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Gambling on a Gambler: High Stakes for the Philippine Presidency

Gerard A. Finin

Introduction

In 1998 voters decisively elected Joseph Estrada president of the Philippines. The choice reflected a clear rejection of other candidates supported by ex-Presidents Corazon Aquino and Fidel Ramos, both of whom had helped to lead some 70 million Filipinos out of the ruinous Marcos era. Estrada, a former silver screen action star best known by his Filipino nickname "Erap,"¹ garnered widespread popular appeal with his catchy campaign slogan, *Erap para sa mahirap* (Erap is for the poor), suggesting empathy for the underprivileged. Pictures of Erap frequently depicted him blithely riding a water buffalo, rural Filipino farmers' beast of burden.² Estrada's cinematic virility, self-acknowledged personal weaknesses,³ and ostensibly poor command of English⁴ contrasted sharply with the other presidential contenders and with his two highly westernized, U.S.-educated predecessors. Voters were drawn to a candidate who did not fit the mold, and thought the gamble was worth taking.

Estrada's supporters came from across the political spectrum, including

individuals associated with the left, some moderate "good government" groups, and

¹ Erap is a play on the Tagalog word "pare" (from the Spanish *compadre*), spelled backwards. "Pare" is a common term of address for males who have been baptismal or wedding sponsors. It is also used colloquially to mean friend or buddy.

² Most recently, tickets distributed to typhoon victims seeking government relief goods contained such a color photograph, depicting the president in his younger days. See the *Manila Bulletin*, November 5, 2000, p.12. Estrada has also promoted himself in photos as a humble jeepney driver for the nation, jeepnies being a modified design of World War Two-era jeeps that serve as the most popular form of public transport.

³ During the presidential campaign a videotape surfaced of then-Vice President Estrada allegedly engaged in a high stakes gambling session. Media reports have frequently discussed the existence of multiple unofficial families.

⁴ Estrada may prefer to speak in Filipino, the national language, but clearly has a strong command of English when he so desires. While running for office Erap deftly used jokes about his English

several powerful businessmen associated with the Chinese community. This unorthodox alliance wagered that Estrada would be a different kind of president, with the first two groups betting that he would spurn the traditional elite and uplift the large percentage of Filipinos living in poverty.

After twenty-nine months in office the Estrada administration is on the verge of collapse with daily calls for his resignation as impeachment proceedings begin. The President is confronting a political and economic crisis headlined in newspapers as "juetengate" (jueteng-gate), an illegal nationwide numbers game from which Estrada is alleged to have reaped some \$11.7 million.⁵ Yet jueteng betting is as time-honored an activity by residents of many Philippine communities as bingo is for residents of many American towns, though perhaps on a larger scale. The Department of Trade and Industry has reported that the recent police crackdown on jueteng in Central Luzon, an area just north of Manila, resulted in the displacement of no less than 40,000 jueteng workers.⁶ While the size of the proceeds that President Estrada was said to be receiving may have startled some, other factors contributed significantly to the current political conflagration. The gambling revelations made before a congressional committee by Governor Louis "Chavit" Singson (widely reputed to be a warlord and gambling kingpin from the late

grammatical errors to suggest that this underscored how he was truly the candidate of the common folk.

⁵ Estimates of the alleged amounts received by Estrada from jueteng vary from \$8-12 million. See *Newsweek*, October 30, 2000, p. 20. The term jueteng comes from the Chinese word hue teng (hue for flower and eng for to bet). The game itself has been around since the Spanish era. To play jueteng, a person bets on two numbers between 1 and 37. Small wooden numbered balls, called *bolitas*, are placed inside a rattan container. One *bolita* at a time is rolled out of the container for each of the two numbers representing the winning combination.

⁶ Although there is little systematic data on jueteng operations nationally, a senior Philippine National Police official estimates that an average of seven bet collectors and three bookies were employed in each barangay or hamlet in the Central Luzon region. *Manila Bulletin*, November 2, 2000, p. E2.

Ferdinand Marcos' Ilocos region), triggered the current upheaval,⁷ but this alone provides only the most partial explanation of why President Estrada may fail to complete his six-year term.

Elite Corruption

Once elected Erap quickly proved to be indifferent toward the underprivileged who had been most enthusiastic about his candidacy. More important, he soon alienated powerful elements of the business and religious communities. From his initial cabinet appointments it became clear that Estrada sought to reward those whom he believed would be personally loyal. And in keeping with his elite origins that had allowed him to study at the exclusive Jesuit-run Ateneo de Manila, the new President soon fashioned a lifestyle which sought to combine the excesses of former First Lady Imelda Marcos with the avarice of her husband.

