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Coalition Politics in the Philippines

PATRICIO N. ABINALES

On January 20, 2000, Joseph Ejercito Estrada was unceremoniously removed as president of the Philippines when the military sided with a broad coalition of anti-Estrada forces led by his vice president, Gloria Macapagal Arroyo. Earlier the opposition had successfully mobilized millions of Filipinos to call for Estrada’s resignation after he was accused by a longtime crony of receiving \$8 million—his share of a multimillion-dollar illegal numbers game—plus \$2.5 million as his “cut” of tobacco excise taxes. As a result of the accusation, Estrada was impeached by the House of Representatives, and when proceedings in the Senate, the body charged with trying the case, went against him, he mobilized his senator-supporters to derail the process. It proved to be a fatal mistake. The ruse resulted in “People Power II,” which ended Estrada’s career and made Arroyo president.

Apart from the renewed popularity of People Power—nonviolent mass demonstrations first used to end the Marcos dictatorship in 1986—Estrada’s ouster also highlighted the downside of a new way of governing the Philippines: the use of coalition arrangements to support candidates running for the presidency. These alliances brought together forces from the left, right, and center that apportioned among themselves a share of state agencies to oversee. Under leaders capable of balancing the interests of these disparate forces, coalition politics can considerably benefit governing. But the marriage between coalition politics and stable governing also has a limit. Under less-than-competent leadership,

a coalition can unravel and affect the ability of a regime to govern, as was the case under President Estrada. To understand the rise and fall of the Estrada presidency, it is not enough to focus on the “personalistic” leadership style for which Estrada was notorious. We must also look at the nature of coalition politics itself and how it will affect governing in the Philippines in the new century.

THE INCOMPLETE REVOLUTION

Corazon Aquino’s rise to power in 1986 through People Power never really swept away the old order of President Ferdinand Marcos. Instead, a malformed mixture of forces identified with the Marcos dictatorship and its opponents were installed. While Marcos was exiled to the United States, however, his allies were not completely disempowered. The Aquino government tried to weaken them through the electoral process and the court system, but this did not lessen their influence. The Marcos forces used the electoral process to revive their political bases and took advantage of the cumbersome court system to slow the government’s quest for restitution. By the end of Aquino’s term as president, they were confident that even the Marcos family could return home and run for public office.

The survival of the Marcos forces was only one outcome of 1986. Another was the reappearance of anti-Marcos politicians. Aquino breathed new life into this group, which she regarded as providing vital connections at the provincial and local levels. This faction, in turn, saw in the popular Aquino someone who could assist in their political comeback. The result was a marriage of convenience—a tactical alliance that did not preclude reaching out to Aquino’s sworn enemies, the Marcos forces.

A year after the ouster of Marcos, new coalitions involving erstwhile political enemies of Marcos

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were born, led by “ambiguous, inconsistent and opportunistic” political elites.¹ In the 1987 Congress, both anti-Marcos politicians and Marcos forces regained much of their strength, while at the local level, “bosses,” warlords, strongmen, and political clans were conspicuously restored to power. The structure of the post-Marcos regime played a vital role in facilitating the return of these conservative forces. A 1991 local government code devolved powers previously held by the national government, including the right to raise revenues and engage in business transactions with the private sector. Allocations from tax collection were also transferred to local governments. These measures helped many political clans consolidate control over their regions and provinces and create networks of patronage and corruption throughout the areas they controlled. By the time Fidel Ramos succeeded Aquino in 1992, these “rent-seeking” activities had become pervasive.

Yet People Power I also brought to political center stage the social movements that supported Aquino and formed the left wing of her coalition. Leaders of these movements were recruited into the state agencies responsible for social welfare and popular empowerment. Others used Aquino’s popularity and their ties with social movements to get elected. The left wing was also effective in putting its ideological mark on the new order. The new constitution that was ratified in a 1987 popular referendum contains provisions promoting social justice and human rights, the role of women and youth in nation building, and the inclusion of party-list representatives in legislative elections. The constitution also legitimizes the role of “people’s organizations” (POS), those “associations of citizens with demonstrated capacity to promote the public interest and with identifiable leadership, membership, and structure.”

