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Last Chance for the Philippines

A corrupt dynasty, a guerrilla insurgency, U.S. military bases—sound familiar?

The script is painfully familiar: a vain and increasingly isolated leader, an ineffectual and autocratic regime, a people plagued by poverty and deprived of democracy, a Communist movement mounting a potent political and military challenge. This time the scene is the Philippines. where the ghosts of Chiang Kai-shek, Fulgencio Batista, Ngo Dinh Diem, Nguyen Van Thieu, and Anastasio Somoza haunt the Malacanang Palace of Ferdinand Marcos.

The 10,000 to 20,000 peasant guerrillas of the Communist New People's Army are not yet in a position to take over Manila. But the guerrillas do not lack for recruits, and their leaders have skillfully shaped a strategy of rural revolution and urban encirclement. If current political and economic trends continue, by the end of the decade these Filipino Maoists are likely to pose a serious and perhaps irresistible challenge to the government of the Philippines.

A victory by the Communist guerillas would eliminate whatever hope there is in the Philippines for the restoration of democracy. In power the Communist forces would surely carry out a far more systematic campaign of repression than the episodic variety practiced by Ferdinand Marcos. For the United States, a guerrilla triumph would destroy a historically close relationship with the Philippines, and would close off access to Clark Field and Subic Bay,.These two facilities form the key element of our forward defense strategy in the Pacific, They play an essential role in our ability to preserve the peace and maintain a balance of power in Asia The loss of Clark and Subic would generate—in Washingtom, Moscow, and all Asian capitals—a rapid rethinking of the Pacific security equation, with results potentially far more serious than those following the fall of Saigon in 1975.

Because of the unique and long-standing ties between our two peoples, the United States is inextricably involved and inevitably influential in the Philippines. The Filipino people will determine their own future, but the United States, no matter what it does, will exert a strong influence. The Reagan administration now seems to have awakened to the seriousness of the crisis in the Philippines, but it will probably be up to Congress to shape an American policy that can avoid disaster.

President Marcos's power base has now shrunk to the point where his support is largely restricted to his own family, a handful of close associates, and a few favored military and political appointees. The virtually complete collapse of confidence in his regime can be traced to several factors. A principal cause has been the system of "crony capitalism" he has established to enrich his political allies. Perfecting the art of politically connected plunder to a degree undreamed of by President Mobutu of Zaire and other expert practitioners of the trade, Ferdinand Marcos and his associates have diverted millions of dollars from critical development needs for their private purposes. (See "The Marcos Mafia" by Robert A. Manning, June 25, 1984.) Over half the Filipinos live in poverty, but intimates of the first family have been able to live in imperial splendor.

Kaime Cardinal Sin, the head of the Catholic Church in the Philippnes, summed up the sentiments of many Filipinos when he recalled the statement of Manuel Quezon, the Philippines' first president, who once said, "I would rather have a government run like hell by Filipinos than a govemment run like heaven by Amencans," The cardinal then added. 'Today it would seem his wish has been fulfilled " Responding to this and other frequent criticisms by the cardinal. Marcos publicly complained that the cardinal was beginning to sound like the Ayatollah Khomeini. To which Cardinal Sin retorted, "If I am the ayatollah, then Marcos must be the shah."

Economic policy-making in the House of Marcos resembles the mercantilist dynasties of late medieval Europe. Individuals who demonstrate their fealty to the first family are granted resources or foreign-loan guarantees for investment projects they propose with little regard to the feasibility of the ventures or the managerial ability of their sponsors. When projects run into financial trouble, the government usually makes new loans or buys out the enterprises outright, saddling itself with bad debts or unprofitable companies.

The most egregious manifestation of crony capitalism is found in the economic monopolies. By presidential decree Marcos imposed a 75-percent tariff on imported cigarette filters, benefiting a palace intimate who owned most of the local cigarette manufacturing factories. For coconuts and sugar, presidential favorites enjoy the sole right of distribution, and are free to determine the spread between the price at which crops are purchased from growers and the rate at which they are sold on the market. The livelihood of 15 million to 20 million people —one-third of the populace—depends on coconut production. Enormous sums of money that otherwise would have been available to coconut farmers have instead been siphoned off by associates of the president.

The rise of crony capitalism has been one of the fundamental factors in the decline of the Philippines' economy. In the last year its free-market neighbors have enjoyed a dynamic economic growth; the Philippines have experienced a decline of five-and-a-half percent in GNP. At the same time, income inequality has become even more pronounced. Nevertheless, President Marcos has continued to spend huge sums to replicate the external trappings of far more developed countries: lavish government offices, large cultural showplaces, and highly specialized medical centers.

