highlands region some 60km from Metro Manila. It opened in February 1998 and has developed a reputation for fresh, gourmet dining in a relaxed garden environment. Sonya's Garden is owned and managed by women and illustrates the dynamic, entrepreneurial spirit of many Filipinos particularly among the country's women. The delegation was impressed by the quality, enthusiasm and professionalism of the women managing the operation.

Tagaytay Highlands Resort

The Tagaytay Highlands resort is an exclusive, membership only, recreational and residential complex located in the Tagaytay Range. It offers a variety of activities, impressive facilities, fine dining as well as one of Asia's most renowned golf courses. Life membership is around one million Philippine peso or five times the average middle-class salary.

Our visit to the resort demonstrated the significant disparity in economic outcomes and living conditions between the rich and poor in the Philippines. It also highlighted the long-term challenges for the Philippine National Government to stimulate economic growth to drive overall economic prosperity as well as the potential need to implement welfare mechanisms that will provide for a fairer distribution of income throughout the society.

City of Marikina

The City of Marikina is one of the 17 cities that comprise Metro Manila. Marikina was the former capital of the province of Manila during the period of Philippine Independence. It comprises 16 barangays or local areas.

Marikina has the title '*Shoe Capital of the Philippines*' because of its large shoe industry. The city is the largest manufacturer of shoes in the Philippines, accounting for almost 70 per cent of the nation's shoe production.

Notably, shoemakers in the city recently finished creating the world's largest pair of shoes, a feat that has been recognised by the Guinness World Records. The delegation observed this achievement at the Shoe Museum located in the heart of the city. The museum also contains a partial display of Imelda Marcos' (former First Lady) infamous shoe collection.

Marikina is a recognised tourism and cultural hub in Metro Manila. As one of the wealthiest local government areas in the Philippines, it is recognised as among the healthiest and most liveable cities in the Asia-Pacific. It has received numerous national awards for being one of the most environmentally sustainable cities in the Philippines as well as for being the one of the most competitive and business friendly.

Monday, 1 October

Courtesy Call at Mandaluyong City Hall

Upon arriving at the Mandaluyong City Hall we were greeted by a brass band and a crowd of local government employees and local supporters of Mayor Benjamin Abalos, Jr (popularly referred to as Mayor Benhur). The delegation attended a meeting at the Town Hall. This mass meeting had approximately 200 people in attendance and was entertained by a band and choirs including a choir funded by the Municipality made up of children with disabilities.

Following the mass meeting, the delegation was able to meet with the Mayor. Delegation members were keen to discuss the current President's anti-corruption and transparency agenda with a particular interest in the implementation at the Municipal level. However, the Mayor was keener to discuss his local initiatives and was reserved when it came to his view of the current President's anti-corruption agenda.

Courtesy Call to Secretary and Presidential Advisor for Environmental Protection

In the morning prior to our meeting with Dr Neric Acosta, President Noynoy Aquino announced the politicians who would be on the supported ticket in upcoming Senate elections. The fact that the President's ticket included no Liberal Party (the President's party) members as candidates demonstrates the difference between Australia's political culture and the Philippines. The Philippines has a very loose party system that is dominated by individual personalities and largely influenced by political elite families. We discussed this move by the President and the possible reasons behind it including the perceived need for a coalition that would facilitate the passage of the President's reform legislative agenda to address poverty and corruption.

Succeeding in genuinely addressing corruption and implementing transparency is vital to the fulfilment of the President's election platform of *no corruption, no poverty*. Personality politics arguably makes addressing institutional corruption particularly difficult and therefore measuring and comparing all indicators against internationally accepted standards will be the fastest and most effective way to addressing corruption.

We were advised that the Philippines is one of the top five most mineralised countries in the world. There is an active and strong environmental movement that is gaining strength in the pursuit of strong environmental protections particularly relating to mining and forestry. The Administration is working to define a clearer mining policy with robust environmental protections and a clearer regulatory framework between the National and Local Governments.

Public Private Partnership Centre

President Aquino's Government identified the implementation of the Public Private Partnerships (PPP) to be the main engine for national development through accelerating infrastructure development in order to sustain economic growth.

The current President states "these [PPP] projects promise so much for our economy and for the Filipino, and they [private partners] will play a vital role in our administration's fulfilment of our Social Contract with our people". We were advised that the legal and regulatory framework for PPPs also includes non-traditional infrastructure sectors including health, education, information and communications technology, and other social infrastructure and development projects.

We discussed many of the potential benefits, shortcomings and risks of PPPs including the promising emphasis of the current Administration's emphasis on PPPs conforming to principles of transparency, accountability and good governance. We were advised that all Government Agencies

have set up internal PPP departments in order to gain maximum benefit from the Administrations' PPP Program.