The split in the communist movement increased the ranks of the “pro-people forces” as cadres expelled by the Maoist faction of the movement reintegrated with the political mainstream, joined electoral parties, or organized autonomous social movements and nongovernmental organizations (NGOs) to lobby for and exert social pressure on behalf of the dispossessed. Under their leadership, NGOs, POS, and the state found the proper mix to make programs work. In agrarian reform, this civil

society combined with reformist initiatives from above to successfully implement land-to-tiller programs. In urban areas, PO–NGO collaboration successfully compelled local governments to implement programs to build public housing for the poor or grant land rights for urban poor communities. NGO–PO lobbying also helped pass the Local Government Code of 1991, which devolved planning, regulation, and revenue powers to local governments. In electoral politics, NGOs and POS availed themselves of a party-list law to put candidates in the House of Representatives, push for “pro-people’s” legislation, and challenge the dominance of traditional politics. At the local level, clan power was forced either to contend or cooperate with NGOs and POS. The most effective tactic employed by these popular movements appears to have been simply to overwhelm local politicians and officials with their numbers.

As a result, candidates backed by these popular forces won congressional seats despite much resistance from local strongmen. Anti-Marcos politicians lacking strong patronage networks were also able to win congressional seats by forming coalitions with many parties and POS. NGO–PO participation in governance rose dramatically in the early 1990s, reshaping the direction of many local governments, including those previously thought to be under politicians’ control.

While politicians continue to control government resources through their rent-seeking activities, NGOs and POS are not without their own sources of largesse. Funding agencies, such as NOVIB of the Netherlands and Ford Foundation of the United States, have donated generously, providing these groups the ability to pursue their populist projects and compete against the politicians. In 1986 alone, NGOs received over \$3.38 billion from the United States, Britain, Australia, Germany, and Japan. The Canadian International Development Agency’s support for NGO projects totaled \$30.5 million from 1987 to the early 1990s, and the Asian Development Bank poured 57.2 million pesos (P) into the NGO sector in 1997. All this has prompted considerable optimism about the role of NGOs and POS in reforming Philippine politics.

In the electoral arena, it was inevitable that the former protagonists—the politician and the popular forces—would continue the practice they forged in the last days of Marcos: establish alliances to win votes. For the NGOs and POS, these coalitions offered the opportunity to hone their skills in “parliamentary politics,” while for politicians the NGOs and POS introduced them to new ways of popular mobiliza-

¹Jose Abueva, “Philippine Democratization and the Consolidation of Democracy since the 1986 EDSA Revolution: An Overview of Main Issues, Trends and Prospects,” in *Democratization: Philippine Perspectives*, Felipe Miranda, ed. (Quezon City: University of the Philippines Press, 1997), p. 25.

Electoral Violence in the Philippines, 1965–1998

Year	Type of Election	Violent Incidents	Deaths
1965	President, Congress	69	47
1967	Senate, Provincial	192	78
1969	President, Congress	59	52
1971	Senate Provincial	534	905
1978	Congress	9	n.a.
1980	Provincial	180	71
1981	President	178	102
1984	Congress	918	154
1986	President	296	153
1987	Congress	48	50
1988	Provincial	127	98
1992	Synchronized	87	60
1995	Congress	97	73
1998	Synchronized	188	421
Total		2,982	2,224

Source: John Linantud, "Whither Guns, Goons, and Gold? The Decline of Factional Election Violence in the Philippines," *Contemporary Southeast Asia*, December 1998, p. 300.

tion. Reinforcing this *modus vivendi* was the surprising and steady decline of factional election violence during much of the post-Marcos period due to the efforts of the Roman Catholic Church to keep elections clean (through its electoral "watchdog" projects), as well as the steady withdrawal of the military from politics. While election fraud and violence still occurred at the local level, it had been reduced considerably from the Marcos era. Conditions, however, remain fluid. Indications of how easily the situation could regress can be found in the figures on political violence for 1998, the year Estrada was popularly elected to the presidency, which show a return to 1981–1982 levels. Still, the May 1998 polls were hailed as the "most peaceful elections ever" by the *Far Eastern Economic Review*.

