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Philippines' next president: implications for ASEAN by Mely Caballero-Anthony

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Filipinos went to the polls on May 9, 2016 to elect a new president. All indications point to the victory of the maverick, front-runner candidate Rodrigo Duterte, a long-time mayor of Davao city in the southern Philippines island of Mindanao.

The charismatic Duterte cuts a stark contrast to the other presidential aspirants who are either seen as pro-status quo, inexperienced, or allegedly corrupt. Standing on a platform of eradicating crime and corruption that has plagued the country, Duterte has shocked his countrymen's sensibilities with his colorful language, threats to kill criminals, and shut down Congress should an impeachment attempt be made when he comes to power. He has also startled neighbors with tough statements on foreign relations.

From 'sick man' of Asia to 'bright star'

The new president has the huge task of steering the country toward better economic prospects, resilient political stability, and security amidst major policy challenges within the country and the wider ASEAN region. Since the 1980s, the Philippines had been regarded as the 'sick-man' of Asia. Unlike the rapid economic growth of its Southeast and East Asian neighbors that benefited from export-oriented industries backed by strong economic fundamentals, the country languished for many years from negative growth and poor economic prospects; it experienced political instability brought on by its tumultuous period of martial law and dictatorship under the Marcos regime that bankrupted the country and inflicted human rights abuses.

Following the people-power revolution in 1986 that toppled the Marcos regime, it took decades for the country to recover, rebuild its democratic institutions, and jumpstart its economy. During the post-Marcos era, the country also grappled with the decades-old threat of rebellion by the communist New-People's Army (NPA) and secession by Muslim separatist groups in the country's southern Mindanao provinces. Efforts at forging peace agreements had met with fitful success.

Four decades later, the Philippines finally achieved some semblance of economic progress and political stability. From 2010-2014, the country recorded its highest growth in 40 years, averaging 6.3 percent per year and was among the

fastest in Asia's developing countries. Once shunned by foreign investors due to fears of instability, the Philippines today has investments and industrial growth as the major drivers of its economy, with the services sector contributing more than half its GDP.

With a population of over 100 million people, the country's competitive advantage has been its large, highly literate and young, English-speaking labor force. It also stands to gain from its demographic dividend – the country's median age is 23.5 and a population growth rate of 1.6 percent. The country also continues to benefit from the huge foreign remittances that contribute about 8-9 percent to its GDP – thanks to the 2.4 million overseas Filipino workers (OFWs). Departing President Benigno Aquino credits his administration for laying down the foundations of strong economic fundamentals and political stability that makes the Philippines potentially the next 'bright star' of Asia.

Summers of discontent

Given the economic numbers, it is puzzling that the administration's candidate, Mar Roxas, a technocrat and widely-experienced government official, had trailed in the polls. Even more puzzling is how a 'tough-talking' provincial mayor, who appears to be dismissive of political institutions and the rule of law, has captured the hearts of many Filipinos across all ages and economic classes. With his promise of a 'comfortable life' for Filipinos and a safe country, Duterte has become the hero of groups of people who had been disillusioned by the inability of several leaders to eradicate poverty and corruption in the country.

While the Aquino administration boasts of positive economic numbers and unprecedented levels of confidence from the international business community, a high level of income inequality persists. Despite considerable poverty reduction over the years, almost a quarter of the population still lives below the poverty line.

During the campaign, voices of discontent centered on the failure of previous governments to improve the lot of millions of Filipinos. Interestingly, as noted by Filipino sociologist Randy David, the "sense of desperation is coming [also] from those who have relatively more...they who righteously proclaim their entitlement to something better – better paying jobs, better public transport, more responsive public services, safer neighborhood...better airports, better hospitals and better schools."

Strong man for economic progress and security?

Amidst the clamor for change and the need for a strong, decisive leader, there are growing fears that the country is about to make a turn (again) to dictatorship. Pre-election business jitters led to the fall of the country's stock market and depreciation of the peso. Reinforcing concern is the lack of

clear policy pronouncements on how the front-runner will actually address the issues that have so compelled people from different walks of life to support him.

This election is perhaps one of the most divisive in the country's recent history. Commentators hope that the results will be respected by all parties. Former President Gloria Arroyo's presidency, for example, was dogged by accusations of cheating and illegitimacy until the end of her term. Possible attempts at denying a Duterte win could spell trouble and instability which the country can ill afford.

It is indeed critical not only for the Philippines but also for ASEAN to have an orderly and peaceful transfer of political leadership in the country. The Philippines will be the Chair of ASEAN in 2017, when the Association turns 50. It is important that the new president understands the need for regional leadership in a challenged ASEAN, whose unity is being tested amidst contested claims in the South China Sea and where Manila has a stake to protect given its case against China in the international tribunal in The Hague.

The new president should therefore ensure that notwithstanding verbal bravura, there can be no room for complacency in order to avoid possibilities of economic, political, and security shocks to the region. A peaceful and economically vibrant Philippines stands to benefit from deeper economic integration through the ASEAN Economic Community. It is also crucial for the new president to continue to find a political solution to the festering secessionist problem in the southern Mindanao provinces while working with countries in the region and beyond to fight terrorism and other transnational challenges and appreciate the value of regional cooperation in preventing conflict and dealing with security threats.

The Philippines has come a long way in becoming a significant player in the region. Vital to its success and security is a successful and peaceful transition of its leadership.

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