
Ronald D. Holmes
Department of Political and Social Change
A thesis submitted for the degree of Doctor of Philosophy of the Australian National University
March 2019

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DECLARATION

I hereby declare that this thesis is solely my work and, to the best of my knowledge, contains no materials previously published or written by another person unless otherwise referenced or acknowledged. I also declare that this thesis has not been submitted for qualification in any other academic institution. Some parts of the thesis have been published in chapters I contributed for the Routledge Handbook of the Contemporary Philippines (2018) and in Budget Reform in the Philippines: Making the Budget a Tool for National Transformation (2019).

Ronald D. Holmes
6 March 2019
ACKNOWLEDGMENTS

When I started the Ph.D. program in 2013, I was warned by colleagues and friends that the journey would be long and solitary. They were on point on the first but fortunately mistaken on the second. While completing this dissertation indeed involved a lot of alone time, there were many people and institutions who gave their support to complete this dissertation.

I got into the Ph.D. program given the prodding of Professor Paul D. Hutchcroft. As Chair of my supervisory panel, Paul never faltered in being a true mentor and friend. I know I tested Prof. Hutchcroft’s patience many times in the drafts I submitted, all of which he provided detailed comments on. I learned much from his comments and benefitted even more from his periodic caution for me to focus on this dissertation. On several occasions when my confidence sagged, Paul reminded me that the proverbial light at the end of the tunnel was within sight. For his untiring support, I am forever indebted.

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excellent scholars, Prof. Aspinall and Dr. Kenny gave additional direction to refine this dissertation.

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ABSTRACT

Pork barrelling, the common term for targeted spending driven by electoral incentives, is practiced across many countries. Prior studies in settings where pork barrel spending is prevalent have focused on programs directed to constituencies whose support is critical for the electoral victory of incumbents. Other studies have examined the demand side, arguing that pork barrel results from the expectation of voters that politicians should “bring home the bacon”. This dissertation departs from most previous studies by focusing on the motivations of the president, who in the Philippine context is the primary dispenser of pork barrel resources.

Unlike most countries in the world, the practice of pork barrelling in the Philippines has been long and continuous. Starting from the early 1920s, when pork was distributed exclusively as a collective good, there has been significant evolution as well as variation in the components of the pork barrel, the modes by which it has been distributed and the motivations behind its deployment. At one level, this study provides a typology of the practice of pork barrelling as it has evolved over time: cursorily from 1922 until 1986, and, in greater depth, across five administrations from the fall of Marcos in 1986 to the end of the presidency of Benigno S. Aquino III in 2016. It finds that congressional pork barrel involves very significant monetary resources in the Philippines, viewed in comparative terms, and a powerful means by which presidents (with their potent array of budgetary powers) can exert leverage over legislators. More surprisingly, however, the study reveals that congressional pork is generally the least
substantial of three major types of pork—the other two of which are directly controlled and dispensed by presidents.

The study proceeds to challenge major presumptions within the comparative politics literature. Matthew Shugart argues that in systems in which a president is bestowed with strong constitutional powers, amidst weak parties and pervasive inequality, the Chief Executive can likely be expected to curb the particularistic orientation and pork-barrelling of other politicians, specifically legislators, and instead promote collective or national goals. This assertion does not explain the persistence of pork barrelling in the Philippines, where a constitutionally strong Philippine president employs very significant budgetary powers to distribute pork to members of the legislature. This enables them to build and sustain a coalition that is essential to push a legislative agenda and/or enhance prospects for political survival. Additional resources are disbursed to politicians at subnational levels, thus providing the president with additional means of exchanging favours with governors and mayors throughout the archipelago. Within the context of weak parties and a generally ineffective bureaucracy, they have often found the diverse mechanisms of pork barrel spending critical to achieving their goals. Contra Shugart, therefore, Philippine presidents lack strong incentives to curb particularism in favour of collective or national goals. Even more telling is just how they actually depend upon the dispensing of particularism as the most important part of their toolkit of presidential power.
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<td>4Ps</td>
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<td>ACT</td>
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<td>ARMM</td>
<td>Autonomous Region of Muslim Mindanao</td>
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<td>BBL</td>
<td>Bangsamoro Basic Law</td>
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<td>BCC</td>
<td>Bicameral Conference Committee</td>
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<td>BCP</td>
<td>Blank Check Particularism</td>
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<td>BEFP</td>
<td>Basic Education Facilities Program</td>
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<td>BP</td>
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<td>BuB</td>
<td>Bottom-up budgeting</td>
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<td>Democratic Party</td>
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<td>Department of Public Works and Highways</td>
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<td>expanded Value Added Tax</td>
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IRA Internal Revenue Allotment
IRDF Inter-Regional Development Fund
IRR Implementing Rules and Regulations
ISAFP Intelligence Service of the Armed Forces of the Philippines
JBC Judicial and Bar Council
JEEP Joseph Ejercito Estrada for President
K4 Koalisyon ng Katapatan at Karanasan sa Kinabukasan (Coalition for Honesty and Experience for the future)
KALAHI-CIDSS Kapit Bisig Laban sa Kahirapan-Comprehensive Integrated Delivery of Social Services
KAM Kilos Asenso Movement
KAMPI Kabalikat ng Mamamayan Pilipino
KASF Kilos Asenso Support Fund
KBL Kilusang Bagong Lipunan
KBPF Kalayaan Barangay Program Fund
KKK Kilusang Kabuhayan at Kaunlaran
KNP Koalisyon ng Nagkakaisang Pilipino
KOMPIL Kongreso ng Mamamayang Pilipino
LAKAS-NUCKS Lakas ng Tao-National Union of Christian Democrats
LAMMP Lakas ng Makabayan Masang Pilipino (Power of the Nationalistic Filipino Masses)
LAMP Lapian ng Masang Pilipino
LBRMO Legislative Budget Research and Monitoring Office
LDP Laban ng Demokratikong Pilipino (Fight of Democratic Filipinos)
LEDAC Legislative-Executive Development Advisory Council
LGSEF Local Government Service Equalization Fund
LGC Local Government Code
LGU Local government units
LIP Local Infrastructure Program
LMP League of Municipalities of the Philippines
LP Liberal Party
LPP League of Provinces of the Philippines
MDF Mindanao Development Fund
MNLF Moro National Liberation Front
MOA Memorandum of Agreement
MOOE Maintenance and Other Operating Expenses
MPBF Miscellaneous Personnel Benefits Fund
MPM Magsaysay for President Movement
MVUC Motor Vehicle Users’ Charge
NAMFREL National Movement for Free Elections
NBN-ZTE National Broadband Network-ZTE
NBC National Board of Canvassers
NCA Notice of Cash Allocation
NDCC National Disaster Coordinating Council
NEDA National Economic Development Authority
NEP National Expenditure Program
NGO Non-governmental organizations
NP Nacionalista Party
NPC Nationalist People’s Coalition
NUCD National Union of Christian Democrats
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<td>PMP</td>
<td>Partido ng Masang Pilipino</td>
</tr>
<tr>
<td>PMS</td>
<td>Presidential Management Staff</td>
</tr>
<tr>
<td>PnB</td>
<td>Partido ng Bayan</td>
</tr>
<tr>
<td>PO</td>
<td>People’s organizations</td>
</tr>
<tr>
<td>PPC</td>
<td>People Power Coalition</td>
</tr>
<tr>
<td>PPP</td>
<td>Party for Philippine Progress</td>
</tr>
<tr>
<td>PPAP</td>
<td>Presidential project-based appropriated pork</td>
</tr>
<tr>
<td>PPOP</td>
<td>Presidential project-based off-budget pork</td>
</tr>
<tr>
<td>PRP</td>
<td>People’s Reform Party</td>
</tr>
<tr>
<td>PROMDI</td>
<td>Probinsiya Muna Development Initiatives (Province First Development Initiatives)</td>
</tr>
<tr>
<td>PSEPF</td>
<td>Priority Social and Economic Projects Fund</td>
</tr>
<tr>
<td>PSF</td>
<td>President’s Social Fund</td>
</tr>
<tr>
<td>PWA</td>
<td>Public Works Act</td>
</tr>
<tr>
<td>RA</td>
<td>Republic Act</td>
</tr>
<tr>
<td>RDC</td>
<td>Regional Development Council</td>
</tr>
<tr>
<td>RLIP</td>
<td>Regional and Local Infrastructure Program</td>
</tr>
<tr>
<td>RUDIPF</td>
<td>Rural/Urban Development Infrastructure Program Fund</td>
</tr>
<tr>
<td>RUT</td>
<td>Road User’s Tax</td>
</tr>
<tr>
<td>SARO</td>
<td>Special Allotment Release Order</td>
</tr>
<tr>
<td>SBP</td>
<td>School Building Program</td>
</tr>
<tr>
<td>SC</td>
<td>Supreme Court</td>
</tr>
<tr>
<td>SEC</td>
<td>Securities and Exchange Commission</td>
</tr>
<tr>
<td>SLDP</td>
<td>Support for Local Development Projects</td>
</tr>
<tr>
<td>SONA</td>
<td>State of the Nation Address</td>
</tr>
<tr>
<td>SWA</td>
<td>Social Welfare Administration</td>
</tr>
<tr>
<td>TESDA</td>
<td>Technical Education and Skills Development Authority</td>
</tr>
<tr>
<td>UAP</td>
<td>Union of Local Authorities of the Philippines</td>
</tr>
<tr>
<td>UNIDO</td>
<td>United Nationalist Democratic Organization</td>
</tr>
<tr>
<td>VDF</td>
<td>Visayas Development Fund</td>
</tr>
<tr>
<td>VILP</td>
<td>Various Infrastructures including Local Project</td>
</tr>
</tbody>
</table>
CHAPTER 1  INTRODUCTION

Across the congressional districts of the Philippines, one sees the names of politicians etched on public school buildings, waiting sheds, street lamps, ambulances, public markets, and multi-purpose halls, among others. This ubiquitous practice, what is colloquially referred to as “epal” (slang drawn from the word “mapapel” [self-promotion]), is simply a way for politicians to claim credit for projects delivered to their constituents.

Politicians’ pervasive claiming of personal credit for public projects is a critical element of the long-standing practice of pork barrelling in the Philippines. By politicians, I refer to the entire range of elected officials, from the village councilor and chairperson, the municipal/city councilors, vice mayors and mayors; members of the provincial board, vice governor and governor; district and party-list representatives; senators; to the Vice President, and the President. As I will elaborate in subsequent chapters, almost all Philippine politicians will grab the opportunity to impress upon their constituents that the services or goods delivered are their handiwork.

Dating back to the early 1920s, and further elaborated in the decades after independence in 1946, pork barrelling intensified after the fall of the authoritarian regime of Ferdinand Marcos in 1986. The congressional pork barrel since the legislature was re-established in 1987 has expanded not only in terms of the aggregate amount of the allocation, but also in terms of the modalities through which these funds are channelled. In post-1986 administrations, the congressional pork barrel extended from slush funds benefitting Visayas and Mindanao-based legislators, chiefly meant for public works projects, to its last incarnation of legislators’ slush funds that could be used for multiple
types of projects, both hard (infrastructure) and soft (individually targeted benefits such as scholarships and medical assistance). Compared to other countries that are known for having significant quantities of slush funds, the scale of congressional slush funds in the Philippines is huge, as shown in Table 1.

*Table 1 Congressional slush funds allocation for selected countries (per legislator)*

<table>
<thead>
<tr>
<th>Country</th>
<th>Amount allocated per legislator in local currency</th>
<th>Amount in US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philippines—Senate (2013)</td>
<td>200,000,000</td>
<td>4,270,001</td>
</tr>
<tr>
<td>Papua New Guinea (2009)</td>
<td>4,500,000</td>
<td>1,800,000</td>
</tr>
<tr>
<td>Philippines—House (2013)</td>
<td>70,000,000</td>
<td>1,494,768</td>
</tr>
<tr>
<td>Kenya (2009)</td>
<td>60,000,000</td>
<td>794,464</td>
</tr>
<tr>
<td>Malaysia (2013)</td>
<td>2,000,000</td>
<td>577,951</td>
</tr>
<tr>
<td>Jamaica (2009)</td>
<td>40,000,000</td>
<td>456,361</td>
</tr>
<tr>
<td>India (2000)</td>
<td>20,000,000</td>
<td>420,790</td>
</tr>
<tr>
<td>Solomon Islands (2009)</td>
<td>2,000,000</td>
<td>280,000</td>
</tr>
<tr>
<td>Vanuatu (2009)</td>
<td>2,250,000</td>
<td>20,000</td>
</tr>
</tbody>
</table>

Sources: Philippine General Appropriations Act of 2013; Fraenkel (2011); (Hickey, 2010)

Congressional slush funds in the Philippines thus exceed what is found in a range of other polities. More than congressional slush funds, however, there are other types of particularism that transpired in post-Marcos administrations, each type involving larger amounts than those allocated for congressional slush funds. The focus of this dissertation is on the five completed presidential administrations since the political transition of 1986, namely those of Corazon Cojuangco Aquino (1986-1992); Fidel Valdez Ramos (1992-1998); Joseph Ejercito Estrada (1998-2001); Gloria Macapagal Arroyo (2001-2010); and Benigno Simeon Aquino (2010-2016).

Under these administrations, pork barrelling was not only sustained but more importantly expanded into other types of particularism, a trend that goes against from the expectations of a leading comparativist, Matthew Shugart (1999). He believed that in presidentialism, a Chief Executive that has strong constitutional powers can be
expected to curb particularism in favour of broad national goals. As this dissertation will demonstrate, this is not the case in the Philippines as it must deal with the puzzle of why, contrary to the expectations of Shugart, *Philippine presidents depend upon particularistic bargains with other politicians*. As this dissertation argues, *pork barrelling, specifically, and particularism, in general, has been the most effective tool of the President to build and sustain a legislative coalition that is necessary to facilitate the achievement of his or her goal*.

This introductory chapter elaborates on the bases for this dissertation’s puzzle and argument by first revisiting what we mean by “pork”. In this first section, I highlight that particularism extends beyond the usual definition of pork, as collective goods that are directed at specific constituencies. While this is one element of pork, the Philippine case demonstrates a much wider range of other types of particularism, most of which far exceed the already huge amounts channelled to congressional slush funds. The typology consists of three types—*congressional pork; presidential projects-based pork;* and quasi-*pork*—each of which has two sub-variants. In presenting a typology of particularism, I highlight not only the multiple forms of pork in post-Marcos Philippines, but also the significant budgetary powers of the President that very actively promote rather than curb particularism.

The second section of this introduction revisits Shugart’s argument on how presidentialism can be expected to curb particularistic spending. Shugart believes that presidentialism with a nationally elected executive that possesses strong powers will likely counteract, albeit partially, the particularistic tendencies of a fragmented legislature. Shugart grounds his argument on the belief that presidentialism is “better at
meeting” the objective of “ensuring some collective goods orientation of the policymaking process.” More specifically, he anticipates this outcome in societies with a) no prior experience with parliamentary democracy; b) weak parties, c) large regional disparities; and d) great income inequality (Shugart, 1999, p. 84). The Philippines does not meet the first criteria, given that its democratic structures were put in place more than a century ago, but it very clearly has a long history of weak political parties as well as marked regional disparities and income inequalities (Balisacan & Hill, 2003).

As mentioned earlier, however, Shugart’s assertion fails to explain the persistence of pork barrelling, specifically, and particularism, in general, in post-Marcos Philippines. Moreover, not only do post-Marcos presidents fail to counteract the particularistic tendencies of legislators but, as I will discuss in subsequent chapters, they depend critically on the broad range of particularistic bargains. This dependence is due in large part to the need to build a coalition with legislators. A further goal, discussed below, is the need of presidents to exchange favours with sub-national politicians. The second section ends with an explanation of a recent approach that acknowledges the centrality of coalitions in presidentialism and the tools that presidents may use in forming such coalitions.

The third section examines the motivations behind particularism. The literature on distributive politics identifies two dimensions of motivation—a supply side and a demand side. In reviewing these motivations in this section, I highlight the primary objectives of presidents in building coalitions through the disbursement of particularistic benefits versus the motivations of other pork barrelling players. To presidents, pork is necessary to get legislators to act on an urgent piece of legislation or to ensure political
survival. To other politicians, the desire for pork is universal given the election incentive and the strong patronage orientation of the polity as a whole.

The last section of this introduction explains the methodology and structure of this dissertation.

Defining pork

Pork barrelling is said to derive from the practice of slaveholders in the pre-Civil War American South of sharing salted pork from barrels with their undernourished slaves, who scampered for their share (Evans, 2004). Such an image of people scrambling for a piece of “pork” was subsequently seen in the United States Congress, as legislators scurried for their share of public resources to finance their projects. Since the late 19th century, when the practice became embedded in the United States Congress, pork barrelling has been observed in various kinds of polities around the world, including presidential and parliamentary governments, those dominated by single parties and even in non-democracies (Curto-Grau, Herranz-Loncan, & Sole-Olle, 2012; Luo, Zhang, Huang, & Rozelle, 2010; Tavits, 2009). Thus, pork barrelling is a ubiquitous phenomenon, though the persistence, intensity and outcomes of such practice vary from country to country (as indicated above by the varied amounts allocated to legislators in select countries).

The pork barrel—or pork, for brevity—refers to “discrete, highly divisible benefits targeted to specific populations, the cost spread across the general population through taxation” (Evans, 2004). This description of pork leads to the characterization of such spending as particularistic rather than programmatic, the latter believed to be connected
or supported by policies and to have a longer-term horizon compared to the short-term or politically expedient goals of particularistic spending (Bickers, 1991).

Slicing the pork

In general, pork is regarded as a local public good that is distributed given a partisan bias (Stokes, Dunning, Nazareno, & Brusco, 2013, p. 7). This characterization of pork as a partisan or “club good” misses out on the dynamics of pork barrelling in post-Marcos Philippines. First, while there is indeed a partisan bias in the distribution of particularistic benefits in the Philippines, the bias is not based on party affiliation since political parties in the Philippines are generally weak. More than this, significant portions of pork in post-Marcos Philippines have been distributed to individuals. These disbursements cannot automatically be regarded as contingent upon their subsequent political support of beneficiaries.

A categorization of pork more relevant to this dissertation is the delineation offered by Hutchcroft (2014b). In a comparative study of patronage and clientelism in three countries, Hutchcroft distinguishes two types of particularistic spending—meso-versus micro-particularism. The former comprises collective/club goods targeting constituencies, such as roads and bridges, health or educational facilities. These correspond to local public goods described by Stokes et.al. (2013). Micro-particularism, on the other hand, includes personal and private goods delivered to individuals and households in the form of livelihood assistance, health insurance, scholarships, and jobs, to mention a few. Finally, Hutchcroft explains that meso-particularistic pork tends to be impersonal, while micro-particularistic pork is clientelistic (involving some measure of personalistic ties).
Hutchcroft’s categorization of pork is important as it provides support to the argument in this dissertation that pork barrelling has diversified in the post-Marcos period. While much of the pork in the pre-1986 period could be classified as meso-particularistic, consisting largely of public works projects, particularistic spending in the post-Marcos period has also come to include micro-particularistic modes institutionalized in congressional slush funds from 1996 to 2013, as well as in presidential pork and quasi-pork programs.

**Typology of presidential particularism**

Beyond Hutchcroft, however, we can further slice pork into different “cuts” based on the player that determines the distribution of pork. Here I offer a typology that differentiates three types of particularism. While this dissertation was initially concerned with an examination of one type of pork—congressional pork—, an examination of particularistic practices across time—from the colonial, post-war, martial law, and post-Marcos periods—led me to identify various types of particularism that obtain in the Philippines. There are three main types, namely: *congressional pork; presidential project-based pork; and quasi-pork*.

*Congressional pork* involves funds allocated to and disbursed with the prior consent of legislators. There are two sub-types: *congressional slush funds (CSF)* and *congressional earmarks (CE)*. Across Philippine history, congressional pork began when a Public Works Act (PWA) was legislated in 1922, with funds allocated to the congressional district as a CSF. A congressional slush fund is a lump-sum allocation for projects to be subsequently identified by legislators after the budget is enacted into law. Given the post-budget involvement of legislators in disbursing their CSF, lawmakers
could be more tactical in distributing such funds. On the other hand, CE are itemized projects included in either the annual budget or in Public Works Acts. From the American colonial to the post-war period, congressional pork alternated between CSF and CE. In the post-Marcos period, the CSF and CE were provided simultaneously.

For congressional slush funds, Table 2 shows a significant increase in the per capita allocation for legislators in the post-Marcos period. The value of the per capita allocation in 1990 was three times the amount allocated in 1965. However, under the Aquino III administration, as will be explained in Chapter 9, the real value of per capita allocation declined with the consolidation of two types of congressional slush funds.

Table 2 Annual Allocation for Congressional Slush Fund, Selected Years, in Philippine Pesos, CPI Base Year 2006

<table>
<thead>
<tr>
<th>Year</th>
<th>Nominal Amount</th>
<th>Real Amount (CPI Base Year: 2000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>House</td>
<td>Senate</td>
</tr>
<tr>
<td>1965</td>
<td>250,000</td>
<td>450,000</td>
</tr>
<tr>
<td>1990</td>
<td>12,500,000</td>
<td>18,000,000</td>
</tr>
<tr>
<td>2008</td>
<td>70,000,000</td>
<td>200,000,000</td>
</tr>
<tr>
<td>2013</td>
<td>70,000,000</td>
<td>200,000,000</td>
</tr>
</tbody>
</table>

Source: (Carino 1966); General Appropriations Act 1990; 2008; 2013

The second type of particularism is *presidential project-based pork*. Presidential project-based pork enables presidents to distribute benefits to specific constituents. As discussed in subsequent chapters, presidents relied especially heavily on this form of particularism to create their own power bases, with funds disbursed to sub-national units and politicians. In essence, this promotes an exchange of favours with local politicians and allows presidents to accomplish their goals at the local level. This type of particularism is funded either by the regular annual appropriation or an off-budget fund. These two sources of funding thus produce two sub-types of presidential pork, the first
being the *presidential project-based appropriated pork (PPAP)* and the second the *presidential project-based off-budget pork (PPOP)*. While the former is subject to congressional deliberations, the latter is dispensed solely under the discretion of the President through his or her control of special funds. As discussed in subsequent chapters, legislators continued to question the existence of PPAP items in the annual budget. More often, these items are proposed as lump-sum expenditures under an executive agency or in the form of contingent funds or unprogrammed funds. The latter involve funds that the president can disburse when revenue targets are met.

The final type of particularism draws from the significant budgetary powers of the Philippine President and I label this type as *quasi-pork*. Like presidential pork, quasi-pork rests solely upon the discretion of the President. Unlike presidential pork, which is distributed to sub-national politicians and communities, however, quasi-pork enables the President to appropriate additional funds for particularistic projects of legislators on top of their congressional pork. As such, quasi-pork allows the President to fortify the legislative coalition.

One sub-variant of quasi-pork is impoundment and augmentation pork (IAP). This type draws from the powers provided to the President under the General Appropriations Act (GAAs) of post-war years, a power that was subsequently enshrined in two constitutions—1973 and 1987—and the 1987 Administrative Code. Under the 1987 Constitution, the heads of the branches of government (the President, the Speaker, the Senate President, and the Chief Justice of the Supreme Court), and the heads of constitutional offices (e.g., chairpersons of the Commission on Elections, Commission on Audit, Civil Service Commission, etc.) may be authorized by law to
augment any item in the appropriations law for their respective offices.\textsuperscript{1} In addition to
the Constitution, the 1987 Administrative Code (as explained also in Chapter 4) empowers the President to put on reserve a substantial portion of the approved budget. In providing the President this power, the Chief Executive effectively “impounds” funds “whenever in his judgment the public interest so requires.” By public interest, the normal bases of withholding fund releases are either the failure of government to meet revenue collection targets or a lower rate of economic growth relative to what was projected when the budget was prepared. Given the fact that economic managers commonly over-estimate revenue collection targets or the rate of growth of the economy in the subsequent fiscal year, all post-Marcos presidents were provided with a basis to put funds on reserve (Diokno, 2014a).