Dinner with Senator Francis Pangilinan

During dinner with Senator Francis Pangilinan (Kiko), many issues were discussed including Filipino political culture, campaigning and aims to stamp out corruption. Senator Kiko refers to himself as being somewhat of a maverick as he has always worked to maintain independence and a commitment to good governance, transparency and human rights.

When Senator Kiko decided to run as an independent in 2007, the first incumbent to do so, most thought this was political suicide. However, Senator Kiko proved to run a successful campaign and was successful in being re-elected. He was the first nationally elected official to throw his support behind the now President's bid for President. However, Senator Kiko discussed the current President's reluctance for running for President and outlined why he thought it was vital that Benigno Aquino III do so.

Various matters relating to international relations were also discussed, most notably, the current territorial dispute with China over the disputed South China Sea/West Philippine Sea.

Tuesday, 2 October

Kaya Natin!

Kaya Natin, the movement for good governance and ethical leadership, seeks to encourage good governance among political representatives and parties. It uses newspaper columns, role-model champions, statements, good governance models, awareness raising and promotion of electoral enrolment to identify, accredit and resource pro-transparency candidates. At the time of the delegation's visit, 92 local municipal officials were supported by Kaya Natin.

Kaya Natin endorses champions to act as role models. They are nominated, then subjected to due diligence by Kaya Natin whose primary focus is on them being effective, ethical and empowering. There is a parallel group 'Clergy for good governance' and together they hope to influence elections by ensuring the success of pro-transparency candidates.

The delegation raised with Kaya Natin the inherent conflict between being a watch-dog and engaging in partisan political activity. Kaya Natin's links with the Liberal Party appeared to be overt, with candidates seeking to wear both logos on campaign shirts and other literature. Kaya Natin appeared to be more of an activist group like *Get-Up* than a political enabler working across the political divide. Kaya Natin claims to fill the gaps in a nation with weak political parties. Given the mix of feudalism and political patronage, a candidate acting ethically operates at a considerable disadvantage in a nation with low levels of literacy and education.

A further question was raised as to whether candidates seeking the endorsement of Kaya Natin were doing so because they espouse the values promoted by Kaya Natin or because they wished to attract the electoral benefit received by Kaya Natin endorsement.

National Kidney and Transplant Institute (NKTl)

The Philippines has a proud record on reducing renal disease; it has introduced public health programmes to end-stage renal disease. The delegation was escorted on a guided tour of NKTl by nephrology, surgical, nursing and management staff. Far from the largest, NKTl is regarded as Manila's finest public hospital. The Philippines loses 5,690 lives to end-stage renal disease each year.

In 1995, the federal government initiated RedCoP, a national school screening initiative, which used urinalysis and found that 1.4 million children (24 per cent) had renal anomalies and accordingly established the renal disease registry. The dialysis unit cares for 13,000 patients providing 43,000 sessions with 70 per cent occupancy. The hospital also made a clear policy choice to embark upon a PPP which has led to the refurbishment and equipping of a diagnostic unit with 3.0 TESLAR magnetic resonance imaging (MRI) machine and a 256 slice computed tomography (CT) machine. This is a private partnership which appears to be offering Philippine residents world class care, with dialysis durations in excess of two years.

University of the Philippines, Department of Political Science

The meeting with the University of the Philippines' Department of Political Science was an opportunity to pull together impressions developed thus far on the delegation and discuss these impressions with senior academics. The department runs a range of courses with the Philippines Political Science Association, including training courses on policy development and teacher development. It also offers consulting services to government departments.

The discussion was wide-ranging, from political campaigning, corruption and power dynamics to foreign policy. The President's strategy of focussing on corruption by his political opponents was discussed too.

The cult of personality remains strong in Philippine politics with voting more about 'who people are' rather than what they represent. Celebrity candidates are selected for their *winnability*, in the hope that they boost the stocks of others on the same ticket. Enormous benefits accrue to winners, so there are few options available to those electing to remain in Opposition.

China has had recent success in preventing the release of a joint ASEAN statement. It also managed to claim a remote South China Sea shoal from the Philippines. The Spratleys Group, with a Philippines garrison and around 70 fishers, is the next likely hotspot. ASEAN is hoping to develop a Code of Conduct for the South China Sea, part of which was recently renamed the West Philippines Sea.

There was also a brief discussion of the Presidential decree in 1995 relating to mining. Municipalities can approve small quarries, but illegal miners have used this loophole to lodge multiple applications for de facto mining which is minimally regulated. This is undermining the future of the Xstrata \$5.9 billion Tampakan project which over 17 years may raise Philippine's GDP by around three per cent.