History demonstrates, however, that the poor do not rebel solely because of economic misery and willful mismanagement. Political repression is usually required for spontaneous social combustion. Here, too, the Marcos regime has created the conditions for its own demise.

Until the late 1960s the Philippines had a working democratic system, although one plagued by corruption and violence. Then in the early 1970s instability spread as radical university students demonstrated for a variety of causes, and separatist Moslems on the southern island of Mindanao fought for an independent state. Many Filipinos came to believe that the existing system was too corrupt and ineffective to handle the mounting problems. In September 1972, seven years after Marcos assumed the presidency, he declared martial law.

Had Marcos been content to purge the system of its anarchic tendencies and restore democracy, he would be regarded today as a national hero. He did take positive steps such as the confiscation of privately owned arms and the dissolution of local politicians' private militias. But he and his retainers chose also to use their extraordinary powers to perpetuate the rule of the Marcos dynasty. Thousands of government critics—including the charismatic Benigno Aquino—were arrested. Civilian courts were supplanted by military tribunals oblivious of due process of law. Freedom of assembly, speech, and the press ceased to exist.

Since 1972 political repression has spread through the countryside. To cope with the Moslem separatists and the nascent Communist New People's Army, the armed forces of the Philippines increased from 50,000 to 150,000 between 1972 and 1977. Quality declined as quantity grew. The professionalism of the Philippine officer corps gave way to factionalism and corruption. Within the ranks, training, discipline, and morale have suffered. Standards have also sunk in the constabulary, the government's first line of defense in rural areas.

Attempting to end the rural insurgency, the armed forces and the constabulary have usually shot first and asked questions later. Suspected Communists are given no mercy, and the word "salvaging" (a Filipino phrase meaning summary execution) has become part of the village vocabulary. The government borrowed the idea of strategic hamlets (employed unsuccessfully by the United States in Vietnam) in order to cut off the guerrillas from the civilian populace. The effect has been to disrupt village life and impose harsh restrictions on farm families already suffering from misguided economic policies. The guerrillas could not have asked for a better stimulus to recruitment than the pervasive pattern of human rights abuses by government forces.

The Communist Party of the Philippines was founded in December 1968, a Maoist splinter of the long-established Moscow-oriented party. Adopting Mao's strategy of a rural-based people's war, the Communist Party created the New People's Army a few months later. Over the last decade, the Communists have transformed their movement from a tiny insurgency, with a force of a few hundred troops limited to the island of Luxon, into a nation-wide insurrection.

Today the Communist Party has a membership of 30,000 and the guerrilla army has from 10,000 to 15,000 men under arms. The guerrillas are active in over two-thirds of the country's provinces, and have established a presence in one-third of the *barangays*, the lowest administrative unit in the Philippines. In the last year alone the number of military incidents initiated by the guerrilla army almost doubled. In the cities, the Communist Party's National Democratic Front can mobilize non-Communist student, human rights, and church-related organizations—and up to a million people—for demonstrations and other antigovernment activities.

This degree of Communist success is remarkable tor two reasons. First, it goes against the democratic grain of Filipino culture and political history. Second, there is no evidence of financial or weapons support from foreign governments, although the Soviet Union and China would undoubtedly compete to establish control over the party if it seemed on the verge of victory.

The guerrilla army's appeal in rural areas is not based on ideology, but on the sense of grievance that the government's brutality, corruption, and inefficiency have created. In addition, the guerrillas often provide the basic services to the poor that Manila seems incapable of delivering. Like the security forces, the guerrilla army engages in violence. But unlike the Philippine military, which is random in its brutality, it directs its violence against officials and soldiers known to be corrupt and ordinary citizens who actively oppose its aims and activities. Guerrilla units recently have targeted the properties of Marcos's cronies for destruction, with telling political effect.

In the Philippines, as in medieval monarchies, the health of the ruler becomes the engine of change. It was Marcos's deteriorating medical condition that both moved Aquino to return to his homeland and presumably provoked elements of the Philippine government to engineer his assassination on the tarmac of the Manila airport. That event galvanized the democratic opposition, energized the previously apathetic masses, and thrust the government into a political and economic crisis from which it has yet to emerge. Marcos came under intense pressure to allow an open and objective investigation of the murder, to ensure that the May 1984 elections to the National Assembly would be free and fair, to institute the austerity measures necessary to get an agreement from the International Monetary Fund as well as new external loans, to make clearer arrangements for presidential succession should he die, and even to resign from office.