Funds put on reserve could be declared as savings. With respect to savings, the Administrative Code of 1987 follows the constitutional provision that allows the President, as well as the heads of other branches (Speaker of the House, Senate President, and Supreme Court Chief Justice), to re-align savings to “augment any item in the general appropriations law for their respective offices”. Thus, this combination of putting funds on reserve and determining the distribution of savings constitute the first sub-type of quasi-pork, namely impoundment and augmentation pork (IAP). As will be discussed in subsequent chapters, the proportion of the budget impounded in the post-Marcos period ranged from a low of 3 percent to a high of 25 percent of total new appropriations. While these figures are lower than the limits on transfers allowed

\textsuperscript{1} Under post-war GAA\textsc{s} (from 1946 to 1970), the President was allowed to transfer funds from one item of appropriation to other items (Fernandez, 1973, pp. 73-74). This power to transfer or augment appropriations was eventually incorporated in the 1973 and 1987 Constitutions.
presidents from 1946 to 1970, the proportion of appropriated funds impounded and used to augment other appropriations is much larger than congressional and presidential pork.²

The second sub-type of quasi-pork results from the longstanding rule that deals with delayed or re-enacted budgets. The basic laws under American colonial rule (i.e., the 1902 Philippine Organic Act and the 1916 Jones Law) stipulate that the failure of the legislature to enact an appropriations measure will result in a re-enactment of the prior year’s appropriation.³ The 1935 Constitution did not include this provision, an omission that compelled all presidents in the early post-war period to work with Congress in ensuring the passage of the GAA.⁴ However, the 1973 and the 1987 constitutions restored the provision stipulating that in the event Congress fails to pass the general appropriations bill for the ensuing fiscal year, the general appropriations law for the preceding fiscal year shall be deemed re-enacted and shall remain in force and effective until the general appropriations bill is passed by the Congress. Given this provision, the President has the sole discretion to decide on how to disburse the total appropriation for the new fiscal year, especially for non-continuing appropriations (i.e.,

² Fernandez notes that in the 1946 to 1950 GAAs, the budget law did not provide any limit for transfers. It was only in the 1951 GAA when Congress limited the power of the President to transfer funds to 50% of the total budget, further reduced to 30% in the 1952 GAA. The lowest limit imposed by the GAA on the President’s transfer of funds within the period (1946-1952) was at 25% (Fernandez, 1973).
³ Section 7 of the 1902 Organic Act and Section 19d of the 1916 Jones Law. The pertinent provision in the Jones Law is relatively stringent compared to the power to disburse funds from a re-enacted budget in the 1973 and 1987 Constitutions. Under Section 19 of this law, the executive could only spend the funds on “several objects and purposes specified” in the previous fiscal year’s appropriation.
⁴ The exclusion of the provision that automatically re-enacts the previous year’s budget when Congress fails to enact a new budget stemmed from a consensus among the members of the 1934 Constitutional Convention who felt that automatic re-enactment would further weaken the National Assembly in favour of the Executive (Aruego, 1936, p. 386).
funds previously allotted to completed projects or programs). Most of these non-continuing appropriations pertain to capital outlays that constitute close to a fourth of an annual budget. A re-enacted budget thus provides the President “carte blanche authority to declare the capital outlays component of the budget as savings and use the same for whatever programs and projects the president wants” (Diokno, 2014a). Because of this broad power, I refer to this sub-type of quasi-pork as the \textit{blank check particularism} (BCP).

Table 3 shows that most (15 of the 26) of the GAAs from 1989 to 2016 were either enacted late or completely re-enacted. Three GAAs were completely re-enacted, all under the term of Gloria Macapagal Arroyo. Thus, except for Benigno S. Aquino III, all the other presidents covered by the dissertation exercised BCP for at least a chunk of the fiscal year, if not its entirety. What is noteworthy about BCP is the extraordinarily large amount of patronage resources that a President has within his/her control relative to the amount allocated for the other variants of particularism.

\textit{Table 3 Date of approval of the General Appropriations Act: 1987 to 2016}

\footnotesize{\textsuperscript{5} The annual budget includes continuing appropriations, essentially appropriation for salaries and operating expenses of various national government agencies. Aside from continuing and non-continuing appropriations, the budget includes automatic appropriations composed of debt payments and the Internal Revenue Allotments of local government units.}
<table>
<thead>
<tr>
<th>Budget Year</th>
<th>Date Approved by the House</th>
<th>Date Enacted into Law</th>
<th>Budget Year</th>
<th>Date Approved by the House</th>
<th>Date Enacted into Law</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>no data available</td>
<td>January 15, 1992</td>
<td>2006</td>
<td>no data available</td>
<td>re-enacted</td>
</tr>
<tr>
<td>1996</td>
<td>November 6, 1995</td>
<td>December 25, 1995</td>
<td>2010</td>
<td>November 9, 2009</td>
<td>February 8, 2010</td>
</tr>
<tr>
<td>2001</td>
<td>no data available</td>
<td>re-enacted</td>
<td>2015</td>
<td>October 29, 2014</td>
<td>December 23, 2014</td>
</tr>
</tbody>
</table>

Source: Congressional Planning and Budget Office. In italics are budgets enacted after the beginning of the fiscal year to which they pertain.

Figure 1 provides a heuristic representation of the size of quasi-pork sub-types alongside other sub-types of particularism across post-Marcos administrations.

Figure 1  Variants of particularism
These forms of particularism found in post-Marcos Philippines run counter to Shugart’s expectation that presidents with strong powers are likely to curb particularism. To the contrary, a core assertion of this thesis is that Philippine presidents strongly depend upon particularism to the detriment of collective or national goals. The major forms of particularism that obtained in the Philippines across the past century are shown in Figure 2. In subsequent chapters, I shall elaborate on the specific programs that fall within each variant. A more detailed summation is then found in the concluding chapter.

*Figure 2. Variants of particularism across time*

<table>
<thead>
<tr>
<th>TYPE</th>
<th>SUB-TYPE</th>
<th>AMERICAN COLONIAL</th>
<th>COMMONWEALTH</th>
<th>POST-WAR</th>
<th>MARTIAL LAW</th>
<th>POST-MARCOS</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONGRESSIONAL</td>
<td>SLUSH FUNDS</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>EARMARKS</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>PRESIDENTIAL</td>
<td>APPROPRIATED</td>
<td></td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>OFF-BUDGET</td>
<td></td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>QUASI</td>
<td>IMPOUNDMENT/AUGMENTATION</td>
<td></td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>BLANK CHECK</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>
On presidentialism and particularism

Do different regime types affect the capacity of national leaders to put in place policy reforms that overcome rent-seeking and pork barrelling tendencies and instead focus on the achievement of broad national policy goals? This was the central question of Shugart (1999) in his examination of how representational institutions impact on the delivery of collective goods provisions.

In responding to the question, Shugart acknowledges that the “proponents of parliamentarism may be correct in that their preferred regime type is more conducive to collective goods provision” (1999, p. 54). However, Shugart immediately argues that “there are certain highly stratified societies with vast regional disparities in which presidentialism is actually likely to perform better” (1999, p. 54, emphasis added), given the powers of the President. He proceeds by identifying three presidential powers.

Shugart’s presidential powers

The first power Shugart describes is proactive powers. As he noted, some constitutions—specifically in four of the 24 cases examined—provide the President decree-making powers that have the “full force of the law without the prior consent of the assembly”, and not “administrative and regulatory acts that are issued within the confines of authorizing statutes” (1999, p. 63). Through this definition, Shugart differentiates decree-making powers, which have a broad application, from presidential orders, which only apply within the executive branch—the latter a power that most presidents have. Though I agree with Shugart’s explanation that presidential orders, or Executive Orders (EO) in the case of the Philippines, are confined in terms of application, I argue that such orders have more force, in fact, than Shugart anticipated.
This is because they impact on the implementation of laws and have the same force as decrees. As one scholar notes, presidential orders, through EOs—or by extension, the regular Implementing Rules and Regulations formulated by executive agencies to operationalize provisions of statutes prior to their enforcement—“affect how legislation is interpreted and implemented” (Mayer, 1999, p. 445). As a case in point, the 1987 Administrative Code (issued by Corazon Aquino in 1987 as an EO (Executive Order 292) can be regarded as an exercise of proactive powers. Aquino issued the EO after the ratification of the 1987 Constitution. By that time, she was deprived of any decree-making power. However, EO 292 had the force of a statute, as it preserved the reserve control (impoundment) and transfer (augmentation through savings) powers of the President in budget execution. As of the writing of this dissertation, these powers have not been rescinded by a new statute, nor have they been voided by jurisprudence.

If proactive powers enable presidents to change the status quo, Shugart asserts that reactive powers, through the exercise of a package (whole) or partial (item) veto, allow presidents to “defend the status quo” (1999, p. 62). While the package veto is more commonly enjoyed by presidents, only two countries in Shugart’s study confer the President the item veto—Argentina and the Philippines. In his examination of the constitutions of the two countries, Shugart suggests that the assemblies may have delegated lawmaking authority to the presidency as “a way to enhance the provision of collective goods (such as reducing spending or free trade) when they are prone to particularistic tendencies” (1999, p. 65). This assertion of Shugart does not concur with the realities of Philippine politics, in general, or with Philippine presidentialism dynamics, which I will elaborate on in Chapter 2. At this point, however, it is enough to state that
Shugart failed to recognize that legislators, in the case of the Philippines, may be less concerned with their institutional prerogatives than with their drive to obtain resources (i.e., pork) to support projects in their districts.

Finally, some presidential constitutions stipulate areas in which no bill can be considered by the assembly unless it is initiated by the president. This involves a power referred to as gate-keeping or agenda setting (Shugart, 1999, p. 66). In most constitutions, such power of initiating legislation is observed in the authorization of the annual budget or the GAA. Shugart cites the examples of Chile and Colombia in the 1950s and 1960s, when congress handed gatekeeping powers to the presidency as a means of rationalizing a budget process that had long been riddled with pork barrelling tendencies (1999, p. 66). As in Chile and Colombia, the Philippine President, under the 1987 Philippine Constitution (and even in earlier constitutions), is the first initiator of the annual appropriations bill. Additionally, the Philippine president—through the annual State of the Nation Address and through messages sent to Congress—can certify bills as urgent. This certification merits immediate action on the part of Congress.

After describing the powers of the president, Shugart proceeds to an assessment of presidential powers over legislation for the 21 countries classified as presidential. In his assessment, the Philippines had a middling score, as he acknowledged that the Philippine President chiefly possessed reactive powers (i.e., that seen in the extraordinary majority of legislators that override a package veto and the line-item veto on the budget). 6 While Shugart correctly notes that the post-Marcos Philippine

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6 Of the countries covered, Argentina obtained a score of 6, while Nicaragua, Paraguay and Valenzuela did not have any score.
President did not enjoy decree-making power, as discussed earlier, he is mistaken in not giving proper attention to the President’s power to issue EOs and authority to introduce legislation beyond the budget bill. With respect to the latter, as I will elaborate in the ensuing chapters, virtually all statutes of national scope essentially originate from or are endorsed by the President as urgent.

In sum, Shugart argues that in countries with certain characteristics, presidentialism “confers the distinct advantage of permitting regional politicians their autonomy to defend local interests, while allowing the presidency independent authority to help coordinate those regional politicians around collective national policy provision” (1999, p. 84). Shugart’s optimism is anchored on the powers of the president, described earlier. However, in the post-Marcos Philippine case, Shugart’s argument fails to explain the persistence of particularism and, as mentioned earlier, the dependence of the President on particularistic bargains with national and sub-national politicians. Also, to repeat, this dissertation argues that *pork barrelling, specifically, and particularism, in general, has been the most effective tool of the President to build and sustain a coalition to facilitate the achievement of the President’s goals.* To support this argument, I turn to the literature on coalitional presidentialism to explain how a couple of tools in particular enable Philippine presidents to lubricate the system and subsequently attain their objectives.

**Coalitional presidentialism**

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7 These characteristics, as explained above, are no prior experience in parliamentarism; high levels of inequality; no nationally-oriented collective party; and sharp regional divisions).
Up until the early 2000s, the analysis of coalitional politics had been largely confined to an assessment of the dynamics between or among parties in parliamentary systems. The major concern in the studies of presidentialism has been with the perils of presidentialism, or its tendency to lead to “full blown regime crises” that “spell the end of democracy itself” (Linz, 1990, p. 52). However, comparativists started to recognize that coalition-building exists in presidentialism and can stem the crisis predicted by Linz. Shugart himself acknowledges that “with democratization, we must expect that future presidents will have to be very effective coalition builders, given institutional tendencies toward separation of purpose and the dearth of presidential legislative powers” (1999, p. 77).

In the early 2000s, Cheibub, Przeworski and Saiegh (2004) noted that while coalitions are less frequent, they are not exceptional under presidentialism. Taking off from this pioneering work, subsequent studies point out that “presidentialism can work like parliamentarism,” specifically in multiparty systems (Chaisty, Cheeseman, & Power, 2014, 2015; Power, 2010). These works on coalitional presidentialism highlight the importance of coalition-building by offering an index of coalitional necessity. Table 4 shows the index of coalitional necessity for four of the five post-Marcos presidents. It should be noted that the proportion of seats held by the President’s party in this table represents the number of party-mates elected, a number that is always greatly augmented by high levels of post-election turncoatism among legislators. Teehankee (2015, p. 311) notes that the proportion of legislators who shift parties was consistently higher after a presidential election (49.8 percent in 1992; 44.2 percent in 1998; 36.5 percent in 2004; and 24 percent in 2010).

*Table 4  Index of Coalitional Necessity: Ramos to Aquino III*
<table>
<thead>
<tr>
<th>ADMINISTRATION</th>
<th>EFFECTIVE NUMBER OF PARTIES IN LOWER HOUSE</th>
<th>LOWER HOUSE SEATS HELD BY THE PRESIDENT’S PARTY IMMEDIATELY AFTER LEGISLATIVE ELECTIONS</th>
<th>INDEX OF COALITIONAL NECESSITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>RAMOS (1992)</td>
<td>5.8</td>
<td>20%</td>
<td>46.4</td>
</tr>
<tr>
<td>ESTRADA (1998)</td>
<td>4.3</td>
<td>27%</td>
<td>31.39</td>
</tr>
<tr>
<td>ARROYO (2004)</td>
<td>3.2</td>
<td>47%</td>
<td>16.96</td>
</tr>
<tr>
<td>AQUINO III (2010)</td>
<td>4.6</td>
<td>17%</td>
<td>38.18</td>
</tr>
</tbody>
</table>

Sources: (Hicken, 2009; PCDSP, 2015; Teehankee, 2002)

To the scholars who have worked on examining coalitional presidentialism, the key concern has been to understand “what empowers presidents to manage unwieldy coalitions” and to ask how the “tools” employed by presidents in managing these coalitions work in different contexts (Chaisty et al., 2014). This dissertation contributes to the existing literature on coalitional presidentialism by examining which tools enable Philippine presidents to build and sustain legislative coalitions.

By tools, the scholars of coalitional presidency refer to five broad clusters that are contained in a “presidential toolbox,” namely:

- **Legislative powers** cover the President’s command over the initiation, deliberation, modification and enactment of laws, and may include the power to initiate statutory and constitutional legislation, issue decrees, veto laws, and initiate laws in specific policy areas
- **Partisan powers** refer to the influence that the President can wield over their own party or allied parties within the coalition
- **Cabinet allocation** involves broad powers of appointment to secure political support
- **Budgetary powers** pertain to the President’s ability to direct the formulation and execution of public spending priorities with a view to obtaining targeted political support
- **Exchange of favours** refers to deals, informal in nature, between the President and legislators in which political support is informally exchanged for economic support, private benefits, or other forms of personal assistance. (Chaisty et al., 2015, pp. 6-7)
These five tools cover and extend the powers initially described by Shugart (1999). Legislative powers are like the gate-keeping and proactive powers that he has defined, and are discussed above. The reactive power referred to by Shugart is covered by both the legislative and budgetary powers in the presidential toolbox. The remaining tools offered (i.e., partisan powers, cabinet allocation, and exchange of favours) are distinct from those identified by Shugart.

While studies of other countries using the coalitional presidency (Chaisty, 2008; Raile, Pereira, & Power, 2011) show that presidents employ a combination of these tools to build and manage coalitions, Philippine presidents in the post-Marcos period establish and sustain coalitions chiefly through the use of budgetary powers and the exchange of favours—an argument that I explain in detail in the subsequent chapters.

What of the other three elements of the presidential toolkit? The weakness of political parties in the Philippines deprives the president of the partisan powers observed in other countries with presidential systems. A review of the cabinet appointments of the Philippine presidents covered in this dissertation indicates that cabinet allocation has not been an effective tool for coalition building, as employed by Ramon Magsaysay and Diosdado Macapagal (discussed in Chapter 3), Corazon Aquino (discussed in Chapter 4), Joseph Estrada (in Chapter 6), and Gloria Macapagal Arroyo (in Chapter 7). The inefficacy of the cabinet allocation tool could also be attributed to the lack of discipline among political parties. As regards legislative powers, Philippine presidents do possess a “first-mover” power in legislation. But what has been most critical in passing urgent laws—specifically the contentious ones—is the use of pork (as repeatedly detailed in subsequent chapters). Borrowing from Evans (2004), this
plays a critical role in “greasing the wheels of legislation”. In employing *budgetary powers* and *exchanging favours*, the Philippine President is motivated, in general, by the desire to attain his/her objectives. These motivations will be further dissected in the next section.

**Motivations behind pork**

The incentives for pork barrelling can be distinguished between the supply and demand sides. On the supply side, I refer to the motivations of a range of players, specifically politicians—from the President, to a legislator (i.e. Senator, Representative), to local politicians (i.e., Governor, Mayor, Councilor).

One driver for pork barrelling among political leaders—specifically the Chief Executive—is the desire to forge collective action to pass good public policy. Among politicians, following the earlier discussion of Shugart, the President is expected to be imbued with this motive of working towards a collective national good rather than particularistic or narrow ends. In the United States, Evans (2004) describes how policy coalition leaders (the US President, as well as heads of the Senate and the House and chairs of key congressional committees) employed pork in order to forge support from a majority of the members of Congress to pass general legislation that would not benefit their districts. In the cases that she examined, Evans notes that “pork…is a coalition building technique that transcends the bounds of partisanship” (2004, p. 25). Unlike Evans, however, McCarty (2000) explains that the US President’s drive to further his legislative agenda is linked to the Chief Executive’s desire to direct distributive benefits to select legislators. In this case, the motivation of the President is to secure re-election, with legislation used to benefit key constituencies represented by the select
legislators. These studies thus emphasize two motivations on the supply side, namely the passage of legislation, and an election incentive. Presidents who employ pork for these ends can be regarded as strategic inasmuch as they have a clear goal that is served by way of dispensing patronage to legislators. As I will discuss in succeeding chapters, three presidents deployed patronage in a strategic way. Fidel Ramos (1992-1998) and Benigno Aquino III (2010-2016) employed pork to secure congressional assent for key legislation (e.g., an expanded value added tax and the timely enactment of the annual budgets). On the other hand, Gloria Macapagal Arroyo (2001-2010) effectively employed quasi-pork in order to re-channel appropriations to provide funds to legislators and politicians who mobilized support for her 2004 presidential bid (indeed, as explained in Chapter 7, she is the only post-Marcos President who sought a presidential term as an incumbent). The two other post-Marcos presidents, Corazon Aquino (1986-1992) and Joseph Estrada (1998-2001), retained congressional pork on a routine rather than strategic basis. It can even be argued that the two acquiesced to the posturings of the allied leaders of Congress, specifically the Speaker of the lower house (as we will discuss in Chapters 4 and 6), to promise and even dispense patronage resources to their colleagues.

Another supply side motivation for pork is political survival. In a comparative study of political survival, a number of scholars (Bueno de Mesquita, Smith, Siverson, & Morrow, 2003) argue that leaders need to spend revenue in a manner designed to keep themselves in office, particularly in order to sustain support among members of their winning coalition. More specifically, pork also provides a “legislative shield” to presidents who can be ousted through impeachment (Perez Linan, 2007, 2014). This
shield, defined as the difference between those supportive of the President and the votes that are constitutionally prescribed to proceed with an impeachment, could be built by “presidents who are more willing to accommodate congressional needs in terms of policy or pork” (Perez Linan, 2014, p. 147). In the Philippines, as will be examined in Chapter 8, this legislative shield assisted Gloria Macapagal Arroyo as she faced successive impeachment complaints. When faced with a legitimacy crisis, Arroyo strategically disbursed patronage to quash impeachment complaints against her.

On the demand side, there are several groups and individuals that press for pork or patronage resources possessed by the President. The first group consists of national level politicians, specifically legislators. The second group would be subnational politicians in local government units as well as heads of national government agencies, some of whom have held elective posts and who aspire to vie for sub-national or national elective positions. The final group consists of constituents/voters. Among these groups, the primary motivation for pork on the demand side originates from politicians (national and sub-national) who commonly strive to obtain a share of public resources to deliver concrete benefits to their constituents (Golden & Min, 2013; Mayhew, 1974). To secure the resources that can convince their constituents that they have delivered something to their districts, politicians—specifically legislators—succumb to the principle of universalism, or the “tendency of legislators to form oversized coalitions to bestow benefits on virtually every district represented in the legislature”

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8 Four national surveys conducted by Pulse Asia Research, Inc. (October 2004, September 2013, November 2014, and September 2017) asking respondents what they expect legislators to prioritize show that a plurality (47 percent in September 2017) of Filipinos expect legislators to have projects or programs, a proportion larger than those who say that the primary expectation of legislators is to pass laws (28 percent in September 2017).
(Stein & Bickers, 1994). This explains the very frequent shifts in party allegiance among Philippine politicians who thrive in an environment where parties are mere labels. Shepsle and Weingast (1981) argue that this universalistic tendency results from the “uncertainty over the composition of winning coalitions.”

Though there are other strategies that a politician can employ to secure re-election, including advertising and taking a position on policies (Mayhew, 1974), politicians believe that the delivery of palpable projects to constituents allows them to respond to the retrospective question of a rational voter: “What have you done for me lately?” (Ferejohn, 1974; Shepsle & Weingast, 1981). Thus, as I highlighted at the start of this chapter, Philippine politicians are known to engage in *epal*, with signs that relay to the public their role in a project that was financed by their constituents' taxes to begin with. On these signs (e.g., billboards, tarpaulins), one finds the images and names of the national or local politicians who played a role in the project's implementation.

Pork also serves to satisfy politicians' desire to amass resources. Several scandals in the use of pork in the Philippines (as will be discussed in Chapters 3, 5, 7, 8, and 9) illustrate how funds can easily be re-channelled to line politicians' pockets. Through kickbacks, pay-offs or even 'ghost projects', politicians are likewise able to draw resources for personal aggrandizement. In addition, studies have noted that implementers of pork-financed projects later contribute to the “sponsor” politician’s campaign expenditures (Scheiner, 2005; Woodall, 1996).

Having described the motivations behind pork barrelling, it is clear that there are several players engaged in such particularistic practices: the President; other national-level politicians, specifically legislators; sub-national politicians; and voters who
justifiably demand responsiveness from their elected representatives. The interaction among these players is shaped by representational institutions in the country.

Table 5 shows the links between motivations, key players and the types of particularism discussed earlier.

\textit{Table 5 Motives, players, particularism}

<table>
<thead>
<tr>
<th>Motivation</th>
<th>Key player/s</th>
<th>Type of particularism employed/accessed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passage of legislation</td>
<td>President Legislators</td>
<td>Congressional pork (slush funds and/or earmarks)</td>
</tr>
<tr>
<td>Election incentive</td>
<td>Legislators Subnational politicians</td>
<td>Congressional pork (slush funds and/or earmarks) Presidential project-based appropriated pork</td>
</tr>
<tr>
<td>Political survival</td>
<td>President</td>
<td>Congressional pork (slush funds and/or earmarks) Presidential project-based pork (appropriated and off-budget) Impoundment and augmentation pork Blank Check Particularism</td>
</tr>
<tr>
<td>Personal enrichment</td>
<td>Legislators Subnational politicians</td>
<td>Congressional pork (slush funds and/or earmarks) Presidential project-based pork (appropriated and off-budget) Presidential quasi-pork (Impoundment/Augmentation and Blank Check)</td>
</tr>
</tbody>
</table>

The scope and significance of the dissertation

The study examines the practice of pork barrelling after the period of political transition in the Philippines in 1986. Covering five administrations, from Corazon Cojuangco Aquino to her son Benigno S. Aquino III, the dissertation proceeds from the assumption that, at least on the face of things, certain institutional arrangements and political developments might have been expected to reduce, rather than intensify, the high degree of reliance on particularism. These are a) the single-term limit for the President and the concomitant absence of a re-election incentive; b) the automatic transfer of central government resources to local government units that might have been expected to lessen the proclivity of sub-national politicians to source additional
central government resources; and c) the heightened regard for transparency and programmatic politics, especially from civil society groups. However, as the ensuing chapters will show, these factors have not reduced the level of particularism in the Philippines.