This sanguine portrait was tempered by acknowledgment of structural limitations and the realities of political power. The decentralization of national power exposed the uneven ability of local governments to raise funds and implement social welfare schemes. NGOs and POS were also confronted by the power of the political clans. In certain cases, NGO and PO leaders were tempted to become politicians them-

selves. These limitations notwithstanding, NGOs and POS truly are part of the current political landscape.

The dynamism of these popular forces distinguishes today's politics from its martial-law predecessor. While political clans remain dominant, their power is less overwhelming because of the presence of NGOs and POS. The effect has been "some kind of redefinition of the notion of governance: where before, government referred mostly to the basic and formal structures and processes of government, now it recognized the key role of the private sector, nongovernmental organizations and even people's organizations."²

COALITION POLITICS UNDER AQUINO AND RAMOS

The Aquino government was the first to govern with this new arrangement, although Corazon Aquino was hounded by splits in her coalition. President Fidel Ramos proved more adept, partly because he learned from the Aquino experience. Ramos was a joint candidate of the *Lakas ng Bayan* (LAKAS, Strength of the Nation), a party formed to support Corazon Aquino in 1986, and the National Union of Christian Democrats (NUCD), a small party that was itself a coalition of Christian democratic politicians and social democratic groups that wanted to challenge the numerically dominant communist movement. LAKAS attracted the politicians (except die-hard

²Alex Brillantes, Jr., "Local Government in a Democratizing Polity: Trends and Prospects," in *Democratization: Philippine Perspectives*, p. 86.

Marcos leaders) who constituted Ramos's politician flank. NUCD became the umbrella organization for NGOs and POS associated with the social democratic movement, with resources ensured by linkages with European social democratic parties. Backed by this atypical alliance, appropriating the language of the popular movements, and with Aquino's support, Ramos won, albeit by a slim plurality of votes. But within this small minority stood the corporate elites, who supported Ramos's "professionalism" and commitment to reforms. Relying on this powerful business base and on the mobilizing capacities of his moderate leftist supporters, Ramos implemented major economic reforms to free the market. He deregulated the airline, banking, oil, and telecommunications industries, privatized the government-owned water company, and, with Congress's help, passed major health and housing laws.

In a decentralized constitutional system, however, the implementation of reform had to be based on the complete cooperation of local and provincial officials who, after all, pass the laws and govern much of the country. Because the number of social democrats was minuscule and could not expand in the post-Marcos era, Ramos relied more on his politician flank to push for his projects. Thus, despite his image as a reformist, Ramos was very much embedded in the politician's world. Stories of path-breaking reforms stood alongside exposés of the use of pork barrel spending in exchange for legislative support. Ramos was also accused of ignoring sensational cases of corruption involving his closest advisers and allies. Ramos's carefully nurtured image as a military professional was also damaged through waves of kidnappings targeting Chinese-Filipino businessmen. His reputation suffered the most when, a year before the end of his term, a Senate investigation indicted his political party for allegedly accepting a bribe of P2 billion for a reclaiming contract in Manila Bay. Under Ramos, pork barrel allocations for legislatures "reached unprecedented proportions through congressional insertions shared by both administration and oppo-

sition parties in Congress."³ These allocations unleashed "vast opportunities for corruption by many congressmen believed to be skimming off percentages from these allocations from suppliers, brokers, and all other sorts of individuals eager for a piece of the financial pie."⁴

By the time Ramos left office, the government deficit was pegged at half a million dollars because the budget was bloated by a \$1.32 billion allocation for pork barrel funds—a 189 percent increase from the 1997 pork barrel allocation of \$348 million. The government's plight worsened when the 1997 Asian economic crisis led to a GDP growth of negative 0.5 percent in 1998. Government hard currency reserves were reduced to \$9 billion, capital flight worsened (over \$3 billion left the country in the first four months of 1999 alone), and unemployment rose from 7.7 percent in early 1997 to 10.6 percent in mid-1999. Ramos left office with his Philippines 2000 modernization project in shambles.