Initial disappointment with the new administration did not provoke an outcry among ordinary citizens. Graft and corruption have long been an accepted albeit often detested feature of the Philippine's social landscape. In his fictional writings renowned Filipino scholar Jose Rizal detailed the dishonesty and hypocrisy of Spanish friars and colonial administration in the 18th and 19th centuries. Beginning in 1898, some fifty years of secular American rule relied heavily on the support of established landed elite families from the Spanish era. This era was capped at the end of World War Two by General Douglas MacArthur's decision to overlook the misdeeds of all those who had benefited from collaboration with the Japanese occupation forces and engaged in wartime

⁷ Governor Singson is said to have broken with the president after the governor's cousin, a political arch-enemy, was appointed by Estrada to play a profitable role in the jueteng operations of Ilocos Sur province.

profiteering.⁸ The billions of dollars in public assets stolen during Marcos' two decades in power have yet to be returned.⁹ Neither President Aquino nor President Ramos made good on promises to recover the stolen wealth. In fact, over this twelve-year period Filipinos watched as the former first lady and two of her children, Bongbong and Imee, were allowed to assume public offices after financing their campaigns using unexplained sources of funding. With a political system long characterized by a high level of tolerance for wide-scale corruption, the current calls to clean up the presidency prompt the question: why now?

From the beginning of his term, President Estrada failed to consolidate his base of support among the nation's elite. Although his election victory was uncontested, the race featured multiple contenders. Without a clear majority, Estrada needed to more firmly secure his mooring under the unstable LAMP coalition party designation.¹⁰ Instead, the new President alienated potential allies. In the opening days of his presidency he encountered strong resistance after attempting to have the late Ferdinand Marcos' remains moved from his home province of Ilocos Norte to Manila's *Libingan ng mga Bayani*, the national cemetery for heroes. Not long thereafter, he unsuccessfully sought constitutional changes to enhance the powers of the presidency.

At the same time Estrada failed to adequately cultivate politicians such as former President Ramos who might have contributed to the success of his administration. Those who gained favor in the new administration frequently had little status in traditional

 ⁸ Onofre D. Corpuz, *The Philippines*. Englewood Cliffs: Prentice-Hall, 1965, p. 111.
⁹ See Belinda Aquino, *The Politics of Plunder: The Philippines Under Marcos*. Quezon City: University of the Philippines, National College of Public Administration and Governance, 1999.
¹⁰ Lapian ng Masang Pilipino (LAMP) is a coalition group consisting of legislators belonging four highly fluid political parties: Partido ng Masang Pilipino, the Nationalist People's Coalition, Lapian ng Demokratikong Pilipino (LDP) and the Pilipino Democratic Party.

political circles. Indicative of the type of individual who gained influence was Presidential Advisor on Latin American Affairs Mark Jimenez, who was indicted in the U.S. for mail fraud and tax evasion. Many though certainly not all of those leading the anti-Estrada movement are well-to-do politicians who have not been satisfied with their treatment by the President in terms of political largesse.

President Marcos demonstrated how fully the state could be harnessed to plunder economic resources for private gain.¹¹ The key elements for success included a pliant military, control of the media, and the silencing or cooptation of rivals. Martial law provided the means to achieve these ends between 1972 and 1986, but only after careful planning during Marcos' first seven years in office. Estrada's attempts to use instruments of the state to garner excessive personal profit appear to have come after less than seven months in office. Moreover, investigative reporters barely had to scratch the surface to strike pay dirt. Among the almost daily revelations in recent weeks have been the President's acquisition of numerous custom-built mansions to provide luxurious residences for mistresses. There were also charges that First Lady Luisa "Loi" Ejercito and First Son Mayor Jinggoy Estrada pocketed up to several million dollars of government tobacco subsidies.¹² Informed citizens were not surprised by the fact that the President used his position to avail himself of additional resources. But they were disillusioned that he did so in such a blatant and greedy manner.¹³

¹¹ See Benedict Anderson, *Cacique Democracy in the Philippines: Origins and Dreams*. New Left Review 169 (May/June 1988), pps. 3-32.

¹² *Philippine Daily Inquirer* November 1, 2000 p. A2.

¹³ This perspective is often described in Tagalog by saying that Estrada showed a lack of *delicadeza*, a term related to notions of proper discretion, dignity and avoiding the appearance of being "clueless."

Nationalist Sentiments

Filipino nationalism has also played a role in the President's troubles. Long before explorer Ferdinand Magellan visited the islands that became known as the Philippines, trade with China was an important feature of commerce. During the Spanish period these exchanges were institutionalized, with significant Chinese immigration and intermarriage.¹⁴ Many national figures such as Corazon Cojuangco Aquino and Catholic prelate Jaime Cardinal Sin trace their ancestry to China, but this is not viewed as detracting from their identity as Filipinos.