While pork barrelling has courted significant public attention across the years and patronage practices have long been entrenched in the Philippines, this study adds to the limited literature that examines the phenomenon in the Philippines. The existing studies on pork barrelling include a scholarly work undertaken in the 1960s (Cariño, 1966), less than a handful of scholarly papers (Atkinson, Hicken, & Ravanilla, 2011; Kawanaka, 2007; Noda, 2011; Ravanilla, 2013), and a couple of excellent investigative journalism reports (Coronel, 1998; Coronel, Chua, Rimban, & Datinguinoo, 2000). Compared to these earlier works, this dissertation proceeds from an understanding that pork barrelling is a critical foundation of Philippine politics. It defines the relationships among national politicians (executive and legislators) and between national and sub-national politicians. In general, it aims—from a comparative perspective—to account for the reason why Philippine presidents, despite their significant constitutional powers, rely so heavily on particularism.

Methodology
This dissertation employed a few methods, primarily archival research, in gathering official documents covering the period from 1989 to 2016. These documents are as follows:

a. Proposed (National Expenditure Program [NEP] and Budget of Expenditures and Sources of Financing [BESF]) and enacted budgets (General Appropriations Act [GAA])
b. Reports on the utilization of the various iterations of the congressional pork barrel provided by the Department of Budget and Management or reported in newspapers  
c. Transcripts of congressional committee and plenary sessions on the budget and other public documents relevant to the research.

Additionally, I gathered newspaper reports on the budget and pork barrelling. These reports have been critical in recounting events that reflect the dynamics surrounding the pork barrel, the relationship between the President and legislators, and between national and subnational politicians, as well as the scandals spawned by the prolonged practice of pork barrelling. In addition, the newspaper reports, as well as the transcript of congressional discussions on the budget, allowed me to trace the process in the enactment of (or the failure to enact) the annual budget.

Finally, I conducted key informant interviews, specifically with former heads of the Department of Budget and Management and the incumbent and previous chairs of the Appropriations and Finance committees in the lower and upper house. The interviews were meant to validate information gathered from the documents mentioned above and to obtain their insights on the dynamics of pork barrelling during their time.

Structure of the dissertation

Including this introduction, the dissertation comprises ten chapters. Chapter 2 provides a detailed account of Philippine presidentialism. The chapter underscores the dominant role that the President has, not only in terms of the budget, but even in the determination of congressional leadership and the process of enacting national legislation.

Chapter 3 provides an historical account of the origins of pork barrelling. Tracing the practice from the introduction of the Public Works Act in 1922, this chapter shows
that particularism in the first six-and-a-half decades of representational institutions in the country was confined to a few types, chiefly congressional pork and presidential project-based appropriated pork.

From Chapter 4 to 9, I tackle the practice of pork barrelling in each post-1986 administration: From Corazon “Cory” Cojuangco Aquino (1986-1992) to Fidel Valdez Ramos (1994-1998); Joseph “Erap” Ejercito Estrada (1998-2001) to Gloria Macapagal Arroyo (2001-2010); and to Benigno “Noynoy” S. Aquino III (2010-2016). The decision to focus each chapter on an administration is necessitated by the need to demonstrate the variation in motivations from one President to another. The different motivations on the part of each post-Marcos President is also conditioned in large part by the significant degree of distinct political contexts within which each President operated.

Chapter 10 provides a summary of the major findings in this dissertation while also providing brief comparative reflections on the practice of presidential particularism. I assert that in other presidential systems with weak political institutions—i.e., weak parties and bureaucracies—we should expect to see similarly high levels of particularism.
CHAPTER 2 PATRON-IN-CHIEF: STRONG FORMAL POWERS AMIDST WEAK INSTITUTIONS

*I have been in politics all my life. No man can know the exigencies of politics better than I do; and no man can sympathize better with these exigencies under pressure of politics than I.* Manuel L. Quezon (Office of the President, 1939, p. 8)

In a spontaneous speech before local politicians on February 14, 1938, Commonwealth President Manuel Luis Quezon clearly conveyed to all attendees that he alone possessed the experience required to render judgment on matters that are of public interest. Speaking on a range of issues, from public order, abuse of power, public works and education, he warned local politicians not to criticize him as a dictator, expressing intolerance towards such criticism that he labelled as demagoguery and declaring that those who attack him or fail to execute his decisions would be suspended or removed (Office of the President, 1939, pp. 5-6). These statements reflect the dominance of Manuel L. Quezon, who has been described as the “progenitor of a system of politics and a style of leadership that has left an indelible imprint on the Philippine state” (McCoy, 1988, p. 119). Under the Quezon regime, the omnipotence of the executive was a striking characteristic of the Philippine political scene (Golay, 1961, pp. 17-18). Beyond his persona, however, Quezon’s bravado was supported by institutional arrangements he largely crafted himself, making the President the true supremo of Philippine politics. His legacy lives on to this day.

The powers of the Philippine President can be traced to the American governor generals, but were very much enhanced by Quezon. Despite the strong formal
powers that he enjoyed, however, Quezon also relied heavily on particularistic politics: He once commented that he spent almost all of his time on matters of patronage (McCoy, 1988, p. 119). Thus, as discussed in Chapter 1, the Philippines does not conform to Shugart’s expectation that presidentialism can be expected to curb particularistic spending. The puzzle thus remains—why, despite strong constitutional powers, do presidents continue to rely on pork barrelling?

This can be explained by the fact that, in spite of strong powers, Philippine presidents operate in an environment of weak institutions. To support the executive agenda, they necessarily must build a coalition with individual politicians, including both national legislators and subnational politicians. Such agenda varies from pushing for reforms to the president’s own survival. In building coalitions, Philippine presidents chiefly exercise their budgetary powers, in general, and the practice of pork barrelling, in particular. In addition, Philippine presidents also exchange favours with national and sub-national politicians, as well as groups that support their agenda. One means of exchanging favours is the President’s appointive authority, with over 10,000 appointees (Monsod, 2015). The exercise of this appointive power has led to the politicization and the continuous weakening of an institution: The bureaucracy.

This chapter examines the reality of Philippine presidentialism, across time, from the Commonwealth period until the present. As I argue, while the 1935 and 1987 Philippine constitutions endow the President with considerable reactive and agenda-setting powers, the weakness of key political institutions—political parties and the bureaucracy—reduces the President’s tools to building a coalition to the exercise of his budgetary powers. Weak parties do not provide the President the partisan power that is employed effectively in other polities that have disciplined or programmatic
parties. While it is true that national and local politicians subsequently gravitate towards supporting the President and his/her party, such support is contingent on the President continually satisfying their demand for funds, as these are crucial in implementing projects to secure their re-election. Weak parties also render as ineffective all attempts in employing the cabinet allocation tool. With respect to the bureaucracy, as examined below, the institution is not well-insulated from systems of patronage and has been manipulated continuously for particularistic purposes.

This chapter is divided into three sections. The first section elucidates the institutional powers of the President. This section traces the historical roots of the constitutionally strong President. The various Philippine constitutions (1935, 1973 and 1987) empower the Philippine President to perform multiple roles: Chief Executive; Commander-in-Chief; Chief Financial Officer; Chief Diplomat; and, Chief Agenda Setter. It is apparent, from a review of the Philippine presidency, that one more informal role stands out—that of *Patron-in-Chief*. In revisiting the powers bestowed by the Philippine Constitution, I depart from the formalistic orientation of Shugart that misses important dimensions of how Philippine politics in general, as well as the presidency more specifically, works.

The perennial recipients of the President’s patronage are other national politicians in Congress. Given this, the second section examines how pork, as a patronage resource, affects relations between the Executive and Congress. With two brief historical exceptions, the Philippines’ Congress is a bicameral institution that has the exclusive power of the purse, and can secure the horizontal accountability of the President through the exercise of its oversight functions and—if found warranted—the impeachment of the President. As an institution, however, Congress has failed to exercise its oversight function effectively. It has been receptive to
legislation certified as urgent by the President, and has constantly rejected any and all attempts at removing a President via the impeachment route. With respect to presidential impeachment, the exception is Joseph Estrada, who was impeached by the lower house in 2000 (the dynamics of which are discussed in Chapter 6). In general, Congress’ emasculation is largely a result of the President’s effective use of pork to obtain, compel and sustain support. In this section, I also provide a description of the budgetary process from its preparation to its deliberation and execution. The discussion shows the role that the President and legislators play at each stage of the budgetary process, and how they influence the inclusion and disbursement of patronage resources.

The third section discusses the weakness of two institutions: Political parties and the bureaucracy. As prior studies (Hutchcroft & Rocamora, 2003; Lande, 1968; Porter, 1941; Quimpo, 2007; Teehankee, 2013) have documented, Philippine political parties are weak, merely serving as vehicles of politicians to contest elective contest. The weakness of such parties deprives the President of partisan powers, a tool commonly used in other presidential systems to build a coalition. As a result, the President is required to exchange favours with individual legislators who happen to assemble under a party or a majority coalition. With regard to the bureaucracy, the decision on the part of American colonial officials to favour the creation of representative institutions rather than the establishment of a strong central bureaucracy helped to nurture a politically malleable bureaucracy (Hutchcroft, 2000).

**A constitutionally strong Philippine President across time**

The strong powers of the Philippine president can be traced to the 1935 Constitution, which formally established a presidential system of government. In drafting the charter, members of the Constitutional Convention drew heavily from the
laws that governed the country under American colonial rule and from the system of
government in the United States (Malcolm, 1936; Stevens, 1993). More than this,
based on a detailed account of the framing of the 1935 Constitution (Aruego, 1936)
and analyses of political developments leading up to the Commonwealth (Hayden,
1936; McCoy, 1988; Romani, 1969), Manuel Quezon, then Senate President,
exercised considerable influence on the crafting of the powers of the president.

The 1935 Constitution established a presidential system of government and
bestowed executive powers on a directly-elected President for a fixed term of six
years, ineligible for immediate re-election. Aruego, a delegate to the 1934
Constitutional Convention, recounted that the term limit of the President was
proposed by Quezon himself, even reminding the Convention President, Claro M.
Recto, about his preference for the provision (Aruego, 1936). Eventually, the
Convention agreed with the six-year term for the President, with no immediate re-
election. Aruego points out that the delegates approved the provision based on the
belief that:

the prohibition against re-election would project the president from the level
of ordinary politics, making him the statesman that he should be as the
Chief Magistrate of the Nation. With the lure of a re-election removed, it
was generally expected that from the time of his inauguration he would
proceed to this task with determination to make good during his term,
executing the functions assigned to him in the Constitution in a manner
ddictated only by his sense of responsibility and by the general welfare of
the people, regardless of its vote-drawing power. (Aruego, 1936, p. 412)

Aside from exercising full control of the executive department, including the
power to constitute the cabinet and appoint other officials, the President was
bestowed general supervision over all local governments (Aruego, 1936). The
control of local governments given the unitary structure of the Philippine government
led scholars to consider the Philippine President “a great deal more powerful than
the President of the United States” (Kalaw, 1935; Malcolm, 1936). This assessment
is seconded by Bolongaita (1996, p. 83) as he notes that the president had extensive “non-legislative” powers that included the appointment and removal of local officials. Quezon, as suggested by the speech discussed at the start of this chapter, was all too ready to exact obedience from local officials.

The 1935 Constitution clearly provides the President reactive, agenda-setting, and budgetary powers. With respect to the first, the 1935 charter bestows on the president wholesale (package) and line-item veto powers (the latter only for appropriations and tariff bills), basically carrying over the power of the American governor general as established in the 1916 Jones Law (Aruego, 1936). But the Constitutional Convention further strengthened the reactive powers of the President with the inclusion of two items: the line-item veto on tariff bills, and an additional provision removing the power of Congress to override the President’s exercise of the line-item veto on appropriations bills.

The line-item veto on tariff bills drew the Convention delegates to a debate that lasted for three days (Aruego, 1936, pp. 361-363). For those opposed, they argued that bestowing the president with such a prerogative “impairs the rights and prerogatives of the lawmaking body”; “provides the Chief Executive an instrument which he might easily use to favour certain interests”; and “unnecessarily increase the powers of the President, making him more tremendously powerful when there should be a well-balanced system of government” (Aruego, 1936, p. 362). On the other hand, the proponents of the line-item veto on tariff bills argued that “because of the national character of the office he held”, the “President would be in a better position to judge what would be best for the country as a whole” (Aruego,
1936). Eventually, the line-item veto on tariff bills was passed by an overwhelming majority of the delegates (Aruego, 1936, p. 363).\(^9\)

As regards the *agenda-setting power*, the 1935 charter required the President to deliver a State of the Nation Address before the National Assembly in which he was to recommend legislative measures judged necessary and expedient. In addition, the Constitution also conferred on the President the power to convene a special session of Congress at any time to consider legislation that he would designate as urgent or important.

With respect to budgetary powers, the 1935 Constitution enables the President to set the parameters of spending by requiring the executive to submit, within fifteen days of the opening of each regular session of the National Assembly, a budget of receipts and expenditures that should be the basis of the General Appropriation bill.\(^10\) The 1935 Constitution proscribed the National Assembly from increasing the appropriations recommended by the President, except for the appropriations for the National Assembly and the judicial department.\(^11\) Kalaw notes that the prohibition of the Assembly to increase appropriation measures does not include the separate public works bill and as such, “the American pork barrel system is to be continued in spite of the serious denunciations made against it by prominent officials and other citizens of the country” (Kalaw, 1935, p. 691). As will be discussed in Chapter 3, congressional pork was included in a special public works act (PWA)

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\(^9\) Ninety delegates voted in favour of the line-item veto on tariff bills and 46 voted against it (Aruego, 1936)

\(^10\) This provision was retained in subsequent constitutions (1973 and 1987), although the President (or Prime Minister in the case of the 1973 Constitution) would be given a longer period—thirty days after the opening of Congress—to submit the proposed budget.

\(^11\) The provision that proscribes Congress from increasing the appropriation beyond the amount proposed by the President is retained in the 1987 Constitution.
rather than in the annual General Appropriations Act (GAA) from the Commonwealth to the early post-war law period,

The 1935 Constitution was in force from 1935 to 1972, except for a brief period under the Japanese Occupation. Prior to the declaration of martial law in September 1972, an elected Constitutional Convention was in the process of crafting a new charter. The Convention started its sessions in June 1971 and was hounded by controversies, specifically attempts on the part of the incumbent President, Ferdinand Marcos, to influence the outcome of the convention (Hofilena, 2003; Thompson, 1996). The Convention, however, was not able to complete its work prior to the declaration of martial law. With his new powers, Marcos got his way in convincing the remaining members of the Convention to draft a charter to his liking.

The 1973 Constitution created a hybrid system with two executive positions: the President, as head of government and state, and the Prime Minister, who served as the head of the cabinet. As such, the President under the 1973 Constitution enjoyed the powers provided for by the 1935 Constitution. While the President could only be removed by impeachment, the Prime Minister and the cabinet were accountable to the National Assembly (Batang Pambansa). The President remained directly elected for a term of six years without any stated limit on re-election.

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13 From the time the 1973 Constitution was ratified on January 17, 1973, Marcos held on to two positions: president, with the powers of being Chief Executive and head of state, and Prime Minister, by virtue of which he was head of the Cabinet. It was only in 1981, after Marcos won the first presidential elections held after martial law, that a member of the National Assembly, Cesar Virata, was appointed as prime minister. Aside from carrying over all of the powers of the President under the 1935 Constitution, the President under the 1973 Constitution had the power, upon the advice of the Prime Minister, to dissolve the Batasang Pambansa. In practice, it was Marcos and Marcos alone who decided on the amount of authority to be granted to—or withdrawn from—the Prime Minister.
The 1987 Constitution virtually reinstated the powers of the Chief Executive provided in the 1935 Constitution. Unlike the 1935 Constitution, as amended in 1940 (as discussed below), the 1987 Constitution limits the President to a single term of six years. In their deliberation, the members of the 1986 Constitutional Commission agreed to limit the President to a single term so that he or she could be prevented from perpetually holding on to the office through the use of its tremendous powers (1986 Constitutional Commission, 1986, p. 247). Notwithstanding this change, however, as will be discussed in subsequent chapters, the post-Marcos President remains strong on paper and plays multiple roles.

These roles include being Chief Executive, with the powers to constitute his or her cabinet and appoint thousands of officials in the bureaucracy. The President also retains the role of Commander-in-Chief, with control of all the armed forces of the country, and serves as Chief Finance Officer with the budgetary powers to prepare and implement the budget. With the power to enter into treaties or international agreements and contract or guarantee loans, the President also takes on the role of Chief Diplomat. Finally, as the President signals to Congress at the start of its regular sessions the urgent measures to be enacted and in addition has the power to convene special sessions of Congress, he or she is also the Chief Agenda-Setter.

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14 The Constitutional Commission (ConCom) deliberated on the term of the President in three session days, with delegates divided between adopting the provision that prohibits immediate re-election versus a proposal to perpetually ban a re-election. A number of delegates pointed out that in the public hearings conducted across the country, the public was alleged to favour a six-year term without re-election. Eventually, the sizeable majority (26 members) of the ConCom voted for a single-term and no re-election provision, with 15 voting against and a single abstention.

15 Unlike the 1935 Charter, the 1987 Constitution limits the power of the President in declaring martial law by requiring the chief executive to submit to Congress, within 48 hours from the proclamation of martial law, a report to ascertain the validity of the declaration. In addition, the Supreme Court is empowered to review any case filed by a citizen questioning the declaration of martial law. The High Court is given thirty days from the filing to promulgate its decision.
Beyond these formal roles, however, the 1935 to the 1987 constitutions further bestowed upon the President all the powers to become Patron-in-Chief.

Among Philippine presidents, the craftiest patron was the person on whom the powers of the President in the 1935 Constitution were modelled—Manuel L. Quezon. In an assessment of the constitutional framework of the Commonwealth government, the political scientist and former Vice Governor General of the Philippines, Joseph Ralston Hayden, remarked “that despite the influence of American political philosophy and practices”, the Philippine Executive is predominantly given the “will and capacity” practiced by the incumbent Manuel Quezon (Hayden, 1936, p. 640). Romani (1969, p. 312) also notes that as the leading figure of Philippine politics at the time the 1935 Constitution was being drafted, Quezon “exercised great control over the members” of the convention with Quezon’s “predispositions…toward a strong, dominant executive office”.

Quezon was the dominant figure in Philippine politics from the formation of the Philippine Assembly in 1907 until his death in 1944. From 1907 to the early 1920s, Quezon shared national prominence with a party-mate, Sergio Osmeña. Osmeña served as the President of the Nacionalista Party (NP) and assumed the speakership of the National Assembly from its formation in 1907 until he vied for and became a Senator in 1922. In the early 1920s, Quezon and Osmeña were engaged in a dispute with the former questioning Osmeña’s alleged autocratic leadership and subsequently forming his own party known as the Partido Nacionalista Collectivistas. Their relatively poor standing in the 1922 elections, along with constant skirmishes in the early 1920s with American Governor General Leonard Wood, eventually led to the reconsolidation of the two factions of the NP (Liang, 1970). Subsequently, Quezon wrested control of the party’s leadership from Osmeña after his election as
party President in 1924 while he held on to the Senate presidency, two positions that secured his pre-eminent role in Philippine politics leading up to and during the Commonwealth Period.

Aside from exerting influence in the framing of the 1935 Constitution, Quezon’s dominance over Philippine politics was shown by his successful manoeuvring to amend the 1935 Constitution. Two amendments were pushed by Quezon in 1940: the lifting of the single term limit for the presidency, and the shift from a unicameral to a bicameral system through the re-establishment of the Senate.\(^\text{16}\) In his documentation of this process, McCoy recounts how Quezon dismissed the report of a secret committee he convened that disfavoured the lifting of the single term limit. Five of the nine members of the secret committee voted against the amendment of the presidential term (McCoy, 1988, p. 138). Quezon also ignored the warnings of then US High Commissioner to the Philippines Francis Sayre, who, in a letter to President Roosevelt, remarked that “the extension of Quezon’s term would create a precedent of exceeding danger to democracy” (McCoy, 1988, p. 147).

From 1935 to the present, the fundamental laws of the country have sustained the dominance of the President. The drafters of the 1935 Constitution ensured the presidency was to be “the centre around which the rest of the system revolved”, with an “executive who would govern without interference from the other branches of government” (Romani, 1969, p. 319). One scholar points out that the President had been restrained by the legislature, the courts and the public at certain times (Romani, 1969, p. 314), I argue, in the next section, that the restraint has been nominal, especially from a legislature heavily oriented to particularism.

\(^\text{16}\) These amendments were made on June 18, 1940.
Executive-legislative relations


Under the 1987 Constitution, the majority (80%) of the members of the House of Representatives are elected from single member legislative districts apportioned among the provinces and cities across the country. The remaining 20% of House members are elected through an unusual party list system that limits parties to a maximum of three seats (Philippine Daily Inquirer, 2012a). The manner of electing the significant majority of House members, through a plurality system, sustained the particularistic tendencies of legislators. While the 1987 Constitution set the total membership of the House at 250, subsequent laws increased the membership to 297 representatives in the 17th Congress (2016-2019). Members of the House have a three-year term and can run for re-election twice. The Senate is composed of 24 members who are elected nationally. Senators serve a term of six years, with the opportunity to be re-elected for one additional term.

The role of each chamber is defined in the 1987 Constitution. The House is designated as the first mover with respect to several legislative measures, namely: bills involving appropriations, revenue or tariff bills; bills involving an increase in public debt; bills of local application; and private bills. This only means, however, that these measures cannot be deliberated on nor passed in the Senate unless the
measure was filed in or passed by the House. The Senate has the exclusive power of ratifying a treaty or international agreement entered into by the President.

As a collective, Congress can hold the President accountable through several means. Foremost among these is the power of the purse, the authorization required from Congress for the government’s annual budget. The second means is through oversight, the power of Congress to assess the performance of executive agencies in implementing enacted laws. Every committee in Congress could, if it so chooses, exercise such oversight function. In many cases, the oversight function is shown by the investigations conducted by these committees, inquiries that are often labelled as “in aid of legislation.” In reality, these investigations are a means for legislators, especially senators, to gain greater national prominence as they aspire for higher national office. Another means is a congressional over-ride of a presidential veto, a power that legislators have often threatened to invoke, as discussed in subsequent chapters, but have never actually succeeded in exercising.

The ultimate means of securing horizontal accountability of the President is Congress’ power to impeach the Chief Executive, a power retained through all the Constitutions (1935, 1973 and 1987). Under the 1987 Constitution, the House of Representatives has exclusive power to initiate all cases of impeachment. An impeachment complaint against the President may be filed by any member of the House or by any citizen who obtains the endorsement of a House member. A vote of a mere one-third of all the members of the House will dispatch the Articles of Impeachment to the Senate that shall sit as an Impeachment Court. In the event that the President is the one on trial, the Chief Justice of the Supreme Court sits as the presiding officer of the impeachment court. A two-thirds vote of the members of the impeachment court is required to convict the President.
Owing to the bicameral nature of Congress, virtually all measures of national significance passed by each chamber of the legislature go through the Bicameral Conference Committee (BCC). This is all the more the case with respect to the annual budget. Unlike deliberations in each committee of the House and Senate, meetings of the BCC are not public. The members of the BCC are designated by the leadership of each chamber and formally appointed in the plenary session that deliberates on the final (third reading) review of a bill. Newspaper reports, as well as copies of the final statute (as will be discussed in succeeding chapters) indicate that representatives from each chamber add certain provisions to measures that are to be reconciled, provisions that even go beyond what was deliberated on or passed in each chamber. When the reconciled version of the bill is relayed to each chamber for ratification, specifically in the case of annual budgets, the measure is generally approved through nominal voting, with no further deliberation or discussions, especially if the appropriations bill is certified as urgent by the President.