The concessions were made grudgingly and constituted the minimum necessary to satisfy the demands made. Nevertheless, the measures adopted were not trivial. The constitution was amended to clarify succession procedures. An investigating board charged Fabian Ver, a Marcos loyalist and armed forces chief of staff, with complicity in the assassination and subsequent cover-up. And the Philippines reached an agreement with the IMF and commercial banks that should stop the downward economic spiral.

Perhaps most important, elections conducted last May were reasonably fair in two-thirds to three-quarters of the election districts, primarily because 150,000 citizens volunteered to prevent government abuse. Yet irregularities in the remaining districts had a profound effect on the results. Candidates of the democratic opposition captured one-third of the assembly seats; a citizen poll-watchers group concluded that had the tally been totally honest, they would have won a majority. The May 1984 elections demonstrated that the Filipino people *want* democracy, not that democracy has been restored.

For the democratic opposition, the Aquino assassination meant the loss of a leader and the creation of an imperishable political symbol. Roughly four million Filipinos participated in some way in Aquino's funeral, and the democratic opposition has worked to channel that profound emotional outpouring into effective political action. In this effort, Marcos's democratic opponents have taken advantage of a significant relaxation of the restrictions on expression and assembly.

For the United States the assassination provoked a reassessment of policy. Before the tragedy the Reagan administration believed that "constructive engagement," Philippine-style, was ensuring cordial relations and the speedy conclusion of a new base-and-aid agreement. In 1981 Vice President Bush went so far as to toast Marcos with the ludicrous avowal, "We love your adherence to democratic principles and to democratic processes." Roused from its complacency by Aquino's murder and the unmistakable evidence that the House of Marcos was beginning to crumble, the administration had a change of heart. It feared that a continued embrace of the Marcos government would be more likely to jeopardize than guarantee our long-term access to the facilities at Clark and Subic.

There are many countries where our strategic interests clash with our human rights concerns, and where overriding national security objectives make it difficult to effectively promote our democratic beliefs. In the Philippines, however, the best and perhaps the only means of protecting our strategic interests is by advancing the process of democratization.

The United States must first recognize what it ought *not* to do Recalling the lessons of Iran, Nicaragua, and other American foreign policy debacles, the U.S. should repudiate any notion of propping up Ferdinand Marcos. Not only would such a policy be doomed to failure, but it would also alienate the Filipino people, thereby undermining our ability to continue operations at Clark and Subic. (The current base agreement between the United States and the Philippines expires in 1991.) Our capacity to remain at those facilities rests ultimately upon the willingness of the Filipino people to have us there.

At the other extreme, the United States should reject any notion of removing President Marcos from power, either by organizing a coup against him or by eliminating the aid program. U.S. participation in the coup against President Diem in Vietnam hardly constitutes a promising precedent on which to act in the Philippines. Overthrowing a government we do not like is no more justified in Manila than in Managua. The withholding of funds is unlikely to bring down the Marcos regime, given that the total American military and economic assistance program accounts for only three percent of the Philippines' budget. Cutting off American aid would also harm millions of desperately poor Filipinos who benefit from our assistance. In addition, terminating our assistance could potentially jeopardize our access to the bases, inasmuch as President Marcos might be tempted to take a nationalist tack and close them down, on the grounds that we had violated the base agreement.

Nor would it be useful to legislatively condition our aid on the achievement of essential reforms. Based on our experience with conditionality in El Salvador, the Reagan administration would undoubtedly certify that the prescribed conditions had been met, no matter how little actual progress had occurred. President Marcos could then claim the official American seal of approval, while the democratic opposition would find new evidence for its suspicion that the United States cares more for Marcos than for its country.

In the second presidential debate last October with Walter Mondale, President Reagan claimed that Communism was the only alternative to Ferdinand Marcos. The president's simplistic statement ignores the fact that the real alternative to Communism is not a continuation of the present regime, but a restoration of democracy. Indeed, posing the choice as the president did can only increase the prospects for an eventual Communist victory.

The United States can improve the prospects for democracy by strongly encouraging fundamental economic, political, and military reforms. This will help to destroy the roots of the guerrilla army's appeal and demonstrate to the Filipino people that U.S. policy is designed to help them rather than to embrace their embattled government. We should press for the dismantling of the monopolies that lie at the heart of crony capitalism. The International Monetary Fund and the World Bank are already insisting upon structural economic reform as a condition for new assistance, and the United States should continue to vigorously support that approach.

Specific political reforms should include the repeal of President Marcos's decree-making powers; the reconstitution of an independent elections commission and the resumption of free and fair elections; the revival of a genuinely free press, in which the opposition is assured access to the electronic media; guarantees of free expression and free association, and the restoration of an independent judiciary.