Yet within the Philippine's business community the role of Chinese entrepreneurs, a number of whom emigrated to the Philippines within the past fifty years, has remained suspect. Estrada's heavy reliance on several of the so-called "Taipans" or "Chinese magnates" for campaign financing and what is perceived as their subsequent preferential treatment by government, was disconcerting to middle and upper class Filipinos. Despite a trend toward trade liberalization, many Filipinos favor keeping enterprises in the hands of those seen as being "fully" Filipino. Especially worrisome was the influence of tobacco tycoon Lucio Tan who in recent years gained significant ownership stakes in two of the nation's highest profile corporations, Philippine Airlines and the Philippine National Bank. Perceptions that "the Chinese" were gaining undue favor at the expense of Filipinos were reinforced by charges of large-scale smuggling and fraud in the nationwide chain of duty-free shops headed by Lucio Lao Co, said to have been a key Estrada campaign financier.

¹⁴ For a more detailed explanation see Edgar Wickberg's *The Chinese in Philippine Life: 1850-1900*. New Haven: Yale, 1965.

Misreading Christian-Muslim Unity

Events in the southern Philippines during Estrada's second year in office eroded confidence in his judgment as commander-in-chief. When a small, politically unsophisticated band known as Abu Sayyaf kidnapped a group of tourist from a Malaysian island resort, the Estrada administration elevated what was essentially a local incident into an international crisis. In the face of mild pressure from the French government to facilitate release of French hostages, the President accepted an offer of assistance from Libya. Libya's million dollar ransom payments not only provided Abu Sayyaf with much needed financing to expand and better arm its membership, but also encouraged a new spate of hostage takings.

Subsequently, a humiliated Estrada deployed most of the Philippine Armed Forces to Mindanao and declared all out war against not only the Abu Sayyaf kidnappers but also against a reenergized group called the Moro Islamic Liberation Front (MILF). With considerable bravado the President directed the army to "pulverize" Muslim rebels and their communities regardless of civilian casualties or cost to the national treasury.¹⁵ Estrada's thinly veiled efforts to shore up his declining popularity by attempting to rally the Filipino Christian majority to his side against a largely imagined Muslim threat to the republic revealed a fundamental misreading of his own people. Christians consider Muslims in the southern Philippines, regardless of their religious beliefs, to be fellow Filipinos.¹⁶ Thus there was little public enthusiasm for a military approach. The predictable failure to demonstrate decisive victory in suppressing Muslim "rebels"

¹⁵ See Amando Doronila's analysis in the *Philippine Daily Inquirer* November 1, 2000, p. A7. ¹⁶ Although precise figures are difficult to ascertain, approximately 90 percent of Filipinos consider themselves to be Christians, with the vast majority of this percentage identifying themselves as Roman Catholics.

through guerrilla type engagements did achieve one notable result— it gave the Abu Sayyaf band new-found legitimacy in the southern Philippines as political underdogs.

Economic Decline

The final and perhaps most serious problem for Estrada occurred in October 2000 when loss of confidence by international lending institutions and large segments of the business community sparked rapid depreciation of the Philippine peso. As the peso-dollar exchange rate reached historic lows, strenuous government efforts to control the slide proved futile, further eroding confidence. Delays in direct foreign investment and severe reductions in stock and bond market purchases associated with fears of political instability also weakened the financial environment. Critically important remittances declined as millions of Filipino overseas contract workers awaited a higher peso to dollar exchange rate before sending money home. However, it was the domestic repercussions on the price of public transport, electric rates, and food caused by the peso's falling value that most hurt the very voters Estrada had pledged to help and who had eagerly voted him into office.

Church-Government Frictions Revived

On the evening of October 30, 2000 the President made a special address on national television that included an unexpected offer of reconciliation. Equally unexpected but more ominous were the messages that followed from Armed Forces chief of staff General Angelo Reyes, and Philippine National Police chief Panfilo Lacson. Flanked by the respective military commands in dress uniforms, their message to heed the Constitution and rule of law immediately harkened memories of similar scenes in 1986, when the besieged Ferdinand Marcos made his final television addresses from Malacañang

presidential palace before fleeing aboard U.S. aircraft for Hawai'i. Even the President's spokesperson found it difficult to explain the generals' appearance. He suggested that the objective was not to intimidate but to reassure Filipinos that martial law would not be declared. Still, the TV image of military officers implicitly backing a leader in crisis further eroded Estrada's legitimacy.