Between the two chambers of Congress, the House of Representatives (lower house), with a significant majority elected from single member districts, has always tended to support the President, its members either shifting political allegiance, or aligning with the party of the President. It is well known that the leader of the House, the Speaker, is in reality an “appointee” of the President, the confidence of the President being critical to the maintenance of the Speaker’s leadership. This has largely been the case since Quezon. The Speaker is critical in building and

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17 The first speaker of the National Assembly under the Commonwealth, Representative Gil Montilla, was a weak politician that Quezon handpicked to replace the incumbent Speaker of the House, Quintin Paredes, who was exiled to the United States as Resident Commissioner (McCoy, 1988, p. 124). Quirino (1987, p. 55) recalls how the second speaker of the House, Jose Yulo, was handpicked by Quezon over Elpidio Quirino, who Quezon thought was gaining popularity and prestige. On the other hand, three speakers, upon showing signs of independence from the President, were removed
sustaining support for the President in the House. The Speaker, aside from being the President’s trustee in the House, possesses considerable power over each member. First, the Speaker decides on who among the members will get committee chairpersonships. Second, along with the Majority Leader, the Speaker also determines the fate of any measure submitted by a member of Congress. Under the rules of the House, all matters relating to the order of business, the referral of bills and resolutions, fall squarely within the power of its Rules Committee, chaired by the Majority Leader who serves as the Speaker’s whip.

With respect to the Senate, with its members elected in a single national constituency that overlaps with the President’s constituency, senators assert their broad mandate by selecting their leader by a consensus of its members. Though they are relatively insulated from the influence of the President, the Senate majority has generally remained aligned with the President.

Philippine presidents do dominate the legislative process. While this does not deny the fact that members of Congress get to amend legislation certified as urgent by the President, Panao (2013) established that bills endorsed by the President as urgent get passed at least half the time a regular bill is passed by the lower chamber. Part of the reason for the executive’s dominance over the legislative process is the agenda-setting powers provided by the Constitution discussed earlier (e.g., in the annual State of the Nation Address). After 1992, another factor that facilitated the passage of executive-certified legislation was the institutionalization of the Legislative-Executive Development Advisory Council (LEDAC), a mechanism that during their term. These are Jose Laurel (under Ferdinand Marcos), Manuel Villar (under Joseph Estrada) and Jose De Venecia (under Gloria Macapagal Arroyo).
was repeatedly employed by President Ramos in ensuring a consensus among its members on legislation required to meet national development goals.¹⁸

A final and particularly important factor is the use of congressional pork, the release of which is contingent on a legislator’s support for measures of the Chief Executive. In general, releases of congressional pork go through a process in which requests from legislators are endorsed by the Chair of the pertinent committees in each chamber (i.e., Appropriations for the House; Finance for the Senate) and the head of each chamber (i.e., Speaker of the House and Senate President). Given this gate-keeping role, the leadership of the Appropriations and Finance Committees in the lower and upper houses, respectively, are coveted positions. Furthermore, the Chairs of these Committees also get to co-preside over the Bicameral Conference Committee (BCC) that reconciles versions of the budget law from the House and the Senate. As discussed earlier, it is in the BCC where amendments are introduced to the reconciled budget bill—changes that (as will be discussed in subsequent chapters) lead to an increase allocation for congressional pork.

The mechanisms of particularism: Presidential dominance amidst differing legislative pork preferences

Figure 3 provides a summary of the points of the budgetary process where legislators and the President engaged in particularism. The process of budget enactment starts with the preparation of the budget by the Executive. As discussed earlier, the President is required to submit to Congress the proposed budget a month after Congress starts its regular session. In formulating the proposal, the Executive,

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¹⁸ Presidents after Ramos did not use the LEDAC and relied instead on their influence over the leaders or members of each chamber. The LEDAC has been used by post-Marcos presidents unevenly, with Ramos (1992-1998) maximizing the body as a means of generating a consensus among its members to push for urgent legislation. At the other extreme, Benigno S. Aquino III used the LEDAC sparingly.
through the Development Budget Coordinating Committee (DBCC), determines the projected amount of revenues to be collected and the assumed rate of economic growth in the subsequent fiscal year, as well as the expenditure levels and budget framework. The Budget Department then issues a call to all agencies in government (e.g., departments under the Executive, the chambers of Congress, the Courts, and Constitutional Commissions) to submit their budget proposals based on guidelines prepared by the DBCC. The agencies then prepare their proposed budgets. At this stage, the President can include in the budget the priority programs of the administration, including items that can be labelled as *presidential project-based appropriated pork* (PPAP). From 1989 until 2014, as will be discussed in succeeding chapters, the proposed budgets from the Executive also included the congressional slush funds, a sub-variant of congressional pork that, as mentioned earlier, enabled presidents to build and sustain a coalition. Legislators who are industrious may insert their particularistic projects at this stage by way of coordinating with heads of regional or national offices of executive agencies (Abad, 2014b). In general, though, it is the President who determines what gets into the proposed annual budget. Thus, at the budget preparation stage, the President is unmistakably dominant.

It is in the next stage, of budget deliberation, when legislators are relatively ascendant. With the power of the purse, legislators scrutinize the National Expenditure Program (NEP), the budget proposal submitted by the Executive. The deliberations begin at the committee level (Appropriations for the House, Finance for the Senate) and continue in plenary sessions. It is in committee deliberations where

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19 The DBCC is an inter-agency body composed of the Budget Secretary, as Chair, the Governor of the Central Bank, the Secretary of Finance, the Secretary of Economic Planning, and a representative from the Office of the President.
legislators insert their projects into the proposed budget as earmarks. To secure a higher appropriation for the slush fund and the inclusion of their earmarks, legislators commonly sought to slash the proposed appropriations for debt servicing as well as the allocation for items under various executive agencies. The trimming of the proposed appropriations for these other items is necessary as the Constitution proscribes Congress from increasing the total appropriation beyond what was originally indicated by the Executive.

Given that each house of Congress deliberates and agrees on their version of the proposed budget, representatives from both chambers reconcile these versions in the Bicameral Conference Committee (BCC). It is in the BCC where key legislators have the final opportunity, given the lack of transparency in the process, to introduce further changes in the budget, essentially inserting appropriations for new particularistic programs.

When the Congress-reconciled budget is transmitted to the President, the Chief Executive signs the bill into law and, as provided by the 1987 Constitution, may veto the entire budget in a wholesale manner or veto any specific line-item in the measure. At this point, the President has the power to reject any item introduced by Congress. The subsequent chapters will discuss the instances of presidential veto of provisions introduced by Congress beyond what was proposed by the President in the National Expenditure Program (NEP).
Figure 3  Mechanisms of particularism

Budget preparation

Executive prepares the budget, setting targets
- Includes Presidential project-based appropriated pork

Legislators can introduce, through regional and national line agencies their projects for inclusion in the proposed budget

Budget Deliberation

House of Representatives
- Conducts committee meetings, introduces amendments to the budget
- Often slashes debt servicing for re-alignment to increase congressional slush funds and introduce earmarks

Senate
- Conducts committee meetings and reviews House-approved budget
- Normally introduces earmarks for national projects, with larger amounts. Tendency is to reduce debt servicing and other lump-sum items under the control of the President

Bicameral Conference Committee
- Reconciles House and Senate versions of the budget. Essentially, representatives of both chambers compromise based on retention of the slush fund of the lower house and earmarks for national projects introduced by the Senate

Budget Execution

President
- Signs the bill into law, indicating veto message
- Approves releases, through the Department of Budget and Management, of appropriated amounts. With respect to congressional pork, may engage in selective distribution based on support extended by legislator’s to President ’s agenda
- Exercise of impoundment/ augmentation power
- (In the case of delayed budget enactments, the President can disburse funds based on the amount appropriated in the previous fiscal year. When a new budget is enacted, the funds previously disbursed are not considered as "advances" and the new appropriations are applied prospectively. In completely re-enacted budgets, the President has the sole discretion of deciding where to spend the funds allotted for the subsequent fiscal year.)
In sum, Congress—the institution that is meant to secure the horizontal accountability of the executive—possesses the power to check the Executive through the scrutiny of the General Appropriations bill, the fulfilment of its oversight function, and the impeachment process. However, Congress has generally failed to counteract the President’s action, a point that will be elaborated on in the succeeding chapters. One reason for such failure is that legislators are not really intent on pursuing their institutional prerogative as long as their desire for pork, through the inclusion of the slush funds or the introduction of earmarks, is satisfied. Furthermore, though the Constitution provides the legislature the means to check the President’s actions, its failure to forge a unified action against the executive is in large part a product of the weakness of a key institution: political parties.

**Weak political parties**

"Under what conditions will strong, disciplined party organizations emerge and dominate politics?" (Shefter, 1994). In addressing this question, Shefter adopts a state-centred historical approach that examines the conditions under which these organizations develop. He explains that there are two types of parties:

- externally mobilized parties are established by leaders who do not occupy positions of power in the prevailing regime and who seek to bludgeon their way into the political system by mobilizing and organizing a mass constituency… Internally mobilized parties are founded by politicians who do occupy leadership positions in the prevailing regime and who undertake to mobilize and organize a popular following behind themselves. (Shefter, 1994, p. 5)

To Shefter, "internally mobilized parties will tend to be patronage-oriented unless they operate in a setting where either an absolutist or a progressive coalition became
entrenched prior to the mobilization of the masses into politics” (Shefter, 1994, p. 31). In his review of the evolution of parties, Shefter found that these conditions obtained in just a few countries in Europe, and when the Progressives in the United States gained traction in the late 19th century.

Shefter’s analysis of the origins of strong (programmatic) versus weak (patronage-based) parties is most relevant in explaining the continuing weakness of parties in the Philippines. Shefter’s analysis of the origins of strong (programmatic) versus weak (patronage-based) parties explains the continuing weakness of parties in the Philippines. He specifically cites the Nacionalista Party of the colonial era as an internally mobilized party. Other scholars (Abinales, 2003; Hutchcroft, 2000; Hutchcroft & Rocamora, 2003) follow Shefter in characterizing Philippine parties as internally mobilized, tracing their origins to the early American colonial period.

Hutchcroft and Rocamora (2003, p. 262) explain the evolution of weak parties from the “policy of attraction” employed by the first American governor general to the Philippines, William Howard Taft, when “institutional rather than socio-economic factors became more important to understanding the stature that this elite came to possess during the early American period.” The first beneficiaries of Taft’s patronage were leaders of the first party, the Partido Federal (Federal Party or Federalistas) (Cullinane, 1988, pp. 73-74). Appointments to public offices up to 1907 went almost completely to the Federalistas (Liang, 1970, p. 56). As the Federalistas helped in the pacification, Taft did not hesitate to appoint its members, as he believed that:

the fact that a man was a member of the Federal Party was always a good recommendation for him for appointment, for the reason that we regarded this Federal Party as one of the great elements in bringing about pacification, and if a man was in the Federal Party it was fairly good
evidence that he was interested in the government we were establishing. (Simbulan, 1965, p. 58)

The Federalista leaders were generally drawn from the Manila-based educated elite (Hutchcroft, 2000, p. 284). The party’s standing would eventually wane as a result of a number of events, from the conflict between its leaders and the second governor general, Luke Wright, to the lack of its own local power base (Paredes, 1988, pp. 50-60). As the stature of the Federalistas declined, American officials continued to interact with other Filipino national leaders. With Taft back in the United States as Secretary of War, albeit with greater authority to influence American and Filipino officials in the Philippines, the task of identifying, nurturing and securing the prominence of new politicians fell on the shoulders of other Philippine-based American officials. Two of these officials—Cameron Forbes, a member of the Philippine Commission, and Harry Bandholtz, an officer of the Philippine Constabulary—proved to be most perceptive.

By the end of 1905, these two officials built close relationships with “young provincial politicians” who were “representatives of the new spirit” and would subsequently become the key delegates” to the 1907 Philippine Assembly (Cullinane, 1988, p. 98). Two of these politicians, Sergio Osmeña of Cebu and Manuel Quezon of Tayabas, subsequently became the leaders of the Philippine Assembly and the most dominant party for four decades (1907 to 1946), the Nacionalista Party (NP). Unlike the ilustrados, however, Osmeña and Quezon, despite benefiting from the patronage of American officials, “enjoyed a more permanent political base upon which to collaborate and compete with the colonial authorities” (Hutchcroft & Rocamora, 2003, p. 264). Osmeña’s prominent position in Cebu was built “upon personal, familial, professional and political associations” that was “complemented by the obvious recognition and
support he received from the Americans” (Cullinane, 1988, p. 88). Quezon effectively controlled Tayabas politics, relying on the patronage of Bandholtz to catapult himself to national politics (Cullinane, 1984).

Together, Osmeña and Quezon built up the NP to become a “prototype for most subsequent twentieth-century Philippine political parties, where the leaders “consistently worked to consolidate their power at the national level”, but were “at the same time very responsive to allies in the provinces”, skillfully employing the key positions they held to dispense patronage resources to their national and sub-national political allies (Hutchcroft & Rocamora, 2003, pp. 265-267). Following Shefter, aside from being an internally mobilized party, the NP was a “machine of incumbents,” an organization “where professional politicians secure elective office by constructing personal campaign organizations and remain in power by intervening before the bureaucracy on behalf of their constituents” (Shefter, 1994, p. 62). One form of intervention used by NP members was securing jobs for their constituents in projects funded by the congressional pork barrel. From the early 1920s, in provisions of the Public Works Acts (PWA), the separate annual appropriation that contained the congressional pork barrel, constituents were given priority in being engaged as laborers for pork-financed local infrastructure projects.

One of the reasons why the NP sustained its dominance under early American colonial rule was the limited size of the electorate given age, sex, and property requirements.\(^\text{20}\) Given this, Corpuz notes:

\(^{20}\) In the first elections under the Americans in 1901, the registered electors had to have the following qualifications: male; of 23 years of age; legal residents for at least six months in the towns controlled by
the literacy, office-holding, and property requirements ensured that political activity and political leadership were restricted to the socio-economic elite of Filipino society...This condition and the strictly local character of the earliest elections made possible the growth and continuing hegemony of the great local family dynasties in Filipino politics. (Corpuz, 1965, p. 99)

In addition to the requirements mentioned above, opposition to the U.S. colonial government was also a basis of disqualification (Corpuz, 1965, pp. 98-99).

The expansion of the franchise in later elections, particularly in the Commonwealth period, did little to change the dominant position of the NP. By the time the franchise was extended, those at the top had already been provided, since the Taft era, with the ever-expanding opportunities to enjoy political power (Hutchcroft & Rocamora, 2003, p. 298). In the words of a nationalist politician, Claro M. Recto, Philippine political parties in the American colonial period were “caricatures of their foreign model with its known characteristics — patronage, division of spoils, political bossism, partisan treatment of vital national issues” (Simbulan, 1965, p. 70). In large part through the skillful dispensing of patronage, President Quezon kept the party dominant until his demise in 1944.

In the first elections held after the Second World War, a faction of the NP—the liberal wing—would field its own candidates for the presidency, the vice presidency and Congress. In the 1946 election, the liberal wing candidates—later to be known as the Liberal Party (LP)—won the presidency, the vice presidency, and took eight of the 16 senatorial seats up for grabs and 50% of the seats in the House of Representatives.

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the Americans; held municipal offices before the Americans took over; owned real property worth at least 500 pesos or paid at least 30 pesos of the established tax annually; and read, wrote, and spoke English or Spanish (Corpuz, 1965). Simbulan (1965) documents that the proportion of registered electors to the total population were 1.8 percent in 1901; 2.4 percent in 1903; 1.3 percent in 1907; 2.8 percent in 1912; and 6.9 percent in 1919 (the latter increased after the property qualification was removed in 1916).
The victory of the LP candidate for President, Manuel Roxas, is attributed to his more aggressive campaigning compared to his opponent, Osmeña, who eschewed soliciting the people’s votes (PCDSPO, 2015). Roxas’ run for the presidency would also have not been possible were it not for the patronage extended by the Supreme Commander of the Allied Forces in the Pacific, General Douglas MacArthur. Unlike other collaborationists who were arrested, MacArthur’s declaration that Roxas was “free of wartime guilt”, despite his having served as an advisor of the Japanese “puppet” government’s President, Jose P. Laurel, paved the way for his run for the presidency (Hutchcroft & Rocamora, 2003, p. 270).

From 1946 until the declaration of martial law in 1972, the NP and the LP alternated in power (Lande, 1968; Liang, 1970). Given this, politicians who are dependent on the patronage resources controlled by the dominant party—or more specifically, the President as Patron-in-Chief—would shift allegiance to the President’s party soon after an election. This turncoatism would occur in greater frequency in the post-Marcos period (Hutchcroft & Rocamora, 2003; Teehankee, 2013). In general, these two parties were non-programmatic and internally mobilized.21

21 A programmatic and externally mobilized party, the Democratic Alliance (DA), participated in the 1946 elections. The party was established by members of the Hukbo ng Bayan Laban sa Hapon (Hukbalahap, People’s Anti-Japanese Army), the National Peasants Union, the Committee on Labor Organization, the Civil Liberties Union, and the Communist Party of the Philippines, among others (Chapman, 1946, p. 195). Highly critical of Roxas, the DA eventually threw its support behind Osmeña as it put forward its own candidates for the lower house. Seven of its nine congressional candidates won seats in the lower house (Chapman, 1946, p. 197). Despite their convincing victories in Pampanga and Bulacan, however, the DA members were unseated, allegedly due to fraud and terrorism in the elections (Corpuz, 1965, p. 111). In reality, though, the removal of the DA representatives was essential to the passage of a constitutional amendment that would maintain the rights of Americans to freely engage in business in the Philippines (Chapman, 1946, p. 197; Simbulan, 1965, pp. 241-242). The experience of the DA reflects the exclusionary character of Philippine politics. It demonstrates “the continuity and stability of elite control of the established political organizations’ (Simbulan, 1965, p. 244), a character that would once
The expansion in the size of the electorate (Hutchcroft & Rocamora, 2003) posed a challenge for the major parties, requiring them to shift strategies to mobilize support from a larger electorate. Despite the change in strategies, such as direct appeals to voters through barnstorming and media and coercion, among others, “the logic of patronage remained central to understanding the strategies of both the parties and their politicians” (Hutchcroft & Rocamora, 2003, p. 274). This logic would continue even during the martial law years when, notwithstanding the rhetoric of a new society, Marcos’ party—the Kilusang Bagong Lipunan (KBL, New Society Movement)—would rely simply on the old, informal patronage politics, although there was a “masterful centralization of patronage resources” in the hands of Marcos (Hutchcroft & Rocamora, 2003, p. 276).

In the post-Marcos period, while new parties would emerge, the character of these organizations “remained remarkably similar in their orientation toward patronage, reliance on coalitions of local elites, non-ideological character, and shifting membership (Hutchcroft & Rocamora, 2003, p. 278). Parties in the post-Marcos period remained “determined by the personal and factional differences within the elites” (Manacsa & Tan, 2005). As Quimpo (2007, p. 277) explains, these parties are “built around personalities, rather than around political programmes and platforms” and are “proven to be nebulous entities that can be set up, merged with others, split, resurrected, regurgitated, renamed, repackaged, recycled, or flushed down the toilet at any time.”

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more be reflected in the experience of a future left party, the Partido ng Bayan (PnB, People’s Party) in 1987, as well as the marginalization of bona fide party list groups in the House of Representatives from 1998 onwards
With a system that gives little attention to broad national realities, a condition that Landé observed in the late 1960s (1968, p. 737), the only hope for strengthening parties lies in reforming the institutions that, from the American colonial period, have kept parties and elections as exclusive domains of competing elites. Unfortunately, these reforms have not been undertaken, and parties in post-Marcos Philippines remain feeble.\textsuperscript{22} This characteristic is shared by the bureaucracy.

\textbf{Weak bureaucracy}

In several studies on the Philippine state, Hutchcroft (1998; 2000; 2011) draws on Shefter to trace the weakness of the bureaucracy also to the early American colonial period. In essence, the colonial authorities decided to put more importance on the creation of representative institutions rather than the establishment of a strong central bureaucracy.\textsuperscript{23} At the time the Americans colonized the Philippines, politics in the United States was divided between those who favored the maintenance of the machine versus the progressives (Abinales, 2003). Eventually, the dilemma was resolved to favor the aspirations of the local elite, with Taft, as mentioned earlier, dispensing patronage to favored elites, affording them the opportunity to obtain powerful positions in local and national representative institutions. In so doing, American colonial authorities created a “colonial state that was never whole” but instead “a patchworked apparatus of agencies and offices that mixed patronage, corruption, and compromises

\textsuperscript{22} In the post-Marcos Congress, a proposed measure, a Party Development Act, with the primary aim of providing state support to parties and ensuring party discipline, was submitted from the 9\textsuperscript{th} Congress (1992-1995) and has yet to be enacted into law.

\textsuperscript{23} Hutchcroft recognized that there are points in Philippine history in which there might have been a strengthening of the bureaucracy. Thus, what transpired in the American colonial era could have been overturned or altered in subsequent administrations.
with isles of administrative efficiency and autonomy” (Abinales, 2003, pp. 148-150). In this colonial state, elected and appointed officials “had far greater stature than did bureaucrats working for central agencies based in the capital” (Hutchcroft, 2000, p. 294). As a result, the bureaucracy has been “long subordinated to particularistic elite interests” (Hutchcroft, 1998).

Furthermore, unlike other colonial regimes in twentieth century Southeast Asia, American authorities in the Philippines created only a minimal civil service and quickly turned control of the institution to the Filipinos (Anderson, 1988, p. 11). While Taft himself thought the Filipinization of government would be a slow process, it took less than a decade for Filipinos to fill up a significant majority of public service positions and almost all of the municipal and provincial posts (Cullinane, 1971, p. 11). The quicker pace of Filipinization of the civil service was, however, not entirely by design, as the colonial authorities found it difficult to convince Americans to fill such positions (Cullinane, 1971, p. 21).

In the hands of Filipinos, the civil service would be subjected to the caprices of the dominant national and local political elites, a continuous point of worry for American officials. The commissioner in charge of the civil service in the first half-decade of American colonial rule reflected on his experience as follows:

I left the work in the Philippines, always to me intensely interesting, with much regret; regret that I could not accomplish greater things in helping create a service of highest type…While there has been real and substantial progress in the effort to establish and maintain good government in the Philippines and the struggle against the coercive power of patronage has not been in vain, yet the experience of the last two or three years clearly indicates that a satisfactory future for the services is not by any means assured. (Washburn, 1910, pp. 53-56, emphasis added)
Even earlier, Taft wrote to then Secretary of War, Elihu Root, in 1900 with a negative view of the elite he was empowering:

While they [the ilustrados] deal in high sounding phrases concerning liberty and free government they have very little conception of what that means. They cannot resist the temptation to venality, and every office is likely to be used for the personal aggrandizement of the holder thereof in disregard of public interest. (Cullinane, 1971, p. 14, emphasis added)

There were numerous charges of misconduct filed against local officials (Cullinane, 1971, pp. 14-23; Hutchcroft, 2000, pp. 293-294), including allegations that municipal treasurers were in cahoots with members of the municipal councils who:

“vote all of the available funds for the payment of their own salaries and leave nothing for the improvement or repair of roads, the construction of buildings, or the payment of schoolteachers.” (Cullinane, 1971, p. 14)

There were attempts at reform, as the Americans also reorganized local governments to make the municipal treasurers members of the civil service, appointed and supervised by the provincial treasurers who were Americans (Cullinane, 1971, p. 14). Notwithstanding these and future changes that centralized a number of functions to the colonial government, the dominance of the Filipino elites at the local level was “never effectively challenged by the American colonial officials” and these elites maintained their power “given the less deterrent fear of condemnation by public opinion” (Cullinane, 1971, p. 17; 20). With a limited electorate of their own kind to begin with, these elites continually got re-elected to their local positions, and a “substantial number” of the members of the 1907 Philippine Assembly were local politicians who had been “accused of
a wide range of charges while holding previous government positions” (Cullinane, 1971, p. 20). In short, in the early American colonial period, the dominance of the local elite and their ability to milk public service was due in part to the absence of a “constituency for bureaucratic autonomy” (Shefter, 1994, p. 15). This constituency did not emerge in the Philippines, in that institutions of representation were given greater prior attention by the American colonial authorities.