ESTRADA'S TURN

Joseph Estrada's rise to power also depended on business and popular backing, though with the relative strengths reversed. If Ramos appropriated populist terms like "new politics," Estrada took from the left its most popular word—*masa* (masses)—to reinforce

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his status as a movie star with leftist rhetoric. Business remained skeptical, despite his stated commitment to Ramos's deregulation and privatization programs, but its cynicism was offset by his mass appeal. The coalition that formed around Estrada's presidential campaign was also much broader than that of Ramos. It brought together top Marcos cronies Eduardo Cojuangco Jr. and Lucio Tan, alongside politicians, academics, and former radicals of the communist movement. And these extreme flanks were much more powerful now: the cronies with their still-unexpropriated billions, and the radicals with a depth of organizing experience from the communist movement.

These factions were drawn to Estrada based on friendship (in the case of the Marcos cronies) and opportunism (in the case of politicians shifting party affiliations once it became clear that Estrada had formidable resources). Academics who joined the campaign were attracted by the possibility of influencing policy on the assumption that the candidate knew little about governing. Finally, many on the left believed that, as the *Far Eastern Economic*

³Emmanuel de Dios, "Executive-Legislative Relations in the Philippines: Continuity and Change," in *Institutions and Economic Change in Southeast Asia: The Context of Development from the 1960s to the 1990s*, Colin Barlow, ed. (Cheltenham, U.K.: Edward Elgar, 1999), p. 142.

⁴Eric Gutierrez, "The Public Purse," in *Pork and Other Perks: Corruption and Governance in the Philippines* (Manila: Philippine Center for Investigative Journalism, 1998), p. 59.

Review 1999 Yearbook, noted, Estrada “was really for the people.” One sympathizer of the left wrote that he “rooted for Estrada” because he disliked the elitism of Aquino and Ramos and their pretension of saving the nation, though “nothing has been fundamentally changed in the past decades in the country’s pro-rich economic structure.” A communist justified his joining the Estrada campaign staff in these terms: “[The] key question is, is there a section of the political clans that the popular progressive movement can influence? This is the alternative to perpetual horizontal work or waiting for the new dawning of the new revolutionary elite.”

Estrada won the presidency by a comfortable plurality, taking roughly 48 percent of the vote. In power, the new president’s cabinet mirrored his diverse coalition, though he was seen to favor his cronies and friends. But after a year in office, Estrada’s popularity dropped significantly as reports of cronyism, factional infighting, feuds with the media, the apparent failure of his anticorruption drive, and the slow implementation rate of his antipoverty programs increased public cynicism. A scandal in the stock market involving a presidential crony, and Estrada’s attempt to pressure officials at the Security and Exchange Commission to clear the accused, reinforced the suggestion that practices associated with the Marcos dictatorship had returned.

Yet the government was not really a close approximation of the past dictatorship. Estrada’s cronyism seemed to lack the same devastating impact of Marcos’s. With the exception of two, his cronies were said by the April 15, 1999 *Far Eastern Economic Review* to be “engaged only in small or nonmainstream business.” His families’ wealth grew considerably after he became president, but most of their businesses were not in the manufacturing, finance, and agriculture sectors and did not have the effect on the economy that the businesses of the Marcos family did. And while Estrada valued his friendships, he appeared to have heeded criticism, distancing himself from his cronies and trying to act presidential. Nor did he reverse the reformist course of his predecessor.