PTV4

Philippines TV has a decade-long reputation as the government broadcaster. Previously many Filipinos came to know it as the propaganda outlet for the federal administration. Under the new President there has been a concerted drive towards an independent editorial policy. Newscasters and reporters have been given the liberty to independently report the news, including direct criticism of the government and support for opposition positions.

While this approach is admirable, the true test of an independent editorial policy will come at a point in time where PTV4 is required to consistently criticise Government policy and action.

The key challenges that PTV faces are the upgrading of its mostly analogue production and transmission system and to increase its coverage to more regions of the Philippines. PTV benchmarks these reforms according to its ability to increase its market share. In addition, for the first time in the nation's history, a Muslim presenter has a regular televised role. Each of the delegates performed a brief piece to camera on the Australia-Philippines relationship.

Historically, the capture of PTV4 was seen as a key turning point in the overthrow of the Marcos regime due to its importance as the central broadcaster of pro-government propaganda. With the rise of mobile phone technology throughout the Philippines, questions remain as to whether PTV4 will continue to maintain such a key role in the distribution of national information.

Wednesday, 3 October

Bohol Province

The delegation travelled to Bohol via the new domestic airport in Manila which provided the opportunity to witness the internal security measures in place for domestic travel.

Governor's Meeting

The delegation met with the Governor of the Province of Bohol, the Hon Edgardo M Chatto, at the Governor's Mansion. During the courtesy call, the delegation was made aware that the Governor himself had participated in a bilateral political exchange program, having spent time in the United States.

During our meeting, the Governor outlined his desire for reform in the region. The discussions on opening up tender processes for contracts and more open and transparent systems were topical in the deliberations.

Lunch with the Philippine Australian Alumni Association

The delegation met and exchanged stories of university with students from the Philippine Australian Alumni Association.

The Philippine Australian Alumni Association is an association that is funded by AusAID, assisting students in studying a tertiary education at an Australian university. With this assistance, students are able to study a wide range of subjects, from nursing to engineering. The delegation left with very positive support for the program and the organisation.

AusAID Site Visit

The delegation travelled by bus to a small worksite between the provincial towns. This worksite is where AU\$400,000 is being spent on the construction of a road between towns which links the two main highways. Road construction already undertaken has effectively halved travel time around the island. The delegation spoke with engineers and managers on the project. After discussions with the project team, it became known that Australian methods and standards have been involved in the design and construction of the road. The road is one of many important projects being conducted with Australian aid money.

Bohol Provincial Officials

The delegation was treated to a presentation from the Programs Director of the Provincial Council. The presentation focussed on the nuts and bolts of AusAID funding in the region. These varied from electronic payroll systems with anti-theft components, infrastructure projects to formal training of government employees in good governance and due diligence. This was a thoroughly engaging presentation that highlighted to the delegation the value of AusAID funding in the region and how the funding is being accounted for.

Thursday, 4 October

Bohol, Philippines

The township of Bilar is approximately 40km from Tagbilaran. The Municipality of Bilar has a population of 17,000 and 19 barangays. The municipality is classified by the government as a fifth class municipality, whereas Bohol is classified as a first class province.

The town hall of Bilar is a new, imposing two-story building located in a field. In the Mayor's Suite we had a brief discussion with Mayor Palacio regarding some of the development issues associated with Bilar in particular and Bohol in general. The main issue raised by Mayor Palacio was that Bohol needed better transport infrastructure.

Following our meeting we proceeded to the Mahogany forest. Up until the 1960s many parts of the Philippines had experienced extensive logging and deforestation. President Macapagal, President Arroyo's father, instituted a programme of reforestation throughout the Philippines. The Mahogany forest is a little over 800 hectares (approximately 2,000 acres), however, when one is in the middle of the forest it creates the sensation of being never-ending.

From Tagbilaran we proceeded to Bohol's world famous Chocolate Hills. The Chocolate Hills are a grouping of over 1,500 little hills on the Bohol plain in central Bohol. The hills are made of limestone (the remnants of coral reefs and shellfish) from when Bohol was under the sea. The hills were a lush green when we were there, however, in the dry season they turn bronze, hence the name Chocolate Hills. Surveying the surrounding countryside from an observation point on top of a hill gave one the opportunity to appreciate how underdeveloped this part of the Philippines is. All one could see was tropical jungle with the occasional small clearing which consisted of a few dwellings, some live stock and some land under cultivation.

Acknowledgements

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The assistance of Mr Rolendes (Rollie) C Fabi, Executive Director of the PCYL, Miss Grekka Sarmiento and Mr Luigi de Vera, were invaluable companions and guides during our stay.

The efficiency, understanding and good humour of Ms Belinda Henderson, Executive Officer of the Australian Political Exchange Council, was an important guiding voice in maintaining our focus and schedule during the visit.

This report is the collective work of the Delegation membership, based upon notes taken during the delegation and later discussion amongst the members.