Following the American colonial period, the bureaucracy will be stuffed by members “who owed their employment to legislative patrons” (Anderson, 1988, p. 12). In the postwar administrations from 1946 to 1963, relatives, province-mates or town-mates of politicians were appointed to important government positions (Simbulan, 1965, pp. 425-445). In 1959, a “50-50 agreement” was worked out between the President and Congress so that the responsibility for filling new bureaucratic posts was equally divided (Hutchcroft, 1998, p. 29). A legislator who opposed the agreement remarked:

I don’t see why they [the President and the House leadership] had to make it a formal arrangement. They could have done it informally; the formal arrangement is immoral. The number of positions created is predetermined not according to actual needs, but according to the number of political protégés to be accommodated. There have to be many new positions as there are Congressmen to carry out the agreement. (Simbulan, 1965, p. 375, emphasis added)

Thus, despite attempts to nurture neutrality and merit, the bureaucracy, as it developed, served yet another venue for the socio-economic-political elite to consolidate their power. As Hutchcroft (1998, p. 53, emphasis added) notes:

The weakness and incoherence of the postwar Philippine bureaucracy begins with the process by which bureaucrats are hired. Because the
primary loyalty of government employees often remains with the patrons who got them the job in the first place, agency heads have little ability to command the obedience of their subordinates. The formal lines of demarcation among agencies are greatly undercut by the informal-yet powerful-ties of loyalty between political patrons and their clients in the bureaucracy. As a result, the bureaucracy is highly splintered, and even coherent agency-based factions are often difficult to discern. In short, the Philippine bureaucracy not only lacks coherence among its various parts (a common malady of the clique-ridden bureaucratic polity); more fundamentally, it also lacks coherence within its various parts.

This politicization of the bureaucracy continued in the martial law period (Brillantes, Cruz, & Aurelio, 2004; Cariño, 1985) and post-Marcos period. In a study of the bureaucracy after Marcos, Monsod (2015, pp. 10-15) identified a number of techniques employed by Philippine presidents from 1987 to 2010 in politicizing the administrative branch, namely:

1. purging of disloyal or resistant civil servants during the term of Corazon Cojuangco Aquino;
2. the more common layering or the addition of executive positions in various government agencies;
3. the addition of “confidential staff”;
4. the creation of additional ad-hoc executive offices; burrowing, or the appointments of personnel to hold certain positions until the leadership transition on an acting or co-terminous term; and
5. the appointment of non-eligibles.

When presidents employ these techniques, Monsod recognizes, they may be driven by two different ends. The first is to “fill key positions in the hierarchy with loyal and qualified people to ensure that a bureaucracy’s activities” are aligned with the President’s agenda (Monsod, 2015, p. 3). In this regard, presidential intervention in the appointment of non-careerist civil servants is yet another specific tool used by the President to exchange favors with other politicians or supporters, a tool that reinforces the weakness of the bureaucracy. While Monsod does not deny that political appointees “have the potential to improve bureaucracy responsiveness and performance in the
short term”, she also concludes that “there is evidence of negative trade-offs in terms of the quality of the career service corps in the long term” (Monsod, 2015, p. 20).

A negative trade-off of political appointments in a bureaucracy that is hierarchical is the quiet resistance on the part of career civil servants to directives coming from appointed higher officials, a resistance that “morphs into a weapon of the weak” (Bautista, Bernardo, & Ocampo, 2009, p. 35). The institutional “culture of obeisance and the “tacitly accepted sanctions of disobedience” compel bureaucrats to comply with these directives nominally (Bautista et al., 2009, p. 34). This recursive behavior perpetuates the weakness of the bureaucracy.

Presidential dominance of weak institutions

Across the history of representational institutions in the Philippines, the President has remained dominant, bestowed with strong powers by constitutions, from the 1935 to the 1987 Constitution, the current charter. Among these powers, budgetary authority enables the President to draw and allocate resources to national legislators and local politicians and act as Patron-in-chief. This has established a pattern that we can see throughout the modern Philippine presidency: While strong on paper, Quezon and his successors also needed a “work-around” solution to the problem of two weak institutions, namely political parties lacking in programmatic coherence and bureaucracies lacking in capacity.

The control of budgetary resources serves as a potent alternative to the lack of partisan powers enjoyed by the President due to the weakness of political parties. One solution to the weakness of the bureaucracy is the exchange of favours with national legislators and local politicians, drawing on the presidents’ very significant budgetary
powers in order to get things done. Another can be the judicious use of political appointments to enhance short-term bureaucratic responsiveness. As Monsod notes, however, this can have negative long-term consequences. After all, many of these appointments to the public sector merely serve as repayments to legislators, local politicians, donors, etc. who provided prior support or whose continuing support is required to move the President’s agenda forward or secure his/her survival. In the next chapter, I discuss how the Chief Executive, from the American governor general to post-war presidents, employed the constitutional powers to command support from legislators and other politicians who are dependent on central government patronage resources.
In Chapter 2, I highlighted the dominance of the Executive versus the legislature with respect to the formulation and execution of the annual budget. While it may appear that the Executive assents to demands of legislators for the inclusion of particularistic programs in the budget, the Executive, in fact, from the American Civil Governor General to the Philippine presidents from the Commonwealth to the post-war period, played a dominant role from the initial formulation all the way through the execution of the budget. This chapter explains the dominant role of the President on spending decisions as it traces the history of pork barrelling from the 1920s to the Marcos administration. In addition, I also discuss in this chapter the variants of particularism that were put in place from the American colonial to the post-war and martial law administrations.

The beginnings of pork: The Public Works Act and satisfying the craving for spoils

The congressional pork barrel in the Philippines can be traced back to 1922, when the country was under American colonial rule. The first recorded Public Works Act (PWA), a separate allocation from the General Appropriations Act (GAA), was enacted in this year (Cariño, 1966). This law, Commonwealth Act No. 3044 (CA 3044; “An Act Making Appropriations for Public Works”), appropriated PHP 8.41 million (roughly US$ 4.2 million) for various public works projects. The 1922 PWA contained a

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24 The Philippine peso to US$ exchange rate was fixed by the Conant Law at PHP 2 to US$1 and was maintained by the creation of a Gold Standard Fund (Ybiernas, 2007).
provision that secured the legislators’ approval, through a joint committee elected by the Senate and the House of Representatives, of disbursements to be made by the Secretary of Commerce and Communications.\footnote{Section 3 of CA 3044 reads: “the sums appropriated in paragraphs (c), (g), (l), and (s) of this Act shall be available for immediate expenditure by the Director of Public Works, but those appropriated in the other paragraphs shall be distributed in the discretion of the Secretary of Commerce and Communications, subject to the approval of a joint committee elected by the Senate and the House of Representatives. The committee from each House may authorize one of its members to approve the distribution made by the Secretary of Commerce and Communications, who with the approval of said joint committee, or of the authorized members thereof may, for the purposes of said distribution, transfer unexpended portions of any item of appropriation under this Act to any other item hereunder (emphasis added)”} Given this provision, the funds subject to the approval of the congressional joint committee can be regarded as a congressional slush fund, because—it is important to emphasize—they were not specifically listed as line items in the PWA. Of the total funds allocated under CA 3044, the congressional slush fund was around 65 percent of the total allocation (PHP 5.45 of the PHP 8.42 million).\footnote{The Philippine peso to US dollar exchange rate was fixed by the Conant Law at PHP 2 to US$1 and was maintained by the creation of a Gold Standard Fund (Ybiernas, 2007)} This section of the Act reflects the influence of the dominant politicians in the early 1920s, specifically Manuel Quezon who was then Senate President.

Interestingly, this first PWA came during the second year of the leadership of American Governor General Leonard Wood, whose main thrust was to re-assert executive control over government operations—to the consternation of leading Filipino politicians, particularly Quezon. However, despite moving for a reduction of government expenses, Wood was “unwilling to cut back on public instruction, public health, public works—that is, the constructive public development projects that Taft era officials had regarded as vital to progress” (Castañeda, 2009, p. 360). Wood was also unable to reduce the influence of the key political leaders who, “through the Council of State,
inserted themselves into the everyday affairs of the executive department” and their “membership in the public works committee, for example, allowed them to determine the division of allotment for public works” (Castañeda, 2009, p. 232).

The first notable change in the pork barrelling component in the PWA came in 1925. A provision in the 1925 PWA indicates a shift in the variance of congressional pork from a lump-sum slush fund to itemized congressional earmarks. In the 1925 PWA, the local projects are listed as “line items” allocated to provinces for various public works projects that include schools, roads, and bridges. While earmarks appear advantageous to legislators who successfully incorporated their projects into the PWA, it should be noted that the American Governor General, as chief executive, exercised the power to veto specific items in the PWA. In the 1925 PWA, Governor General Wood vetoed a number of earmarked projects, an act that would be replicated by subsequent Governor Generals and Philippine presidents. Despite the vetoed items, however, all provinces retained at least one earmarked project, indicating that to a certain extent, the Governor General satisfied the craving for pork of all legislators.

From 1925 until the formation of the Commonwealth Government in 1935, the Philippine Assembly would continue to enact PWAs except for the years 1932 and 1933. In all these Acts the Assembly continued to practice earmarking, and each law retained the stipulation that the amounts appropriated for these earmarks were for “immediate expenditure.” As mentioned earlier, in a number of these PWAs, the American Governor General would disapprove several projects. The reasons behind 27

27 The largest amount allocated for the period from 1922 to 1934 was PHP 14 million in 1926, through Republic Act No. 3341. Of this amount, more than 80 percent was allocated for earmarks.
the disapproval are not indicated in the concerned public works laws, but could be deduced from the report of an American Governor General.

In his 1931 report, then Governor General Dwight Davis reiterated his advice for more “economics in our politics and less politics in our economics” (Davis, 1932, p. 3). Davis rephrased such advice in his message during the opening session of the Philippine Assembly when he stressed the need “for economic development to provide sources of new revenues” as he pointed out that “expenditures were constantly increasing, yet new sources of taxation were not becoming available” (Davis, 1932, p. 9). In keeping with his thrust of “more economics and less politics,” Davis subsequently reported that the “amount set aside in the public works bill for local projects for political purposes was kept down to a million and a half pesos, the smallest amount appropriated for this purpose in many years” (Davis, 1932, p. 10). That Davis recognized that an appropriation in the PWA was for “political purposes” is a clear indication that such allocation is particularistic.

While the PWA allotted a sum of money for various projects, not all the appropriations are expended within the fiscal year. For this reason, funds allocated are carried over to the subsequent fiscal year. This pattern of lower spending relative to appropriated funds was to continue in the Commonwealth and post-war administrations, as discussed below.

In the Commonwealth period (1935-1942), four public works acts\textsuperscript{28} were passed. By this time, Quezon, already the dominant figure in Philippine politics from his

\textsuperscript{28} These Commonwealth Acts (CA) were CA No. 67 (1936); CA No. 257 (1937); CA No. 330 (1938) and CA No. 469 (1939)
assumption of the Senate presidency in 1916, held sway with respect to matters of legislation even after assuming the Chief Executive position. By way of illustration, the passage of the 1937 and the 1938 PWAs testify to the dominance of Quezon, a President who was effectively Patron-in-Chief.

In the 1937 PWA (Commonwealth Act No. 257), the passage of which was delayed, Congress provided Quezon the authority to spend no more than forty percent of the sum allocated to public works pending the approval of Congress of the PWA (Philippine National Assembly, 1938). Quezon, however, did not exercise the authority as the 1937 PWA was immediately superseded by the 1938 PWA. Nonetheless, the fact that Congress bestowed upon the President the authority to spend prior to approving a law indicates the centralization of control over patronage in the hands of the President. To Quezon, the authority given by Congress to disburse resources would support what he once claimed was a practice that took “90 percent of his dealings with politicians”: patronage (McCoy, 1988, p. 119).

The 1938 PWA (Commonwealth Act No. 330) allocated a staggering amount of PHP 96 million pesos for public works, ten times the amount allocated for public works in the first full fiscal year (1936) of the Commonwealth Government. The huge amount could be attributed to the “boom condition” of the Philippine government’s financial condition (McNutt, 1943). The condition is due to the continuing receipt of coconut oil excise taxes from the United States, amounting to nearly PHP 59 million for an 18 month period from January 1938. 29 For the 1938 fiscal year, more than two thirds of

29 The coconut oil excise tax fund is an “automatic periodic appropriation to the Philippine Islands of receipts from the levy of a 3-cent per pound tax on coconut oil shipped to the United States” (McNutt, 1943).
the coconut oil excise fund (PHP 88.68 millions of PHP 137.556 million) was allocated to the 1938 PWA (McNutt, 1943). In his report on the 1938 PWA, the US Insular Auditor noted that the lion’s share of the bill’s appropriations was earmarked for roads passing through Manila… only 10 percent was appropriated for the provinces” [and the] “funds for provinces was [sic] earmarked for barrio roads, all of which, Secretary of Finance Antonio de la Alas told Jones, is pork…they were not projects that would last past a few rains or a typhoon; that it was [sic] for election purposes. (Nakano, 1987, p. 13, emphasis added)

For his part, President Quezon commented that these barrio projects “gave the humble ones a little pocket money” (Nakano, 1987, p. 92). After the Commonwealth, in the post-war period, the disbursement of congressional pork was to become once again a central focus of Philippine politics.

Continuing public works pork in post-war administrations

In the four decades between independence in 1946 and end of the regime of Ferdinand Marcos in 1986, all six presidents engaged in pork barrelling. Unlike Quezon who dominated politics in his time, however, all post-independence presidents had to wrestle with the legislature and therefore employed pork to build or sustain a majority coalition, specifically in the Lower house. Thus, in the post-war period, the legislature was a relatively more important player in budgetary decisions, though presidents retained the power to disburse pork on a selective basis, as we will explain in the discussions that follow.

Roxas, 1946-1948: Pork during a period of reconstruction

Manuel Roxas re-instituted the pork barrel through the enactment of Republic Act No. 88 (RA 88), the PWA of 1946. The pork component in the 1946 PWA shifts back to
a congressional slush fund as indicated by a section under Miscellaneous Items that reads: “For the investigation, survey, construction, reconstruction, repair, improvement, extension, and completion of public works and purchase of school sites in provinces, chartered cities and municipalities to be distributed among the Representative Districts.”

With an allocation of PHP 57 million, the 1946 PWA appropriated PHP 8 million to be distributed to the congressional districts. The proportion of the PWA allocated to the congressional slush fund in the 1947 PWA (Republic Act No. 143) would increase, constituting half (PHP 12.5 million of PHP 25 million) of the total PWA appropriations. These projects were supported by the US-funded War Damage Act that provided PHP 240 million for public works projects from 1946 to 1952 (Manila Times, 1948d). Additional funds were sourced from income tax revenues and taxes on other commodities (e.g., gasoline).

**Quirino, 1948-1953: Pork for the favoured**

Upon assuming the presidency after the death of Manuel Roxas on April 15, 1948, the new President, Elpidio Quirino, doubled the funds for public works. As the 1949 elections approached, the PWA for 1948-1949 was more than double that of the prior fiscal year (PHP 56 million as compared to PHP 25 million) (Guevara, 1948). Of the total amount, Quirino obligated almost half (PHP 26 million) of the funds for the pork barrel projects of legislators. With the intent of courting support from various political leaders, Quirino disbursed the funds beyond “party” lines. Quirino’s decision to release public works funds beyond party affiliation was due to two factors. First, there were major divisions within his own party. Second, and more importantly, was an institutional
arrangement that allowed the President to selectively distribute pork (a practice that would persist in future administrations).

The party in power after the war, the LP, was factionalized after the death of Roxas. The two factions were Quirino's group, on one side, and the faction of Senate President Jose Avelino on the other. With respect to the LP division, the dispute between Quirino and Avelino intensified over a turf war related to the disbursement of pork. Legislators had inserted a provision in the 1948-1949 PWA specifying that the President would not be able to release PWA congressional slush funds without the endorsement of the Senate President and the Speaker of the House. Congressional leaders, specifically from Avelino's house, inserted this provision to prevent members of the President’s cabinet from causing the disbursements of funds to their own political followers (Manila Bulletin, 1948). In essence, Avelino and the congressional leadership tried to weaken the President and instead assert the legislature’s role in disbursing the pork.

Unlike the docile Congress under Quezon, the legislature in post-war administrations would continually assert its role in budgetary decisions and implementation, specifically regarding pork disbursement. Quirino’s initial response was to threaten to veto the provision, asserting that it was unconstitutional and an “invasion of the powers vested in the President by the Constitution” (Manila Times, 1948c). He eventually relented to the retention of the provision, reportedly to preserve

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30 The factional dispute within the LP at that time is reminiscent of the division within the erstwhile dominant NP in the early 1920s (as discussed in Chapter 2).
31 Another Liberal Senator, Lorenzo Tañada, even warned the President, Elpidio Quirino, that returning the measure to Congress would be a “mistake,” as he vowed to take the lead in getting Congress to over-ride the veto (Manila Times, 1948b).
unity within his party (Manila Times, 1948c). Despite this, the internal dispute within the party escalated in early 1949.

In a meeting convened by Quirino in early 1949, the President was questioned by leading members of his party, including Senate President Jose Avelino, on the investments ordered by Quirino as regards alleged corruption cases involving LP members (Quirino, 1987, p. 119). In an impassioned speech that was reported to have lasted for two hours, Avelino railed against the “vague charges” levelled against LP members and asked:

Why did you have to order an investigation, honorable Mr. President. If you cannot permit abuses, you must at least tolerate them. What are we in power for? We are not hypocrites. Why should we pretend to be saints when in reality we are not? We are not angels. And besides when we die we will all go to hell. Anyway, it is preferable to go to hell where there are no investigations, no Secretary of Justice, no Secretary of Interior to go after us! (Quirino, 1987, p. 120, emphasis added)

Avelino’s rant mirrors the unapologetic disposition of Philippine politicians with respect to accessing the spoils that come with their position. Unfortunately for Avelino, the investigation on his alleged corrupt acts continued and he was subsequently ousted as Senate President and suspended for a year by his peers. He proceeded to constitute his own wing of the party and contest the presidential elections of 1949 (Quirino, 1987, pp. 121-122).32

Quirino was not spared from the consequences of the party infighting, as impeachment charges were filed against him by an ally of Avelino alleging abuse of power, presidential extravagance and nepotism (Quirino, 1987, p.

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32 Avelino was accused by one of his colleagues in the Senate of having fraudulently purchased thousands of cases of beer from the U.S. Foreign Liquidation Commission (Quirino, 1987). Though Avelino explained that he used the proceeds from the sale of the beer to pay for debts incurred by the LP, this did not prevent his ouster as Senate President.
Quirino was the first President to face impeachment charges but was exonerated by a congressional committee that reviewed the impeachment case. This acquittal was expected, as Quirino disbursed pork to supportive legislators.

The second factor that influenced Quirino’s decision to release pork beyond party affiliation related to an institutional arrangement, specifically the President’s constitutional prerogative in budget execution. While Quirino compromised with Congress by desisting from vetoing the provision requiring prior congressional consent in disbursing the slush fund in the PWA, his Justice Secretary, Roman Ozaeta, reminded Congress that they “cannot approve a law with strings attached to it to control its execution. By so doing it would invade the field assigned by the Constitution to the executive department” (*Manila Times*, 1948a).

Quirino vied for the presidency in the 1949 elections against two other contenders, Jose P. Laurel, the NP candidate (and former President of the Republic under Japanese occupation), and Jose Avelino, the deposed Senate President who constituted his own wing of the Liberal Party. With support from his own faction of the LP and also from pork-satiated supporters from the erstwhile rival NP, Quirino trounced his rivals, garnering almost 51 percent of the popular vote against his closest rival, Jose P. Laurel (who obtained 37.22 percent of the vote) (PCDSPO, 2015). As described by a leading Philippine scholar, the 1949 elections were the “most foul and sordid in the country’s history” when “incumbents brazenly used their offices, the police, and especially
the Philippine constabulary to muscle and finagle their way to re-election" (Kerkvliet, 1996).

In 1949, Quirino proposed a public works measure that allocated PHP 50 million, 40 percent of which (PHP 20 million) was allotted for members of Congress (Manila Bulletin, 1949a). While the opposition criticized the measure given the unfavourable fiscal position of the government (Manila Bulletin, 1949c), Quirino continued to push for the passage of the bill by entering into a pork-sharing agreement with congressional leaders. In essence, legislators who supported his proposed public works measure—both those allied to his party wing (LP Quirino) and select members of the other party, the NP--were each to receive a PHP 200,000 congressional slush fund (Manila Bulletin, 1949a). On the other hand, legislators allied with the opposing Avelino wing were deprived of the slush fund. This prompted a commentator to refer to this endowment as a “prize for the faithful” (Manila Bulletin, 1949a).

To finance the releases of the slush fund, Quirino’s cabinet members suspended the implementation of other government projects such as a quarry project (Manila Bulletin, 1949b) and a building improvement project for the Armed Forces and the Philippine Constabulary (Manila Bulletin, 1949d). These decisions reflect the primacy given by the President to satisfy the particularistic demands of legislators versus other expenditures seemingly more programmatic in nature.

Quirino continued to be hounded by controversies related to the pork barrel within his new term. In 1951, opponents of the President accused him of disbursing
more than PHP 2 million for his province, allegedly to support the gubernatorial
candidacy of his brother, Eliseo (Manila Bulletin, 1951). In the same year, the opposition
NP created a special committee that sought to investigate and determine legal remedies
to prevent Quirino from whimsically disbursing pork (Daily Mirror, 1951). Despite the
NP’s action, Quirino continued to release pork to favoured politicians. The strategy,
however, did not work for the LP candidates running for the senatorial elections in 1951.
In this election, the NP trounced the LP, winning all the contested seats for the Senate.
The fate of the LP senatorial candidates suggests that distributing their slush fund to a
large constituency would not ensure electoral victory. This reality was captured by a
member of the NP special committee who remarked:

   it’s time that the Liberals woke up…the results of the last election are an
   object lesson to them. They got all the pork barrel shares and yet they were
defeated. So, this give-me-your-vote-and-I’ll-give-you-pork-barrel system has
   lost its effectiveness as a political weapon. (Manila Times, 1951)

   After the 1951 electoral setback, Quirino became bolder in the exercise of his
prerogative in disbursing funds. In 1952, he invoked emergency powers and issued two
Executive Orders (EOs) to appropriate nearly PHP 49 million for “relief in calamity
stricken areas” (EO 546) and “urgent and essential public works” (EO 545) (Manila
Bulletin, 1952). Opposition legislators noted that a huge chunk of the allocation,
specifically the PHP 39 million for public works, was not itemized, prompting then
Senate President Eulogio Rodriguez, a Nacionalista, to warn Quirino that :

   if he as much as diverts one peso of the public fund for pork barrel of favoured
members of Congress, the Nacionalista Party will file a court action before the
Supreme Court to stop him from doing so (Manila Bulletin, 1952)
The opposition did file the case before the Supreme Court. In its ruling, the Supreme Court declared null and void the Executive Orders of Quirino, as it stressed the separation of powers principle, emphasizing:

Much as it is imperative in some cases to have prompt official action, deadlocks in and slowness of democratic processes must be preferred to concentration of powers in any one man or group of men for obvious reasons. (Paras, 1953) 33

While the case filed in the Supreme Court was pending, the first of a series of calls from legislators for the abolition of the pork barrel was raised in early 1953. A neophyte opposition senator, Gil Puyat, filed a bill in the Senate seeking to “outlaw” the pork barrel, claiming that a sizeable portion (30 percent) of the aggregated PHP 600 million of pork disbursed since the end of the war went to “projects whose contribution to national development” were insignificant (Manila Bulletin, 1953). Puyat’s proposed measure, not unlike future proposals to abolish, outlaw or end pork, did not gather support from his congressional peers.