A year into his presidency, Estrada tried to be more decisive. When challenged by the Moro Islamic Liberation Front (MILF), a guerrilla group fighting for independence in the southern Philippines, and an uninhibited kidnapping spree by

another Islamist guerrilla group, the Abu Sayyaf in southern Mindanao, he dispelled the image of weakness by ordering the destruction of MILF camps and later the virtual military takeover of Jolo Island to destroy the Abu Sayyaf. This military resolve also took the edge off—at least for a while—relentless stories of cronyism, corruption, and even insensitivity to his wife. Most significantly, Estrada allowed his cabinet officials considerable autonomy in running their ministries, intervening only in cases of major developments or matters of national interest.

The coalition arrangement created a governing model seemingly not unlike what Karl Marx saw in the regime of Louis Bonaparte. But where Marx saw tension painted all over, stability can also be a hallmark of coalition-based regimes. Granted their own spheres to operate, the various coalition factions pursue paradoxical policies and programs but to positive effect. Until the controversy that pushed him from office, Estrada kept his survey ratings

high with the “isles of state efficiency” and the performance of the economy.

Critics of Estrada had in fact conceded that parts of the gov-

ernment functioned well and delivered the goods. Some government agencies under the management of former leftists, popular activists, and academics thus compensated for the erratic leadership at the top. Except for the government’s failure to neutralize kidnapping groups on Jolo Island, the armed forces of the Philippines established a more professional, less politicized officer corps that worked well with Orlando Mercado, a former activist-politician appointed secretary of defense.

The effectiveness of the police force was also improved by the appointment of a no-nonsense director who, together with Estrada, was credited with a sharp drop in guerrilla kidnappings of businessmen. Agrarian reform was another area in which government programs were working. Despite fierce resistance from landlords, the department managed to implement some land transfers and deal with rural poverty, thanks largely to the skill of its head, leftist Horacio Morales, in bringing together different groups and sectors. In his two years as chief of the Department of Agrarian Reform, Morales also irrigated more hectares of farmlands than his counterparts in the Aquino and Ramos administrations. Another former radical, National Treasurer Leonor Briones, was credited

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with bringing down interest rates and keeping these at levels beneficial to the middle class. The Bureau of Immigration and the Civil Service Commission, two agencies hitherto notorious for inefficiency and massive corruption, also showed marked improvement. The government, in the words of one critic, became a “Jekyll and Hyde” character—sometimes appalling governing practices (especially Estrada’s) were offset by many respectable performances.

Complementing these “isles of efficiency” was an economy that, while still performing below expectations, had, according to a 1998 report by the Asia Society and the Asian Development Bank, “sloughed off the ‘sick man of Asia’ label that had dogged it throughout the 1980s.” Estrada came to power when the economy was beginning to show signs of recovery. The Asian Development Bank wrote in its 1999 year-end report that Philippine GDP and GNP experienced positive growth, growing by 1.2 percent and 2.2 percent in the first quarter of 1999, respectively. Agriculture, which had been suffering from a long drought, contributed substantially to the recovery. In 1999 the trade deficit also turned into a \$4-billion surplus, the result primarily of a 20 percent rise in exports, and the country’s foreign currency reserves rose to nearly \$15 billion, with new monies coming from a two-year IMF standby facility and bond financing on the international capital market.

Of all the economies in the region, the Philippines was the least affected by the Asian crisis. Having experienced a series of financial problems in the previous two decades, the Philippine economy was not undergoing the same pattern of expansion and lending as the others. Prudent financial management by risk-averse policymakers and its “underweighted” ranking by international fund managers were crucial in providing the Philippines with this advantage. The country’s ability to ride out the crisis was further fortified by its steady revenue base. One important lifesaver was the roughly \$6 billion in remittances sent back to the country by the end of 1999 by over 5 million Filipinos working overseas.