Only five days later Catholic Archbishop Jaime Cardinal Sin convened a massive "prayer rally" at the shrine built to commemorate the peaceful people power protest that contributed to the Marcos regime's downfall. The nationally televised November 4 rally was attended by the church hierarchy as well as former Presidents Aquino and Ramos. Also present on the altar/stage were those in the line of presidential succession. Joining Vice President Gloria Macapagal-Arroyo, who had broken ranks with Estrada by resigning from the cabinet in late October, were then House Speaker Manny Villar and Senate President Franklin Drilon.

Initial uncertainty by television news anchors regarding whether to describe those assembled as a "congregation" (befitting a religious service) or a "crowd" during the first hour of solemn prayer disappeared when Cardinal Sin introduced the ambitious arm waving politicians seated behind him. Even Ilocos Sur Governor Chavit Singson, the notorious former gambling partner of the President, was given a place of honor on the altar because of his self-serving jueteng related whistle blowing. Sin dispensed with any pretense of separation between church and state, coupling the power of prayer with humor as he explicitly called for President Estrada's resignation.¹⁷ With greater

¹⁷ During his address the Archbishop said, "The presidency is not good for you, [it is] an occasion for sin. Resignation will be good for your soul." *Philippine Daily Inquirer* November 5, 2000, p.1.

solemnity, Corazon Aquino then urged Estrada, for the good of the country, to take his final bow as president.

Left unsaid was the fact that a number of those officeholders seated alongside Aquino but not invited to speak, were themselves clearly vulnerable to the same charges as those being leveled against Erap. Furthermore, no mention was made of recent revelations that several well intentioned organizations associated with the Catholic Church had received money from the government-owned Philippine Amusements and Gaming Corporation's sweepstakes raffle.¹⁸ The extensive use of English by both of the rally's main speakers was telling, suggesting it was privileged Filipinos and not the poor masses who were the primary audience.

Transition without Transformation

These specific causes of dissatisfaction with President Estrada's presidency, combined with his general ineptitude as a national leader, created conditions that were ripe for the current crisis in the Philippines. For nearly all of those who gambled that Erap would in a positive sense be a "different" kind of president, there has been disappointment. Yet it is significant that the urban poor in Manila and beyond, who bear the heaviest brunt of economic decline, have voiced little disillusionment. Perhaps too often betrayed in the past by politicians' promises, they have by-and-large remained in the background. As spectators to what is largely an upper middle class- and elite-driven movement, it is unlikely that they see much reason for hope in the immediate future.

Those who appear most buoyed by the prospect of an end to the Estrada administration through resignation or impeachment are cut from the traditional cloth of Philippine politics. These so-called *trapos* or traditional politicians are among the individuals who to varying degrees have found themselves marginalized by Estrada's prospering inner circle. While many public officials in the fast growing "United Opposition" group are no more paragons of virtue than the President, the alacrity with which they are repositioning themselves as knights on white horses is matched only by their defense of the institutions of governance that have always favored money and privilege within the context of a cacique democracy.

The successor in waiting to President Estrada, Vice President Gloria Macapagal-Arroyo, holds herself out as a new kind of leader—a business minded economist who understands Philippine politics. As the daughter of former President Diosdado Macapagal, the vice President has declared "I am my father's daughter in almost every sense, personally and politically."¹⁹ To be sure, she has until very recently followed more than led the movement for Estrada's ouster. Her resignation from the Estrada cabinet came only after Cardinal Sin and former President Aquino had called for the President to step down. Ironically, the Vice President's announcement was made while touring Italy. When asked about the timing she told reporters that she did not resign at an earlier date because before making such decisions "it is my practice to consult with [grassroots people on] the ground."²⁰

Recent events are encouraging to the extent they suggest that hundreds of thousands of citizens throughout the Philippines want honest leaders of whom they can be proud. Even if Estrada manages to escape removal from office, his official and

¹⁸ For an incisive critique of this practice see the letter of Ateneo University Emeritus Professor of Church History, Father John N. Schumacher in the *Philippine Daily Inquirer* November 1, 2000, p. A8.

¹⁹ Sunday Inquirer Magazine, November 5, 2000, p. 5.

unofficial actions will in the light of intense public scrutiny be severely circumscribed over the next four years. Should the Senate vote for Erap's ouster, the individuals already named by the Vice President as members of a future Macapagal-Arroyo administration are well known political figures who offer little hope for innovation. In either case, more fundamental changes to the social structure that have for so long eluded the Philippines are likely to once again be held in abeyance. As a result, the illusion of mass Filipino "people power" bringing social change will instead maintain the system that produces great wealth for a few but abject poverty and inequality for many.

²⁰ Sunday Inquirer Magazine, November 5, 2000, p. 4.

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