Notwithstanding the control he exercised in dispensing patronage through the pork barrel, Quirino lost to his former Defense Secretary Ramon Magsaysay in the presidential elections of 1953. Quirino’s failure to win re-election was the result of many factors, especially charges of corruption raised against LP leaders from the time the party ruled after the war and the disunity within the party that started even before the 1949 elections. More than this, Quirino’s selective distribution of pork from 1949 backfired. While Quirino disbursed pork to loyal party mates and erstwhile oppositionists

33 The Supreme Court in 2013 would issue a similar ruling on the Priority Development Assistance Fund, a decision that will be discussed in Chapter 9.
in the lower house willing to exchange favours with the President, the loyalties of these legislators waned considerably—especially when the incumbent competed against a more popular, resource endowed and reformist contender for the presidential elections in 1953, Ramon Magsaysay.

Magsaysay, 1954-1957: Building a base with new forms of pork

Magsaysay started his political career as an elected member of the lower house. A year after being re-elected in 1949, Magsaysay was appointed as Secretary of Defense by Quirino, supposedly because of his experience as a member of the anti-Japanese armed movement during the Second World War (as well as the prodding of House Speaker Eugenio Perez) (Quirino, 1987). Magsaysay’s marching order was to quell the rising communist-led rebellion of the Huks, which had grown strong in the late 1940s. It did not take long for Magsaysay to be considered of presidential timber, given what he accomplished. This included success in the counter-insurgency campaign against the Huks; the creation of a program (the Economic Development Corporation) that enticed former rebels back to the fold of the law, with a promise that they would be given lands of their own; and serving as the “guardian” of the 1951 elections (Abueva, 1971, pp. 157-175; 192-199; Quirino, 1987, pp. 129-130).

To vie for the presidency, Magsaysay had to change party affiliation, shifting from the LP to the NP. Capturing the nomination for President under the NP banner was a long drawn-out process, involving several meetings between Magsaysay and leaders of the NP (Abueva, 1971, pp. 210-270). Magsaysay capped the support of the NP by signing a formal agreement with leaders of the NP that, if elected as President, he was
bound to “choose the members of his cabinet upon the recommendation and with the consent of” the NP (Abueva, 1971, p. 227).

Magsaysay won the presidency with the highest share of votes in post-war presidential elections, 68.9 percent, more than double the votes received by the re-electionist incumbent, Quirino (PCDSPO, 2015). While Magsaysay’s victory could be credited to the NP’s decision to adopt him as their candidate, he would only partially comply with the agreement he forged with the NP on cabinet appointments. Thus, Magsaysay shunned cabinet allocation as a tool to build his coalition. This led a Nacionalista leader, Arturo Tolentino—then Majority Floor Leader of the lower house—to remark that Magsaysay had successfully transited from being a “prisoner of the party” to the “warden of the party” (Tolentino, 1990, p. 124).

Magsaysay’s partial compliance with the agreement forged with the NP was due to the need to reward other groups that assisted him in his presidential run, the Democratic Party (DP) and the Magsaysay for President Movement (MPM). The DP was a group formed by former Liberals dismayed by Quirino’s manipulation of the LP convention. The DP would subsequently enter into a deal with the NP to coalesce and endorse Magsaysay for President. The deal was described by a loyal Magsaysay reformer as a “fatal mistake of bartering away our long-range opportunities for what might appear as a temporary advantage” (Abueva, 1971, pp. 255-258). The MPM, on the other hand, was established by young and reform-minded lawyers, ex-military men, businessmen and other civic leaders to push for Magsaysay’s presidency, at an earlier stage, and later, campaign in communities and sectors to mobilize votes for Magsaysay (Abueva, 1971, pp. 241-242). Combined with his popularity, Magsaysay’s victory was
thus secured by a broad coalition of supporters, from his adoptive party, the NP, from the breakaway Liberals under the DP and, from the original reformist campaigners under the MPM. Thus, as he assumed the presidency, Magsaysay had to satisfy key members of each of these supportive groups.

Despite his popularity, Magsaysay’s first couple of years in power involved a “tug-of-war between the NPs and the DPs” and “patronage problems involved him in many sided quarrels among NPs, DPs, and MPMs” (Abueva, 1971, p. 299). Eventually though, Magsaysay would prove skilful in being Patron-in-Chief, as he capitalized on the resources provided by the PWA and established what was to become the first presidential project-based off-budget pork (PPOP) in Philippine politics—the Office of the Presidential Assistant for Community Development (PACD).

Under Magsaysay, the amounts appropriated for public works increased substantially from PHP 245 million in the first fiscal year (1954-1955) of his term to PHP 348 million in the final fiscal (1956-1957) year before his untimely demise in a plane crash on March 17, 1957. These public works appropriations include the congressional slush funds of legislators. To finance the public works projects, Magsaysay had to secure additional resources given the fiscal constraints faced by his administration. In 1954, Congress enacted a law (RA No. 1000) that allowed the government to issue bonds in an amount not exceeding one billion pesos to finance public works and other projects (Official Gazette, 1954a). The proceeds from the issued bonds would cover a significant majority of the public works allocations for the first three years of the Magsaysay administration, as it engaged in “wild deficit financing” (Hartendorp, 1961, p. 50).
Per agreement with the leadership of Congress, legislators were set to receive a pro-rata slush fund allocation of the pork barrel component of each PWA. With respect to the 1954-1955 PWA, Senators were allocated PHP 400,000 each, while each member of the was allocated PHP 100,000 (Manila Bulletin, 1954c). This pro-rata allocation was subsequently revised, such that majority Senators were allotted PHP 300,000, a majority representative PHP 200,000 each, while LP members in the Senate and the House were allotted only half of those provided to the members of the majority (Manila Bulletin, 1954b). Thus, like his predecessor, Quirino, Magsaysay would favour legislative allies in selectively distributing the slush fund.

However, Magsaysay would be criticized by allies and members of the minority for partiality and delays in the release of their pork, with the President rationalizing the delays as a result of the government fiscal position (Manila Bulletin, 1954a). A majority representative, Mario Bengzon of Pangasinan, lamented that “while the [Nacionalista] party won the elections, the people around the President, like cabinet members and Magsaysay for President Movement boys who were still not Nacionalistas were reaping all the benefits” (Manila Bulletin, 1955b).

Given the fiscal constraints faced by the government, legislators sought other sources of funds to finance their pork barrel projects. In early 1955, majority members of the lower house decided to canvass local banks to check if they could secure a loan of PHP 55 million to underwrite their projects (Manila Bulletin, 1955b). Though the proposed loan was not pursued, the attempt signified the importance that legislators put on accessing their pork barrel allocations, so-called “entitlements” that they would continue to insist upon obtaining within the Magsaysay administration. In response to
the periodic demand for pork releases, Magsaysay committed to release the pork share of legislators, albeit partially. This was the case in late 1954, when Magsaysay vowed to release half of the allocation for legislators as he advised his financial managers to source the needed amount from the Central Bank (*Manila Bulletin*, 1954b).

Despite the continuing demands from legislators for their pork, Magsaysay would not be effectively challenged by his erstwhile allies as his popularity remained high. Part of his success came through the building of his own patronage machine through the PACD (Doronila, 1992). Established in 1956, the PACD was the successor organization to the Community Development Planning Council (CPDC) that was created by Magsaysay in his first year (Hartendorp, 1961, p. 60). Since the CPDC was bogged down by rivalries among government agencies that constituted it (Abueva, 1971, pp. 358-364; Hartendorp, 1961, pp. 60-62), Magsaysay made it clear that the PACD should be rid of intra-cabinet intramurals. This intent is clearly reflected in his exchange with the subsequent PACD head, Ramon Binamira:

**Binamira:** Mr. President, here is the draft of the executive order which you requested me to make…

**The President:** …No! This is not what I want. This is still too weak and will not permit you to act. It is too complicated and too long… What I want is that you have the power to act for me. You issue orders and sign for me, just furnishing me a copy of the directives. For example, you want to build a road fast. You issue the order direct to the district engineer, furnishing the Secretary of Public Works, a copy of your order…

**Binamira:** That would be ideal, Mr. President, but department secretaries are very jealous of their prerogatives, and I would be in trouble if I undercut them by issuing orders to their subordinates…

**The President:** *But you issue the orders on behalf of the President. Thus, you will say, “By Order of the President.” If they do not comply, and the__

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34 While the circumstances would differ, two later presidents essentially replicated Magsaysay’s strategy of using a presidential program to expand one’s political base at the local level: Ferdinand Marcos (as discussed below) and Corazon Aquino (as discussed in Chapter 4).
Magsaysay’s order to Binamira carries the same directive tone as that of Quezon (as demonstrated in the epigraph at the start of Chapter 2). With the power of the PACD thus clarified, Binamira eventually took on the PACD post and carried out the programs of the PACD.

The first task was to establish provincial, municipal and *barrio* (village) level development councils and, at the provincial and municipal levels, Community Development Teams (Hartendorp, 1961, p. 63). Given his expansive powers, Binamira secured “cooperation and real coordination” from various agencies, such that by the end of 1956, barrio councils had been established in 700 of the country’s 19,000 barrios (in 50 municipalities of 22 provinces) (Hartendorp, 1961). The untimely demise of Magsaysay put a halt to PACD’s momentum. Notwithstanding the limited progress achieved from its formation to the end of the first quarter of 1957, the PACD was “transformed by the executive into a bureaucratic mechanism” that “serve as a network through which to distribute particularistic pay-offs, including cash to rural voters” (Doronila, 1992). With its initial capitalization of US$ 4.2 million provided by American officials, and with a promise of an additional US$ 42.5 million as the program was implemented, Magsaysay’s PACD was “vital to setting up an electoral base independent of his party and its patronage network” (Abinales & Amoroso, 2005, p. 181).

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35 Hartendorp notes that these Community Development Teams were composed of as many of the following as may be available: community development officers, agriculturists, home demonstrators, social welfare workers, doctors, nurses, midwives, sanitary inspectors, public works foremen, and other technicians.
Aside from the PACD, Magsaysay’s patronage was also provided by the Social Welfare Administration (SWA). Established by his predecessor, Quirino, and headed by Pacita Madrigal-Warns, the leader of the Women for Magsaysay for President Movement, the SWA provided assistance to needy individuals through self-help projects and carrying out rural development programs (Official Gazette, 1954b). With a political ally at the helm, projects of the SWA could be regarded as *Presidential project-based appropriated pork* (PPAP). ³⁶

Had Magsaysay not died from a plane crash just a few months before the 1957 presidential election, he would have been easily re-elected as President in view of his sustained popularity and the network of patronage he established. As Patron-in-Chief, Magsaysay distinguished himself from his predecessors by extending pork beyond the congressional slush fund through the establishment of a vehicle for PPOP, the Presidential Assistant on Community Development, and the conversion of the Social Welfare Agency into a PPAP. After Magsaysay’s death, his Vice President, Carlos Garcia, assumed the presidency.

**Garcia, 1957-1961: Continuing pork flows despite fund constraints**

Roughly eight months after assuming the presidency in late March 1957, Carlos Garcia vied for the presidency in the November 1957 presidential elections. Among the post-war presidents (1946-1972), Carlos P. Garcia is the only one who obtained less than a majority (41.3%) of the votes in a presidential contest (PCDSPO, 2015, p. 92). Notwithstanding this, Garcia’s party-mates (in the NP) continued to hold the majority in

³⁶ Madrigal-Warns herself would benefit from her steering SWA when she ran and successfully garnered a senate seat in the 1955 elections.
Congress, winning six of eight senate seats and 80 percent of the seats in the lower house. Thus, at the start, executive-legislative relations looked rosy for Garcia.

As a “party-man,” Garcia could not disregard the demands of his party-mates to release their pork share. In one meeting, Garcia was reported to have walked out in disgust, given the “onerous demands of him made by Nacionalista congressmen” (Manila Bulletin, 1957b). Despite the frustration, Garcia, in August 1957, agreed to dole out PHP 12 million of the budget’s contingent fund to re-electionist lawmakers (Manila Bulletin, 1957a).

In failing to satisfy the craving for pork prior to the 1957 elections, Garcia would confront continuing challenges from legislators during his full four-year term. When Congress was deliberating on Garcia’s proposed billion peso budget for fiscal year 1959, members of the majority threatened to cut a number of items proposed by the President, specifically trying to take PHP 4 million out of his PHP 12 million contingency fund unless their share of the pork in the PWA was released (Manila Bulletin, 1958). Wilting under pressure, Garcia pledged to immediately release PHP 100,000 of the congressional slush fund of each majority house member (Manila Bulletin, 1958). This did not comfort a leading member of the House, Nacionalista Miguel Cuenco, as he denounced Garcia’s budget as a “political and election weapon,” arguing that “politics is the root cause of our budgetary shortcomings.” He further asserted that:

> political leaders and public men are devoting their time and energies to partisan politics instead of seeking the public welfare through an objective and resolute study of problems of state. Everybody in the Philippines, from the President down to the Municipal Mayors is continuously preoccupied with the problem of winning the next election…It is no wonder that the political party and the men that are in power are compelled to use the budget as an instrument of individual political and even economic and social survival. (Manila Bulletin, 1958, emphasis added)
Garcia’s difficulty in disbursing the slush fund of legislators was due to the unfavourable cash position of the government, a condition that was aggravated by over-spending during the Magsaysay administration. To augment the resources for the slush fund, Garcia, like Magsaysay before him, employed bonds, the proceeds of which (PHP 30 million) were used to finance the legislators’ public works projects listed in the 1957 and 1958 PWA (Manila Bulletin, 1959c). Aside from this, majority legislators also pushed for the deferment of salary increases for public sector employees so that the funds allocated for such (amounting to PHP 21 million) could be re-channelled to their pork projects (Manila Bulletin, 1959a). To reduce the burden in satisfying the pork demands of legislators, Garcia selectively distributed the slush funds to those who were “friendly” to his administration, with members of the opposition LP deprived of their pork share (Manila Bulletin, 1959d). In her account of the distribution of congressional slush funds from 1958 to 1961, Cariño (1966, p. 101) shows that while the LP members obtained some releases of their pork from 1958 to 1961, the vast bulk (84.21%) received less than the PHP 400,000 amount that was supposed to be given to each legislator for the designated period.

As Garcia continued with the practice of releasing larger pork to his party-mates, Senate Minority Leader Ambrosio Padilla condemned the practice by stressing that public funds belong to the people and not to the Nacionalista party in power. The release of public works funds should not be subjected to any political test, such as loyalty to the Garcia Nacionalista administration. Much worse, it should not be used as a magnet to draw more votes for candidates of the party in power (Manila Bulletin, 1959b).
Padilla’s lament is essentially the same sentiment expressed by members of the opposition in previous administrations. And, to be sure, this sentiment would be repeated again and again by opposition legislators in future congresses. Padilla would be joined in criticizing the employment of pork for electoral purposes by the LP candidate for President in the 1961 elections, Vice President Diosdado Macapagal. The latter claimed that the government was under the control of leaders who “cannot win or remain in office except through pork barrel and power squeeze” (*Manila Bulletin*, 1961a).

**Macapagal, 1961-1965: Succumbing to congressional pressure**

Macapagal won the presidential race in 1961 with 55 percent of the votes against Garcia’s 45 percent. Macapagal’s win was a result of the intraparty-fighting in Garcia’s NP, as well as the alliance of the LP and the Party for Philippine Progress (PPP) in support of Macapagal (PCDSPO, 2015). In addition, Garcia’s strategy of buying support through the promised distribution of congressional slush funds failed, as many of those who were given such commitment—in the form of checks—subsequently found that the lack of cash in the treasury, shifting political priorities, and bureaucratic delays prevented them from “spending the checks before the election” (Wurfel, 1962, p. 30). To further reduce the electoral effect of Garcia’s pork barrelling, the LP constantly reminded the public that “this is just your own money which the administration is returning to you, claim it as your right and vote as you please” (Wurfel, 1962).
Despite being critical of pork barrelling during the election, Macapagal restored the slush fund a couple of years after assuming the presidency. This came in the 1963 Public Works Act, under a program labelled as “Short-term Rural Progress Projects” (Cariño, 1966). The congressional slush fund component in the 1963 PWA totalled PHP 60 million, allocated equally (PHP 30 million each) to the Senate and the House (Manila Bulletin, 1962c), and constituting more than a third of the total PWA appropriation (PHP 167 million) for the year (Manila Bulletin, 1962b).

Macapagal’s reversal from his earlier opposition to pork barrelling was a result of the need to establish control of Congress. Unlike his predecessors, when Macapagal assumed the presidency, both chambers of Congress were still dominated by the opposition party. In this case, the opposing NP had 74 of 104 members in the lower house, and 13 of the 24 members of the Senate (Emmert, 1983). As an initial step in courting turncoats from the opposition to his party, Macapagal named a few opposition leaders to his cabinet and invited top congressional leaders to his Council of State (Emmert, 1983). In doing so, Macapagal was the first President to employ a cabinet formation tool as an additional means of building a coalition. After the LP met and agreed to accept opposition members to the party, 24 NP members shifted to the LP in the lower house (Manila Bulletin, 1955a) and one NP shifted to the LP in the upper house (Emmert, 1983). The success in courting congressional support through cabinet allocation was short-lived, as Macapagal then “became a captive of turncoats who, because of constant demands for concessions and threats of leaving the
administration party, reduced the presidency to ineffectivity and doomed him to electoral defeat" (Emmert, 1983, p. 55).

Beyond turncoats, Macapagal also dealt with challenges from within his own coalition, specifically those who held on to their seemingly anti-pork barrel position. Raul Manglapus, a leading coalition member, objected to the Short-Term Rural Progress projects and suggested that the funds allocated should instead be transferred to local government units so that local leaders could utilize their own funds for public work needs (*Manila Bulletin*, 1962c). Another Senator, Gerardo Roxas of the LP, also opposed the pork barrel, given his belief that the primary factor determining public works spending was the “voting potentiality of the benefiting districts” (Roxas, 1966). Roxas re-echoed the opposition to pork expressed by Sen. Puyat more than a decade earlier (as discussed above).

Another LP member who was highly critical of pork barrelling was Ferdinand Marcos. As a member of the lower house in the mid-1950s, Marcos branded the whole public works outlay as a pork barrel fund, and warned that the releases of these funds before the programmed items would be disastrous for the country’s economic development (*Manila Bulletin*, 1955a). As a senator in 1961, Marcos led the minority in the upper chamber in attempting to cut the proposed public works appropriation by half (*Manila Bulletin*, 1961b). In 1962, however, Marcos—now a member of the majority in the Senate—would sing a different tune with regard to a program that had clear pork elements. This was a Macapagal-sponsored bill that allotted a lump sum amount of PHP 100 million to ease unemployment. This bill can be considered *presidential project-based appropriated pork* (PPAP). Instead
of opposing the measure, Marcos defended the bill against the criticisms of oppositionist NPs who labelled the measure as a “gargantuan pork barrel of Himalayan proportions” (Manila Bulletin, 1962a). (Marcos would swing back to oppose pork barrelling, specifically congressional pork, soon after he was elected President.)

Macapagal, meanwhile, had his own reversals. In April 1964, as part of an effort to seal his nomination as the party’s nominee for President, he obtained an amendment of the LP rules to allow him to assume the leadership of the party whenever he desired (Butwell, 1965, p. 43). In so doing, Macapagal backed out of an earlier commitment not to seek re-election.37 This led the erstwhile President of the LP, then Senate President Ferdinand Marcos, to leave the party and seven months later become the presidential nominee of the opposing NP (Butwell, 1965, pp. 43-44). Thus, the 1965 presidential elections pitted former allies Macapagal and Marcos in a competition that repeated the 1953 duel between two previous party-mates—the LP’s Quirino and former-LP turned NP, Magsaysay. This time, however, things were complicated by the presence of a third candidate, Raul Manglapus, a former LP who vied for the top post under the Party for Philippine Progress or (PPP).38 Marcos won the election with close to 52 percent of the votes, with Macapagal trailing him by nearly ten percentage points (PCDSPO, 2015).

37 Interestingly, Macapagal’s daughter, Gloria Macapagal Arroyo, would also back out of a vow not to seek the presidency in 2004.
38 The PPP was formed as the Democratic Party in the early 1950s and allied itself with the Magsaysay for President Movement. In the 1957 presidential elections, the Democratic Party, then known as the Progressive Party, fielded a candidate, Manuel Manahan. Manahan obtained 20% of the popular vote.
Marcos, 1965-1986: Expansive pork for prolonged rule

Given his earlier criticism against congressional pork in the public works budget, it was not surprising that Marcos, just a year after he assumed the presidency, submitted a bill to congress that was designed to do away with this form of pork. He instead proposed the allocation of PHP 1,500 for each of the 33,000 villages (barrios) in the country for self-help projects (Manila Bulletin, 1966). The proposed bill was part of the campaign promise of Marcos. His press secretary claimed that the suggested measure was meant to “eliminate the pernicious practices connected with the pork barrel, such as the partisan nature of allocating the funds, the ruling party often getting a bigger slice than the minority party” (Manila Bulletin, 1966). In reality, though, the proposal indicated Marcos’ early attempt to expand his political base by bypassing Congress as much as possible, and dispensing patronage directly to communities.

The Marcos-endorsed bill did not get enacted in 1965 chiefly because Marcos, like Macapagal, had no control of the lower house that was dominated by the LP. In lieu of the proposed Marcos measure, Congress passed a new PWA that appropriated PHP 465 million, PHP 80 million of which was allocated as congressional slush funds for the projects of legislators. The passage of the new act would subsequently favour Marcos when he started to court support from members of the lower house. Unlike Macapagal who wooed legislators belonging to the opposing party at the start of the term, Marcos took his time before intervening in congressional politics (Emmert, 1983, p. 55). It was only in 1967 that Marcos, with the NPs in the House, concocted a plot to oust the LP Speaker. This was done through the usual strategy of wooing some oppositionists with
patronage, pork barrel releases, district aid and political rewards (Emmert, 1983). The plot succeeded, with 15 LP members re-aligning with the NP to elect a Nacionalista Speaker, Jose Laurel. Marcos’ delayed intervention in the lower house was described by an ally as a signal that Marcos was a “leader with whom all will have to reckon” (Tolentino, 1990). Grossholtz, on the other hand, takes on a different view, arguing that when Marcos’s alliance network was established in 1967, “the demands for pork barrel and special treatment have become the quid pro quo of legislative support.” She further notes that Marcos’ “options” were “seriously limited” as the “drive and energy behind his administration’s programs were giving way to the need to prepare for the next election” (Grossholtz, 1968, p. 53).

Despite the setback in his proposed 1965 bill that aimed to distribute patronage resources directly to villages, Marcos still succeeded in distributing patronage resources to the communities through the re-invigorated Presidential Assistant for Community Development office (PACD). Designating a young politician, Ernesto Maceda, to head the agency, Marcos was proclaimed in a PACD brochure as the “new patron of community development,” with Marcos converting the PACD into a “well-tuned vehicle for presidential intervention in local politics” (Hutchcroft, 2014a, p. 93). The PACD program served as Marcos’ instrument to distribute cash or largesse directly to municipal officials and barrio captains, a useful structure when he campaigned for re-election in 1969 (Doronila, 1992, p. 132). On top of the PACD, Marcos’ connection with the barrios was further strengthened when he succeeded in finally securing congressional support in enacting a 1968 law that appropriated PHP 100 million for a barrio fund, with each barrio getting PHP 2,000 to be used as the community leaders
saw fit (Grossholtz, 1969, p. 55). Thus, Marcos employed two presidential project-based appropriated pork (PPAP) programs: the PACD and the Barrio Fund.