Another lifesaver was the country’s strong export performance, especially in computers and electronics, which netted a return of \$19 billion in the first year of Estrada’s administration, a jump of 18.9 percent over the previous year. Electronics, in particular, have become the country’s best revenue earner, now constituting 62 percent of exports. The Philippines has quietly become an important site for computer chip assembly, with some 50 microchip assemblers and computer component manufactur-

ers investing about \$6.6 billion to tap a highly skilled, low-wage labor force. Government incentives to privately manage economic zones have been very attractive: they include four-year exemptions from corporate tax with eight-year extensions available, duty-free importation of equipment, and exemption from export taxes. The entry of technology firms has, in turn, attracted companies providing support to these firms to establish their own assembly plants in the economic zones. The rise in exports has therefore been accompanied by increased employment for Filipinos. And high exports have also allowed the central bank to build up its reserves. All this has led some observers to suggest that the Philippines role in promoting information technology in Asia with its skilled, English-speaking labor force has more than offset the impact of the Asian financial crisis. One analyst argues that if “intellectual input” is reclassified as a “high-value component,” then the Philippines could be considered a “new economy.” The World Bank also declared the country as having “one of the world’s most technologically advanced export structures.”

GAMBLING AWAY POWER

Both these factors—*isles of state efficiency* and a moderately “stable” economy—enabled the Estrada government, in its first year, to cope well with the lingering effects of the Asian crisis and withstand the unremitting criticism of its style of leadership. Yet it remained a weak state; the government “failed to capitalize on its relatively strong performance,” according to Marcus Noland of the Institute for International Economics in Washington, D.C. As the Estrada administration faced a series of financial scandals, Congress failed to act on the next set of economic reforms. Most important, the events leading to Estrada’s downfall that were mentioned earlier showed the contradictions between coalition politics and governing, and especially their relationship to the economic crisis.

The political gains that the Estrada administration registered in the first three-quarters of 2000 were negated by its failure to destroy the MILF and the Abu Sayyaf, to deter corruption, and to contain a flourishing informal economy that was a drain on the official economy. While Estrada was initially praised for the decisive action taken against the MILF and the Abu Sayyaf, condemnation replaced commendation when it became clear that the guerrilla war was not going to end as quickly as the government had predicted. Instead, the military’s failure to defeat its two domestic adversaries was taking a toll

on government coffers. Unofficial estimates of the daily cost of war ranged from \$500,000 to \$2.3 million, forcing budget officials to divert monies from other programs to support the military.

Aggravating the government's woes were pervasive corruption and cronyism. The World Bank said corruption in the Philippine government was inhibiting foreign and domestic investment and perhaps "eroding the country's competitive position." Estrada admitted that 20 percent of funds allotted for government projects (roughly \$487 million) was "lost to grafters," while the Office of the Ombudsman, the government watchdog agency, estimated \$2 million lost every day to graft. While cronyism is rampant in the Asian region, the Philippines stands out for the crudity of its rent-seeking pursuits. For example, Eduardo Cojuangco Jr. recovered the companies that were taken over by the government in 1986, while Lucio Tan expanded his empire with the government's active assistance (Tan was worth an estimated \$1 billion to \$8 billion and was owner of the formerly state-owned Philippine Airlines). Tan also defeated an earlier government attempt to compel him to pay \$505 million in unpaid taxes.

Finally, drug trafficking and illegal gambling have become major economic activities. The smuggling and sale of crystal methamphetamine (*shabu*) continues to be brisk. Profits have reportedly been good, with Filipino partners remitting to Hong Kong about P250 million a month for every sale of 250 kilos of *shabu*. *Jueteng* (illegal gambling), however, is the centerpiece of the informal economy. A popular nationwide operation based on betting on a combination of numbers, *jueteng* nets a local town "operator" as much as P1.2 million and his provincial bosses about P4.8 million monthly. Its profitability has spawned a complex network of alliances among operators, politicians, and law enforcement agencies from the national to the village level. Politicians' campaign coffers and poorly paid military officers alike have come to depend on *jueteng* money. Very few are not tempted by the chance to convert a P1 bet into a P400 winning.