Prior to the 1969 elections, therefore, Marcos’ had established mechanisms to mobilize the support of politicians and voters. While the 1969 presidential elections were marred by controversies and were regarded as the “most expensive elections in Philippine history” (Tilman, 1971), Marcos had definitely prepared the ground for his re-election through a lethal combination of congressional slush funds and presidential project-based appropriated pork programs. The former ensured continuing support from NP members, with only “minor defections from the top down to the province, city and municipality” (Abueva, 1970, p. 57). The latter, on the other hand, through the PACD and the barrio fund, provided Marcos a closer link with barrio leaders who were the key election brokers at the local base of the political system. At the end of the 1969 elections, the losing contender, Sergio Osmeña, Jr., remarked that he was “outgonned, outgunned and out gold” (Abueva, 1970, pp. 62-63). As Marcos drained the budget and over-committed in the release of congressional slush funds to secure electoral victory in the 1969 elections, the country confronted a post-election financial crisis in 1970 (Tilman, 1971, p. 140). This crisis was addressed through austerity measures which, in turn, helped spur a wave of protests against Marcos that persisted until the declaration of martial law in 1972.

Marcos’ decision to declare martial law in September 1972 was not surprising. The year before, after the bombing of an LP rally in Manila, Marcos suspended the writ of habeas corpus (Adkins, 1972). Continuing protests from students and violent encounters between the government and secessionist and communist insurgents,
among others, provided Marcos the rationale to invoke the power to declare martial law under the 1935 Constitution. With absolute power in his hands, Marcos successfully manipulated other processes, from the formulation of the final draft of the 1973 constitution, to its ratification and his granting himself an unprecedented third term as President (Grossholtz, 1974).39

It was not until 1978, that Marcos called for an election of the Interim Batasang Pambansa (Interim National Assembly or IBP). As the country remained under martial law, and as Marcos enjoyed control over the election commission, his administration party, the Kilusang Bagong Lipunan (New Society Movement or KBL), swept all but 16 seats of the 144 elective positions in the IBP. The opposition put up candidates chiefly in urban areas.

In an attempt to strengthen his connection with barangays (villages), Marcos created the Kilusang Kabuhayan at Kaunlaran program (National Livelihood Program or KKK) in 1981. The program was designed to “attain self-reliance and national development by tapping human and material resources available in all barangays…and ushering the barangays into a more advanced state of economic independence and self-sufficiency” (Doromal & Dela Trinidad, 1982). Reminiscent of its predecessor, the PACD, the KKK program was allocated an amount of PHP 1 billion, an allocation that

39 In the Citizens’ Assemblies called for to ratify the constitution, 91 percent voted for the adoption of the 1973 Constitution and only 9 percent voted in favour of another plebiscite to ratify the Constitution (Presidential Communications Development and Strategic Planning Office 2015). Through a Presidential Decree, Marcos called for a plebiscite through Citizens’ Assemblies with the sole question of whether the voters wanted him to continue beyond the end of his term in 1973 and “finish the reforms he has initiated under the Martial law.” Ninety-one percent voted in favour of Marcos continuing as President.
was to be replicated annually until 1987.\textsuperscript{40} It also resurrected the \textit{barrio}-focused funding that Marcos disbursed from 1968. Like the PACD, the KKK program was \textit{presidential project-based appropriated pork}. It was meant to disperse patronage to local communities (Tagaza, 1983).

The presidential order establishing the \textit{KKK} created several implementing structures: a \textit{Pambansang Lupon} (National Board), chaired by the President, with a National Secretariat headed by the Minister of Human Settlements, then First Lady Imelda Romualdez-Marcos, as well as a \textit{Sangguniang Panrehiyon sa Pagpapaunlad} (Regional Development Council or RDC) (Doromal & Dela Trinidad, 1982, pp. 148-153)). The RDC accommodated the participation of the regional member of the IBP who sat as an \textit{ex-officio member}. In this regard, through the participation of the legislators in the RDC, they were able to include their projects as earmarks under the KKK. In effect, through the KKK, Marcos restored congressional earmarks.

With the imminent holding of the elections for the regular \textit{Batasang Pambansa} (BP) in 1984, the 1983 budget reinstated congressional slush funds under the Support for Local Development Projects (SLDP). The SLDP fund was to be released to the appropriate implementing ministries and agencies as recommended by the regional representatives to the national assembly and as approved by the President. The 1983 budget allotted PHP 84 million to the SLDP. In the midst of a severe financial crisis, \textsuperscript{41}

\textsuperscript{40} In its initial year in 1981, 30\% of the PHP 1 billion allocation was set aside for the \textit{Puhunan} (seed capital) fund, a collateral free and non-interest credit bearing facility that could be availed by targeted beneficiaries, at a maximum amount of PHP 3,000 per beneficiary (or a total number of 100,000 beneficiaries). The remaining PHP 700 million was allocated for the \textit{Kilusan} (movement) fund, a collateralized loan fund with a 12 percent interest per annum for non-prioritized beneficiaries.

\textsuperscript{41} From late 1983 onwards, the Philippines confronted a serious financial crisis with the government’s spending closely watched by the International Monetary Fund. Despite this, however, Marcos sustained the SLDP congressional slush fund.
Marcos was reported to have been pressured by members of his own party, the *KBL*, to resurrect the congressional slush fund to support the re-election of these party members in the 1984 regular BP elections. Representatives were fearful that the continuing and mounting opposition against the regime would bolster the chances of the electoral opposition in the 1984 elections. Even with the SLDP, however, the KBL saw its share of seats in the BP reduced from 91 percent in 1978 to 66 percent in 1984. Notwithstanding the seeming ineffectiveness of the SLDP in mobilizing votes, the budgetary item was maintained in the General Appropriations Act until 1986.

**Different folks, different pork**

In tracing the history of pork barrelling in the Philippines, this chapter captures the variance in the relationship between the executive and the legislators, as well as changes in the forms of particularism that obtained from 1922 to 1986.

Within the period from 1922 to 1972, pork primarily came by way of congressional slush funds included in the Public Works Act. Beginning with an allocation of PHP 8.48 million in 1922, with more than 70 percent allocated as congressional slush funds, the largest appropriation for the PWA was during the Magsaysay administration (PHP 348 million in the 1956 PWA). Despite the large PWA allocations within this period, a study notes that for the period from 1955 to 1968, only 27 percent of the funds appropriated were actually spent. This was due to the backlog of fund releases (Fernandez, 1973, p. 308), as well as the unfavourable fiscal position of government across many of these years. The proportion of congressional slush funds included in the PWA that were released for the same period (1955 to 1968) was only
somewhat better, comprising 31 percent of the total pork appropriation (PHP 648.5 million) (Fernandez, 1973, pp. 313-314).

Aside from the limited amounts released, congressional pork was also selectively distributed by presidents in the post-war period, disbursed largely to allies. The selective distribution indicates the relatively weak control of post-war presidents of the legislature as compared to Commonwealth President, Manuel L. Quezon. Quezon remains the epitome of presidential dominance. All other presidents after him, with the exception of Marcos under martial law, had to deal with assertive legislators whose support generally required the disbursement of their cherished congressional slush funds.

Recognizing that their political fortune did not rest solely on congressional support, two presidents, Magsaysay and Marcos, augmented the congressional fund with presidential particularism, in the form of presidential project-based pork. This allowed them to bolster their political base beyond Congress-- most importantly to governors and mayors throughout the archipelago.

Beyond the differing relations between the executive and the legislature and the variances in particularism that obtained from the American colonial to the martial law period, one thing is clear: The statutes and constitutions that were in force within this period provided the chief executive, from the Governor General to the presidents, the power to dispense patronage resources to favoured legislators. The delivery of pork barrel resources enabled them to build a legislative coalition, and for a couple, systematically expand their political base at the local level as well. Building on this long history of pork barrelling, the administrations after Marcos not only sustained but elaborated and expanded the practice in the years to come.

After the dramatic collapse of the Marcos regime in February 1986, Corazon “Cory” Cojuangco Aquino assumed the presidency and ushered in a return to democratic structures. As the transition president, her early decisions paved the way for the sustenance of particularism within and beyond her term. First, Aquino restored pre-martial law political institutions that, as argued in Chapter 2, provided the president significant budgetary and agenda-keeping powers. To complement the constitutional powers, Aquino issued Executive Order No. 292 or the Administrative Code of 1987, which provided the president even more powers vis-à-vis budget formulation and execution. Specifically, this put appropriated funds on reserve and empowered the president to re-align these funds—two elements of discretion that are essential in disbursing what I referred to in Chapter 1 as presidential quasi-pork.

If in general Philippine presidents have few opportunities to employ partisan powers, Aquino went even further and actively eschewed such powers. Her decision to dissociate herself from any of the parties that had coalesced together in support of her candidacy thus further eroded what was already a negligible tool to build coalitions or push a programmatic agenda. By continuing to distance herself from any supportive party, especially after the formation of the Laban ng Demokratikong Pilipino (LDP or Fight of the Democratic Filipinos), Aquino relegated the control of each chamber of the legislature to leaders of factions who formally supported her administration but were in fact acting quite independently of it. As Aquino thus exacerbated the weakness of post-Marcos political parties, she was forced to rely largely on particularistic budget tools to
achieve her goals. Aside from retaining the congressional slush fund (CSF) restored by Marcos in 1983, as discussed in Chapter 3, she also allowed legislators to insert projects in the final budget as congressional earmarks (CE). Beyond these forms of particularism, Aquino also employed presidential project-based off-budget pork (PPOP) through the President’s Social Fund (PSF) and the Kabisig People’s Movement (Linked-arms People’s Movement or Kabisig). The last program, Kabisig, was founded in the 1990 and was Aquino’s attempt to bypass Congress and expand her political base.

In this chapter, I discuss in detail the decisions of Aquino and the particularism that prevailed within her term. To begin with, I note that Aquino was an atypical President who had no prior record of serving in government and had limited experience in the rough-and-tumble world of Philippine politics.

The “reluctant” President

Returning to the Philippines soon after her husband, Benigno “Ninoy” Aquino, Jr. was assassinated in 1983, Corazon Cojuangco Aquino was pushed into taking a lead role in the anti-Marcos campaign. Participating in the protests that followed after the burial of her late husband, Mrs. Aquino campaigned hard for opposition candidates in the 1984 regular Batasang Pambansa (BP) elections. Given the popular outrage against Marcos and Mrs. Aquino’s campaigning, the opposition won a third of the 183 contested seats despite Marcos’ extensive use of patronage resources and the employment of coercion (Thompson, 1996, pp. 125-127). Patronage resources employed by Marcos (as discussed in Chapter 3) included a revived congressional slush fund (i.e. the Support for Local Development Projects) and the Kilusang Kabuhayan at Kaunlaran (KKK) program.
Though the opposition did gain much during the 1984 elections, factions became apparent. One faction was led by Salvador Laurel, the head of the United Nationalist Democratic Organization (UNIDO), the party that won more than a third of the seats captured by the opposition in the 1984 elections (Thompson, 1996, p. 132). The other faction that pushed for the candidacy of Aquino was a group of politicians, business leaders and professionals who set up a Convenor’s Group to select the possible opposition presidential candidates should Marcos call for an election (Franco, 2001, p. 30; Pauker, 1987; Thompson, 1996, pp. 133-134). The Convenor’s Group (CG), as established to overcome differences within the opposition, was composed of three seemingly non-partisan figures businessman Jaime Ongpin, veteran legislator Lorenzo Tañada, and the reluctant enlistee, Aquino (Thompson, 1996, p. 134).

From the first meeting of the CG in November 1984, members of the group, as well as leaders of a Cory Aquino for President Movement (CAPM), suggested that Aquino herself should be the candidate (Thompson, 1996, pp. 135-136). For almost a year, she parried all calls for her to run as President. However, on October 22, 1985, in a speech before the Sigma Delta Phi sorority, Aquino said that “she will make up her mind once Marcos called for a snap election, but only if a million signatures were collected supporting her proposed candidacy” (Pauker, 1987, p. 295). On December 2, 1985, in a rally held in the same church were Ninoy Aquino’s wake was held for several days in 1983, she was presented with more than 1.2 million signatures urging her to run as President (Pauker, 1987, p. 296).

To proceed with her candidacy as President, Aquino had to enter into an agreement with Salvador “Doy” Laurel, the head of UNIDO, who had earlier filed his
candidacy as President. In Laurel’s account, the agreement with Aquino was reached on December 11, 1985, with the two settling on the following:

a. Mrs. Aquino will run under UNIDO\(^{42}\)
b. Mrs. Aquino will be a ceremonial President and would step down in two years
c. Laurel will be appointed prime minister
d. Laurel will name 30 percent of the Cabinet and Mrs. Aquino will appoint the remaining 70 percent only after close consultations with Laurel (Laurel, 1998, p. 22).

Despite the absence of a document to prove such agreement, the purported deal between two opposition figures reflects the travails that Aquino had to go through from her campaign for the presidency until the last day of her term. Within her term, Aquino would be hounded by challenges from her erstwhile allies. Given these challenges, especially given her decision to shun any party affiliation, Aquino had to court support by way of tolerating or satisfying the particularistic tendencies of legislators—especially in the lower house.

**The missed opportunity: Aquino and the framing of the 1987 Philippine Constitution**

In hindsight, Aquino could have tipped the balance in favour of programmatic politics by exercising more influence in the framing of the new Constitution by an appointive commission.\(^{43}\) This was especially the case during the period when she held considerable powers, from late February 1986 until the ratification of the Constitution in March 1987. A month after she assumed office, Aquino issued Proclamation No. 3 on March 25, 1986 to promulgate a provisional constitution. Dubbed as the “Freedom  

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\(^{42}\) Mrs. Aquino was earlier nominated by the Partido Demokratikong Pilipino-Lakas ng Bayan (PDP-LABAN) party (Pauker, 1987).

\(^{43}\) The proclamation also stipulated that within sixty days from its promulgation, the President shall constitute a Commission, composed of not less than thirty (30) nor more than fifty (50) natural-born citizens, to craft a new Constitution. The Constitutional Commission, composed of 48 commissioners, started their work on drafting a new charter in early June 1986 and completed its work on October 1986.
Constitution”, the provisional charter retained the articles on citizenship and bill of rights of the 1973 Constitution but abolished the legislature, the Batasang Pambansa, and the position of Prime Minister. Given the abolition of the legislature, the provisional constitution bestowed on the President exclusive legislative power. But Aquino was neither Quezon nor Marcos, the two presidents who (as explained in Chapter 2) exercised significant influence in the formulation of the 1935 and 1973 Constitutions. Aquino left it to the Constitutional Commission to deliberate on the fundamental law. There was strong consensus on certain anti-authoritarian provisions, including restrictions on the President’s emergency powers. Beyond that, she instructed members of the Constitutional Commission to “design a new legislature but not to do that legislature’s work for it” (Lande, 1987, p. 31). Such instruction mirrors the naiveté of Aquino, as well as that of the Commissioners, that the new legislature would be composed of members who would quickly craft enabling statutes that would result in more inclusive and programmatic politics. Aquino’s disinclination to assert herself on an appointive commission was taken by a veteran journalist, Amando Doronila, as an indication of her “unwillingness to exercise power,” as “she operates on the theory that the political institutions she restored would create their own magic and dynamism” (Karnow, 1990). Unfortunately, the dynamism expected did not come about, as the new legislature came to be stuffed with old-style politicians and members of political families who are wont to enact measures that would be to the detrimental to their interests. Even

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44 The Institute for Strategic and Development Studies (ISDS) identified 81 provisions of the 1987 Constitution that required future congressional action. See Hernandez, Velasco, and Faustino (1998). Some provisions that required an enabling law included sectoral representation in legislative bodies of local governments (Article X, Section 9); the organic act for autonomous regions (Article X, Section 19); the agrarian reform program (Article XIII, Section 4); the urban land reform program (Article XIII, Sec. 9); and the prohibition on political dynasties (Article 2, Section 26).
before Aquino interacted with a fractious Congress, she dealt with an equally divided cabinet in the first year (1986-1987) of her term.

**An unwieldy cabinet coalition**

In forming her cabinet, Aquino brought together a diverse set of individuals from groups that contributed to the ouster of former President Marcos. In essence, Aquino employed a cabinet allocation tool in constituting her cabinet. Her first appointees to the Cabinet included members of the various political parties opposed to Marcos, e.g. leaders of UNIDO, the Liberal Party (LP), the Partido Demokratikong Pilipino (Party of Democratic Filipinos or PDP]), Laban ng Bayan (Fight of the People or Laban); supporters under the CAPM; human rights lawyers; technocrats; businessmen; academics; and a former Marcos ally, Juan Ponce Enrile. The members of Aquino’s first cabinet could be classified into several groups, from liberal thinkers, conservatives, and pragmatists (Presidential Management Staff, 1992b).

Given the diverse composition of her cabinet, it did not take long for the coalition to break down.

The first major shake-up of the cabinet took place in late November 1986. The changes came soon after the government thwarted a planned coup led by Defense Minister Juan Ponce Enrile. The coup attempt, known as God Save the Queen, was discovered earlier by government and was successfully foiled on November 23, 1986. In a nationwide broadcast after the frustrated coup, Aquino announced her decision to

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45 Enrile was Marcos’ former defence minister who defected soon after his coup attempt against Marcos was discovered.
46 Classified as liberal thinkers were Executive Secretary Joker Arroyo, Labor minister Augusto Sanchez, and Economic Planning minister Solita Monsod. The conservatives included Trade and Industry minister Jose Concepcion, Finance minister Jaime Ongpin, and AFP Chief of Staff Fidel Ramos. Finally, the pragmatists were Health minister Alran Bengzon and Cabinet secretary Fulgencio Factoran.
replace Enrile and ask all her Cabinet members to submit their resignation letters in order to “give the government a chance to start all over again” (Davide, Romulo, Hernandez, Lazaro, & Monsod, 1990, p. 155). A few days after, she replaced two other ministers who were accused of corruption (Mydans, 1986) and two more who had proven especially controversial: the Local Government Secretary, Aquilino “Nene” Pimentel and the Labor Secretary, Augusto “Bobbit” Sanchez. Pimentel drew the ire of a number of Aquino’s coalition partners given his alleged bias in appointing officers-in-charge of local government units who were members of his own party, the PDP. Sanchez, on the other hand, was viewed as one of the left-leaning cabinet members whose removal was demanded by the coup plotters (Mydans, 1986).

The second significant change in the cabinet occurred as a result of the resignation of seven ministers who opted to run for legislative seats in the May 1987 elections. In late August 1987, however, another change occurred in the cabinet, resulting from yet another failed coup attempt. Under pressure from newly elected legislators, Aquino would be compelled to let go of one of her closest advisers, Executive Secretary Joker Arroyo (Mydans, 1987a). She also replaced Finance Secretary Jaime Ongpin, who had been embroiled in Palace infighting, specifically with Arroyo (Mydans, 1987a, 1987b). Finally, she accepted the resignation of Vice President Laurel as Secretary of Foreign Affairs. Aside from these changes, there would be several additional cabinet shuffles under Aquino, and in the end the administration had the dubious distinction of having the highest cabinet turn-over rate in Philippine
The frequent changes in Aquino's cabinet testify to how cabinet allocation was not an effective tool for her to build and sustain a coalition. Through it all, she came to depend increasingly on former General Fidel V. Ramos, who—first as Chief of Staff and later and later as Secretary of Defense—provided critical support against frequent coup attempts.

While Aquino dealt with a factious cabinet from her first year as President, she enjoyed continued support from the public. On February 2, 1997, 77 percent of the voters ratified the proposed 1987 Constitution. Moreover, candidates of Aquino's coalition parties were backed by voters in the May 1987 legislative elections.

The fractious congressional coalition

The 8th Congress, convened in late July 1987, was significantly under the control of pro-Aquino parties that grouped together as the *Lakas ng Bansa* (LAKAS Power of the Nation) coalition. The coalition was composed of the LP, the *Laban ng Bayan* (LABAN), the PDP, and the National Union of Christian Democrats (NUCD). Thompson (1996) explains that of the 200 members of the lower house, 149 were with the *Lakas ng Bansa* coalition, with 95 of the candidates running under more than one party label.

For the Senate, 22 of the 24 members were part of the pro-Aquino coalition.

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47 Some changes were due to policy differences. For example, economic managers in the Aquino cabinet were known to differ with regard to the strategy in dealing with the country’s foreign debt, with the liberals, represented by Economic Planning Secretary Solita Monsod, opting for selective repudiation, and the conservatives (who held the finance portfolio) arguing that it was honourable to pay for all the debts incurred and to abide by the adjustments required by the International Monetary Fund. As a measure of cabinet turn-over, Mrs. Aquino had five Executive Secretaries, in a post known to be important and labelled as the “little President,” since the Executive Secretary can issue orders on behalf of the President and clear any and all appointments or documents for the approval of the President. While the first Executive Secretary (Joker Arroyo) was forced out by pressure from the military, his replacement (Catalino Macaraig) was re-assigned when Mrs. Aquino decided to appoint someone who could effectively take charge of her Kabisig Program (Oscar Orbos).
Given that the majority of the elected legislators were allied with Aquino, the leadership of each chamber was a toss-up among coalition members. In the lower house, Representative Mitra garnered the support of his colleagues from the *Lakas ng Bansa* coalition despite earlier reports that a number of other pro-Aquino legislators were vying for the speakership. Aside from Mitra, legislators who publicly declared their bid for the speakership included Aquino’s uncle, Francisco Sumulong, former Transportation Minister Hernando Perez, veteran legislator Antonio Cuenco, and a long-time LP member, Raul Daza (Villa, 1987b). Ramon Mitra eventually got 151 votes after being nominated by Cuenco (Valmoria, 1987). Mitra’s election to the speakership was also helped by the support from erstwhile Marcos supporters, led by San Juan representative, Ronnie Zamora, who organized 23 representatives to support Mitra’s bid (Gutierrez, 1994, p. 8). The withdrawal of the other reported speakership candidates and Zamora’s support for Mitra testifies to the politics of compromise among political parties that prevailed from the reconvening of congress in 1987. As part of this compromise, a candidate for the speakership, Francisco Sumulong, was elected majority floor leader. Zamora himself was appointed assistant majority floor leader. An opposition assemblyman belonging to UNIDO and who held the position of Deputy Budget Minister in the early Aquino years, Representative Rolando Andaya Sr., was appointed as Chair of the powerful Committee on Appropriations (Danao, 2011).

Beyond its formal leadership structure, power within the lower house was in reality configured in clusters that revolved around key personalities including Mitra;

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48 In his former appointive post, Andaya was credited for having enabled the government of Aquino to operate, with but 30 percent of the budget for the 10 remaining months of 1986 (Diaz, 2001).
Aquino’s brother, Jose “Peping” Cojuangco; Sumulong; and Hernando Perez (McBeth, 1990a). Though these cliques worked together to protect their key interests, specifically on issues such as agrarian reform or on their share of pork, their existence would make it more difficult for the executive to steer legislative initiatives towards its ends. More importantly, the dominance of these cliques reflected the weakness of political parties.

For the upper house, Jovito Salonga, a long-time member and President of the LP, won the Senate presidency by “acclamation of his peers” (Foz, 1987a). Salonga’s successful senate presidency bid came despite the initial opposing intervention of two of Aquino’s in-laws—Paul Aquino, the campaign manager of the LAKAS coalition, and newly elected senator Butz Aquino (Salonga, 1995, p. 294). The contender initially favoured by the Aquino in-laws, Senator Neptali Gonzales, eventually got the chairpersonship of the powerful Finance Committee (Salonga, 1995, p. 30).

The multiplicity of party identification in the lower house eventually gave way to a single dominant party in mid-September 1988. At that time, Jose “Peping” Cojuangco (President Aquino’s brother) and the Speaker of the lower house, Ramon Mitra, established the Laban ng Demokratikong Pilipino (LDP) and declared the dissolution of the two parties they belonged to. Prior to the LDP’s establishment, Cojuangco was an official of the PDP. Mitra, on the other hand, was a member of the Laban coalition. After the LDP’s formation, members of the lower house affiliated with different pro-Aquino groups or rostered as independents shifted to the LDP, with the party accounting for 159 of the 200 members of the lower house by late 1989 (Caoili, 1998; Lallana, 1989). In the formation of the LDP, Speaker Mitra was accused of dangling PHP 15 million in dole-outs for district projects to entice congressmen to join the party (Lallana, 1989).
That Mitra could entice party shifting through the promise of additional slush funds testifies to Aquino’s delegation of the control of patronage resources to her congressional lieutenant, a privilege that no other President before nor after her would devolve to the Speaker of the lower house.