It is no wonder, therefore, that a national leader wishing to be always resource-ready for any electoral battle would dip into this large pocket of money. Estrada was no exception. Because the *jueteng* network is national, however, any crack in its highly centralized and well-protected structure can have serious national implications. Estrada crony Luis Singson went public after Estrada set up a network to rival the *jueteng* organization and eat

into its profits. In the ensuing battle, Estrada's presidency began to unravel.

The *jueteng* controversy galvanized a "United Opposition" that included the conservative Catholic Church, business interests, traditional politicians, NGOs, POS, legal organizations of the Communist Party, and middle-class groups. Its influence expanded considerably when government officials like Arroyo and the speaker of the House of Representatives defected to its side, and when communist leaders signaled their "united front" cadres to give full support to Arroyo as the leader of the opposition. Up to the eve of his ouster, Estrada managed to keep his coalition of religious movements, urban poor associations, provincial politicians (benefiting from tax revenue allocations), policemen, and cronies intact, but this collapsed once the military decided not to recognize Estrada's leadership.

"BIG TENT" POLITICS

This confrontation was remarkable not so much for its ferocity but because both Estrada and his opponents relied on coalition arrangements to project their power. On the side of the opposition was an awareness that its success depended on how many forces it could bring into its "big tent"—this despite the fact that some of these groups were ideologically antagonistic and in the past had vicious political fights. Coalitions have thus become the defining feature of political warfare in the Philippines and no force can survive or succeed in pushing its agenda without coming to some agreement with other forces. Even the Communist Party has acknowledged the coalition's value. Moreover, whoever emerges as the victor in this confrontation has realized that long-term success requires keeping the coalition intact; Estrada may take some comfort from the knowledge that what replaces him is an arrangement little different from his own.

This preference for coalitions does not mean that governing has become easier. On the contrary, because of the problems created by Estrada, and because President Arroyo came to power not through established constitutional procedures, the new regime will have undergo an organizational transitional period. It must not only remove Estrada loyalists within the state, but it also must sort out which state agencies should go to political allies, and which should go to civil society groups. And in the division of spoils, the isles of state efficiency under Estrada may not be the same under Arroyo; this will also prove true for those agencies that became the fount of patrimonial plunder. Moreover,

the economy has yet to overcome the profound crisis it experienced in the last days of Estrada. The latter left behind \$1.4 billion in unpaid bills and a budget deficit that had ballooned to \$4 billion. Foreign capital continues to bypass the Philippines despite the continuation of liberal incentives under Arroyo, and signs of a slowing American economy do not bode well for Philippine recovery. While policymakers hope that further declines in income will be counterbalanced by remittances from abroad, overseas Filipino workers remain skeptical and continue to hold on to their monies. Estrada may be out, but the country has yet to fully stabilize.

A PARADOXICAL DEMOCRACY

In the Philippines, coalition politics has replaced political parties (both on the right and the left) as the means by which groups and individuals aspire to and wield power. The coalitions are notable in that they bring together groups that were and continue to be ideologically opposed. Either aware of their limited influence or pragmatic enough to realize the need for “tactical alliances” with opponents, these forces have temporarily set aside their differences to work for a common goal—usually the election of a presidential candidate. A victorious

candidate, in turn, brings this coalition into his or her administration. This means that while the apparatus of the state may be dominated by a patrimonial elite and weakened by various kinds of criminalities, the very softness of the state has also allowed its penetration by representatives of social and political forces that have different interests than the politicians and patrimonial networks. These forces range from reformist businesspeople seeking a more transparent market with less government interference, to antigraft, pro-efficiency, middle-class advocates and former communists now wanting to use the state to achieve social goals rather than “smash” it.

The Philippine case suggests that while weak states can be a bane to real political development, it is wrong to assume they have no ability to govern even moderately. A weak state with a long tradition of electoral and constitutional politics, and that uses this tradition to construct coalitions of various political forces and constitute a ruling regime, is especially suited for this kind of moderate governing.

In an odd way, this is what democracy in the Philippines is all about. Its antinomies and contradictions are precisely what allow it to thrive, even at the price of continued underdevelopment. ■