The formation of the LDP led other politicians supportive of Aquino to form their own alliance. A faction of the PDP that refused to join the LDP, led by Senator Aquilino Pimentel, denounced the LDP as a “monolith party in the tradition of Marcos’ Kilusang Bagong Lipunan” (Perpena, 1988). In both the lower and upper house, pro-Aquino solons who did not join the LDP bandwagon established their own alliances, referring to themselves as the “conscience bloc” (de Guzman, 1988, p. 1). To an opposition congressman, however, the formation of the LDP was just the “result of the intense rivalry” between House Speaker Ramon Mitra and Senate President Jovito Salonga (de Guzman, 1988, p. 8), a rivalry that persisted until the presidential elections of 1992 as each took every effort to defend their turf.

Executive-legislative relations under Aquino

Unlike prior presidents who took a direct hand in getting measures approved by the legislature, Aquino did not assert her authority over Congress, and seemingly left the matter of legislation to the leadership of both houses. Part of the reason for her less directive relations with the legislature is that she had to attend to more critical challenges within her term, including several coup attempts, two of which (in August 1987 and December 1989) nearly resulted in her ouster from power. A more important reason is that Aquino “did not have any specific legislative agenda of her own to which she was deeply committed” (Salonga, 1998, p. 64). Further, Aquino “relied heavily on
the personal commitment of legislators who won under the spell of the “Cory magic, including the *kamag-anak* (kinship) connection, in securing the enactment of the Administration’s measures” (Lumauig, 1998, p. 66).49 Aside from relatives, Aquino also depended on “personal ties with friends, and allies in Congress to push her legislative agenda” (Hernandez et al., 1998, p. 123). She also occasionally worked with leaders of Congress who were her appointees to her first cabinet.50 Thus Aquino, when she needed congressional support, had little choice but to work with personal networks that could be supplemented by way of the distribution of spoils or an exchange of favours.

In the absence of a deep commitment to a legislative agenda and her reliance on a personal and familial network of supporters, the legislative outputs during Aquino’s term were either products of or compromises among legislators who had their own interests to protect or promote. In a few instances, they directly opposed her own policy preferences. The Comprehensive Agrarian Reform Law represented such outputs and

49 Apart from her brother, Peping Cojuangco, Mrs. Aquino’s other relatives in the house included siblings of her late husband, Ninoy—one in the lower house, Teresa Aquino-Oreta, and the other in the upper house, Agapito “Butz” Aquino. In addition, Mrs. Aquino’s maternal uncle, Francisco Sumulong, and cousin, Emigdio Sumulong Tanjuatco, Jr., were elected as representatives of the province of Rizal. Among these relatives, Peping would be most influential. As someone who has had a relatively longer experience in politics, having served as a representative of his home province of Tarlac from 1961 to 1969 and as campaign manager for his brother-in-law’s bid for a parliamentary seat in 1978, Peping regained his congressional seat in the 1987 election. As mentioned earlier, he was instrumental in the formation of the LDP, serving as its founding Secretary-General. He was appointed as Chair of the Agriculture and the Public Order and Security in the 8th Congress (1987-1992).

50 Included among these former cabinet secretaries were Salonga, who served as the first Chair of the Presidential Commission on Good Government (PCGG), the commission tasked to recover the ill-gotten wealth of the Marcoses, and Mitra, who had served as Agriculture minister. Several other former Aquino appointees were elected to the lower and upper house. For the lower house, these were Hernando “Nani” Perez (who held the Transportation and Communication portfolio), Neptali Gonzales (former Justice Secretary), Teofisto Guingona (Chair of the Commission on Audit), Jose Lina (former Metro Manila Commission chair), Aquilino “Nene” Pimentel (former Interior secretary); Alberto Romulo (former Budget Secretary), Heherson Alvarez (former Agrarian Reform secretary), and Victor Ziga (former General Administrative Services secretary).
reflected, from the perspective of one astute observer of Philippine politics, Aquino’s failure “to exercise leadership over Congress” (Rocamora, 1991, p. 640).

With respect to policy differences between the Executive and Congress, these involved the Senate’s contrary positions on the ratification of a new military bases agreement with the United States and the continually oppositional stance from both houses of Congress on the issue of handling the country’s foreign debt, as well as the Executive’s prerogative on the budget. Inasmuch as the other policy concerns (i.e., agrarian reform, the US military bases, not to mention the landmark 1991 Local Government Code) are beyond the scope of this dissertation, I will elaborate on the dispute between the President and the Senate on the handling of the country’s sizeable foreign debt and with Congress as a whole on issues of presidential prerogatives over the national budget.51

For the duration of Aquino’s presidency, the handling of the country’s huge foreign debt was a constant source of difference between the Executive and especially the Senate (Salonga, 1995, p. 41). On the one hand, the Aquino administration generally avoided a confrontational approach with foreign creditors. But the counter stance, to press strongly for a renegotiation of the terms of payment of onerous debts incurred by Marcos, was actually very much in line with Aquino’s first State of the Nation Address (SONA). In this first SONA, Aquino assailed the foreign creditor banks for taking undue advantage of the internal difficulties confronting the country and forcing

51 Mrs. Aquino and Congress also differed in their views on the proposed expansion of the powers of the Commission on Appointments, the constitutional body that confirms presidential appointees from cabinet secretaries to upper middle level officials of the Executive branch. In early 1988, Mrs. Aquino vetoed a bill passed by Congress that sought to expand the roster of officials subject to congressional confirmation (Esplanada, 1988a). Eventually, Congress dropped the proposed changes to the powers of the Commission on Appointments.
the government to sign an accord with them (Marcelo, 1987). On its second session day, both houses of Congress called for an inquiry into Aquino’s allegations, with a legislator proposing a cap to debt payments (Foz, 1987b; Villa, 1987a). The legislator, Senator Alberto Romulo, Aquino’s former budget minister, subsequently filed a bill that proposed to limit the payment of the country’s foreign debt to 10 percent of commodity export receipts (Manila Bulletin, 1987). While Romulo’s bill was not enacted into law, many in Congress continued to insist on other strategies to address the foreign debt obligation that burdened the country as Aquino assumed the presidency. This included a renegotiation of the debt payment.

The most important reason for the Senate’s constant opposition to foreign debt servicing was the sizeable share of debt payments in the annual budget. To members of Congress who were bound by the constitutional restriction that they could not increase the amount submitted by the Executive for the proposed budget, the only way to have their favoured projects financed was by reducing the amount slated for debt servicing. Thus, while some legislators may have sincerely sought the abrogation of onerous debts incurred by Marcos, there were many more legislators who pushed for a reduction of debt service payments with the goal of squeezing funds from the annual budget for their pet projects. This was true not only during the term of Aquino but also in subsequent administrations (as I will discuss in succeeding chapters).

The dispute between the Executive and the upper house on the handling of the country’s debt problem came to a head in late February 1989. On February 20, 1989, Aquino vetoed a measure that called for the creation of a Joint Legislative-Executive Foreign Debt Council. The Senate unanimously overrode the veto of the President as
the principal author, Senator Alberto Romulo, refuted the assertion of Aquino that the Council would encroach on the presidential prerogative of contracting foreign loans (Salonga, 1995, p. 64). The Senate over-ride of the presidential veto is the first and only time in Philippine history that the upper house exercised its constitutional power against the President. A meeting was held between the majority Senators and Aquino. In the meeting with President Aquino, Senator Neptali Gonzalez remarked:

*Kami naman ay inyong tuta. Hindi naman namin kinakaila. Pero huwag naman ninyo kaming insultuhin na parang hindi namin nalalaman ang aming ginagawa. (We are your lapdogs. We do not deny this. But please do not insult us by making it appear that we do not know what we are doing.)* (Salonga, 1995, p. 69)

Aquino’s brother-in-law, Senator Butz Aquino, was reported to be a recipient of the President’s disgust. On the night the Senate was deliberating the rejection of the President’s veto, Senator Aquino was supposed to have called President Aquino to explain his vote, but Mrs. Aquino reportedly remarked, “*pati ba naman ikaw, Butz*” (“even you, Butz”), a statement that reflects Mrs. Aquino’s inclination to court familial affinity as a basis for a legislator’s decision (Cunanan, 1989).

Unfortunately for the Senate, the lower house was not willing to over-ride the presidential veto. In a caucus of the majority, the representatives agreed to re-word portions of the rejected bill that the President opposed (Perpena & Palacios, 1989). While Aquino offered an alternative, an Executive Order (EO) that creates the joint debt council, the Senators eventually convinced the President and their counterparts in the lower house to craft a new bill that was eventually enacted into law, Republic
Act 6724 (Salonga, 1995, pp. 69-70). In his assessment of the Senate’s rejection of Aquino’s veto, Senate President Salonga remarked:

Although the Senate and the House apparently prevailed in this unusual encounter, in the end the same old approach in handling the foreign debt problem was adopted by the President...We won the procedural battle, one might say, but we lost the substantive war (Salonga, 1995, p. 70, emphasis added)

Congress did not relent in its battle to change Aquino’s approach to paying the country’s foreign debt. In the General Appropriations Act (GAA) from 1990 to 1992, Congress inserted provisions that restricted the payment of foreign debts. In vetoing this provision in the 1990 GAA, Aquino rationalized her decision, arguing that the provision “may be viewed as a manifestation of bad faith on the part of the Philippine government and may send the wrong signal to our foreign creditors” (Republic of the Philippines, 1990). Aquino also vetoed provisions in the 1991 GAA and the 1992 GAA that imposed a ceiling on debt payments. In all these instances, Aquino clearly invoked the reactive power, specifically the line-item veto, provided by the Constitution.

Aside from the debt service issue, Aquino also tussled with the Senate on the President’s power to juggle funds in the budget. The dispute stemmed from Aquino’s veto of a general provision in the 1989 budget that prohibited the President from

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52 Republic Act 6724 established an advisory Joint Legislative-Executive Foreign Debt Council that was tasked to study options in dealing with the country’s debt obligations.
53 The specific provision inserted by Congress in the 1990 GAA de-authorized the payment of a loan for the Philippine Nuclear Power Plant, a project that was tainted with anomalies, from the procurement of loans to alleged kickbacks by some proponents, and was mothballed under the Marcos administration.
54 In the 1991 GAA, Congress inserted a provision that imposed a ceiling on debt payments not to exceed 20 percent of the merchandise export receipts for the year 1991. In the 1992 GAA, the ceiling was even lower, at 10 percent.
restoring or increasing any appropriation disapproved by Congress.\textsuperscript{55} Given Aquino’s veto, the Chair of the Senate’s Committee on Finance was directed to file a petition before the Supreme Court questioning the constitutionality of Aquino’s veto of the general provision. The senators contended that the 1987 Constitution limited the line-item veto power of the President to cover only items rather than general provisions (Salonga, 1995, p. 74). On the other hand, Aquino asserted that the general provision “violated the constitutional and statutory powers of the President, as well as the heads of other branches, to augment any item in the general appropriations law for their respective offices from savings in other items of their respective appropriations” (Melencio-Herrera, 1990). Eventually, in a majority vote with a lone dissenter, the Supreme Court (SC) dismissed the petition of the Senate, upholding the validity of the presidential veto. The SC also ruled that if “the legislature believed that the exercise of the veto powers by the executive was unconstitutional, the remedy laid down by the Constitution is crystal clear. A presidential veto may be overridden by the votes of two-thirds of the members of Congress” (Melencio-Herrera, 1990). The SC’s decision affirmed the President’s power to transfer funds from savings, a power (as discussed in Chapter 2 and in the section below) provided by the 1987 Constitution and the 1987 Administrative Code.

\textsuperscript{55} The vetoed provision was Section 55 of the 1989 GAA. The provision read: Prohibition Against the Restoration or Increase of Recommended Appropriations Disapproved and/or Reduced by Congress: No item of appropriation recommended by the President in the Budget submitted to Congress pursuant to Article VII, Section 22 of the Constitution which has been disapproved or reduced in this Act shall be restored or increased by the use of appropriations authorized for other purposes by augmentation. An item for appropriation for any purpose recommended by the President in the Budget shall be deemed to have been disapproved by Congress if no corresponding appropriation for the specific purpose is provided in this Act (Melencio-Herrera, 1990).
The beginnings of quasi-pork

Aquino promulgated the 1987 Administrative Code through an Executive Order (EO No. 292) just a couple of days before the 8th Congress of the Philippines (1987-1992) formally opened in late July. One section of the 1987 Administrative Code, Book VI, covers the national government budget. This section basically replicated the provisions of a presidential decree issued by former President Marcos in 1977, Presidential Decree No. 1177 (PD 1177) or the Budget Reform Decree of 1977.

Three sections of Book VI of the 1987 Administrative Code bestow on the President the prerogatives that produce what I refer to as quasi-pork, specifically the *impoundment and augmentation pork* (IAP). As discussed in Chapter 1, the GAAs from 1946 to 1970 included a provision that allowed the President to transfer funds to augment other items in the appropriations measure. These provisions in the GAA were eventually enshrined in PD 1177 and in Section 37 of the 1987 Administrative Code. In the last, the pertinent provision empowered the Secretary of the Budget—an *alter ego* of the President—to establish "reserves against appropriations to provide for contingencies and emergencies which may arise later in the calendar year." The next section further provides the President the authority to "suspend or otherwise stop further expenditures of funds allotted for any agency" whenever "in his judgment the public interest so requires." These two sections alone allow the Chief Executive to withhold the release of authorized funds, a power referred to as "reserve control" or "budget impoundment." De Dios (2000) notes that the requirement of maintaining a reserve provided the President a good deal of post-authorization discretion, with about of a fifth of appropriations not disbursed in 1987-1988 and close to a fifth (16 percent) in 1990-
1991. De Dios further observed that “this discrepancy between obligated and actual amounts became pronounced only after the Marcos period, when implicit executive control over the legislature was no longer possible.” Beyond impoundment, Section 39 of the 1987 Administrative Code allows the President to augment the funding for items of the regular appropriations from “savings.” Aside from unobligated or unspent funds, appropriations put on reserve are included under savings. This discretion over the timing and amount of budgetary releases is regarded as the “single most important source of influence of the executive branch over the legislature” (de Dios, 2000, p. 22). As such, the President, through the impoundment and augmentation of pork, holds another card to sustain legislative coalitions on top of the discretion exercised in the release of their congressional slush fund and earmarks.

In employing the “reserve” or “budget impoundment” powers, Aquino and her budget department would court opposition from the House of Representatives. In 1989, the House’ Appropriations Committee moved to clip the Budget Department’s power to transfer funds, as it established that the department had been drawing from lump-sum appropriations and contingency funds to finance thousands of new positions in government and local government projects (Pango, 1989). Reacting to these transfers, Appropriations Committee Chair Rolando Andaya Sr. questioned Budget Secretary Guillermo Carague: “Why do you superimpose your wisdom over the legislative body? This is the problem with some people in the Cabinet, they superimpose their wisdom” (Pango, 1989, p. 10). For his part, another member of the LDP majority party, Renato Dragon, challenged the Budget Department to show how it spent the savings from the budget since 1986, stressing that from his perspective, “only the DBM can decide how
these [savings] are spent” (Pango, 1989, p. 10). Despite these initial challenges, however, the House passed the 1990 budget without clipping the Budget Department or the President’s budget re-alignment powers. In the end, members of Congress, specifically the lower house, were content that they secured their share of the spoils. As discussed in the next section, these were both the restored congressional slush fund as well as congressional earmarks involving the insertion of their projects into the proposed budget.

From regional to countrywide slush funds

Congressional pork in the form of a congressional slush fund found its way back into the national budget in 1989. Based on the recollection of long-time budget official (and later department secretary) Salvador Enriquez, the reintroduced congressional pork was Aquino’s reaction to the repeated request from politicians who trooped to Malacañang to ask for funds (Enriquez, 2014). A report on the management of such requests indicates that this was one of the areas of conflict in the executive-legislative relationship in the early Aquino years—potential conflicts that were partially resolved by way of matching the legislator’s projects with the development programs of the President (Presidential Management Staff, 1992b, p. 14). To ease the difficulty in responding to the requests for funds, Aquino included in the 1989 budget three slush funds for capital outlay or public works: the Mindanao Development Fund (MDF, with a PHP 480 M allocation); the Visayas Development Fund (VDF, with a PHP 240 million allocation); and the Inter-Regional Development Fund (IRDF, with a PHP 240 million allocation). The VDF and the MDF were meant to respond to the clamour from legislators coming from the Visayas and Mindanao to allocate more funds for these two
regions that they believed to have been neglected in prior development efforts. The IRDP was meant to cover projects in Luzon and other areas in the country (Boncodin, 1998, p. 113).

The special provision governing the first two funds (MDF and VDF) stipulated that the “amounts…shall be equitably allocated among the congressional districts” and the “identification and prioritization of specific projects shall be made by and implemented in consultation with the representative concerned.” The IRDF special provision, on the other hand, gave the Senators a role in identifying and prioritizing projects. From these provisions alone, it is clear that the VDF, MDF, and IRDF are congressional slush funds.

In 1990, the three funds were consolidated into the Countrywide Development Fund (CDF). The CDF was created given the pressure from Luzon-based representatives to obtain their own funds for their district projects (Nograles & Lagman, 2009, p. 5). The total allocation for 1990 was PHP 2.3 billion56 to be used for capital outlays (i.e., infrastructure and other priority projects). Unlike the 1989 VDF/MDF, the special provision for the 1990 CDF did not indicate that legislators would need to be consulted for the infrastructure and other priority projects to be financed by the fund. Instead, the special provision simply stipulates that the funds shall be released to the appropriate implementing agency upon the approval of the President. The absence of a legislatively mandated list of projects to be funded by the CDF, however, indicates that

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56 The exchange rate of the Philippine peso to the US dollar in 1990 was PHP 40.33 to US$ 1. Thus, the total allocation for 1990 was roughly US$ 57 million. Rate based on http://php.fxchangerate.com/usd/1990-currency-rates.html Accessed on 14 July 2017
the fund remains a slush fund rather than an earmark, with the projects subsequently identified by legislators for implementation by the appropriate Executive agency.

In the 1991 CDF, the total allocation remained at PHP 2.3 billion. The special provision on the use of the fund was retained with a slight addition, namely that the funds would be released not later than the third quarter of the current year. The inclusion of the timing of the release may be due to the fact that legislators anticipated that they would require the early releases in view of the elections slated for early May 1992. For the 1992 CDF, the total amount allocated was slightly increased to PHP 2.4 billion.

Though the GAAs for 1989 to 1992 do not spell out the allocation for each of the legislators, there are competing claims on the per capita allocation for legislators. Lagman and Nograles (2009) note that the legislators who were entitled to the VDF/MDF in the 1989 budget were authorized to identify development projects worth PHP 10 million per district. For the 1990 CDF, according to another source, each legislator was reported to have a ceiling of PHP 12.5 million (Parreno, 1998b, p. 36). Boncodin (1998, p. 114) recalls that from 1990 to 1992, lower house representatives were allocated PHP 10 million and senators PHP 12.5 million.

Table 6 shows that a significant proportion (62% in 1990) or nearly all of the funds (more than 90% in 1989, 1991 and 1992) appropriated for the CDF during the Aquino years were released by the administration. These figures are significantly higher than the proportion of congressional pork funds released during select post-war years (As discussed in Chapter 3, from 1955 to 1968, only 31 percent of the pork barrel funds was released or obligated.)
Table 6 Appropriations for CDF, 1989-1992 (in Million PHP)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Amount</th>
<th>House</th>
<th>Senate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Appropriated</td>
<td>Released</td>
<td>% Released</td>
</tr>
<tr>
<td>1989</td>
<td>960</td>
<td>948.9</td>
<td>98.8%</td>
</tr>
<tr>
<td>1990</td>
<td>2300</td>
<td>1432</td>
<td>62.3%</td>
</tr>
<tr>
<td>1991</td>
<td>2300</td>
<td>2119</td>
<td>92.1%</td>
</tr>
<tr>
<td>1992</td>
<td>2400</td>
<td>2225</td>
<td>92.7%</td>
</tr>
</tbody>
</table>


Beyond the CDF, Aquino also allowed members of Congress to insert their own projects into the budgets as earmarks. This was a precursor to the Congressional Initiative Allocation (CIA) that would be systematized under the Ramos administration (to be discussed in Chapter 5). In the effective budget relative to the President’s proposed budget for the GAA’s of 1988, 1990, and 1991, Boncodin reports, these congressional insertions amounted, respectively, to an increase of PHP 2.2 billion, PHP 1.6 billion, and PHP 27.9 billion (Boncodin, 1998, p. 116). To effect these insertions, Congress reduced the interest payments for government debts (Boncodin, 1998, p. 115). Quite noticeable is the substantial amount of insertions in 1991, possibly a result of the preparations of legislators for the forthcoming 1992 national elections. There is no record that Aquino vetoed any of the congressional insertions. This suggests that she further acceded to the particularistic demands of legislators allowing them to enjoy, alongside their slush funds, congressional earmarks by way of these insertions.

Presidential pork

Within her term, Mrs. Aquino also employed a pre-existing fund and created a program that could be both regarded as means to distribute presidential project-based
off-budget pork (PPOP). These were the President’s Social Fund and the Kabisig movement.

The President’s Social Fund (PSF) was created under Marcos through Presidential Decree 1869 or the Charter of the Philippine Amusement and Gaming Corporation (PAGCOR). Under Aquino, PSF funds were disbursed by the Office of the President to finance projects to be implemented by non-governmental organizations (NGOs). These projects included the construction of school buildings, potable water systems, livelihood assistance, and programs for street-children (Presidential Management Staff, 1992a; 1992b, p. 32). Given their off-budget fund source, and the discretion of the President in releasing these funds, the PSF could be regarded as a PPOP.

PSF funds are sourced from the 50 percent of the aggregated gross earnings of PAGCOR remitted to the national government. In 1987, PAGCOR’s revenue amounted to PHP 2 billion (McCoy, 2009, p. 402). Working with this revenue, Aquino had close to a billion pesos to disburse for so-called priority projects that were managed by the Presidential Management Staff (PMS). It is through the PMS that the President provided direct assistance to priority programs and projects not covered by the annual budget. For the period from July 1986 to March 31, 1992, the total remittance of PAGCOR to the national government amounted to PHP 14 billion (Presidential Management Staff, 1992a, p. 17), an aggregate amount that was larger than the total allocation for the same period for congressional slush funds. In the final report on PSF projects implemented from August 1988 to late April 1992, the Aquino administration disbursed less than 10 percent of the PSF funds available, close to PHP 1.2 billion, to finance
more than 5,300 projects across the country with approximately 300 NGOs and people’s organizations (POs) as implementers (Presidential Management Staff, 1992a, p. 8). Though Aquino disbursed but a small fraction of the PSF funds, a legislator tasked to investigate the finances of government in mid-1988 pushed for the cessation of the practice. Rep. Dante Tinga, a member of the majority, raised his concern over the large contribution of PAGCOR to the PSF and moved for a “one-fund” concept that would allow the legislature to effectively monitor disbursements of the Executive of funds that are outside of the Congress-authorized budget (Logarta, 1988). However, the proposal would not be acted on by Congress within Aquino’s term.⁵⁷

Another PPOP program was the Kabisig, established by Aquino in early 1990. Kabisig was meant to facilitate, coordinate and monitor the implementation for projects and programs of the government at the community level. In this regard, the Kabisig followed from the design of similar programs under previous administrations, the PACD of Magsaysay and the pre-martial law Marcos administration, and the KKK established by Marcos during martial law. Additionally, Kabisig afforded Aquino an “opportunity to strengthen direct ties between the government and governors and mayors, circumventing a hostile Congress, where Aquino lacked her own party to provide effective support” (Clarke, 1994, p. 39). It is thus another example of the longstanding inclination of Philippine presidents to exchange favours with local politicians.

A few weeks after the launch of the program, leaders of all the major political blocs in the lower house agreed to boycott Kabisig and to block all funds to it (Clarke,

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⁵⁷ The Supreme Court declared the PSF as unconstitutional in a 2013 decision on off-budget funds. This decision is discussed in Chapter 9.
1994, p. 40). Legislators were critical of the program because of the belief that it would rob them of the spoils of patronage (Richburg, 1990). While legislators opposed Kabisig, the program drew support from the associations representing local officials—the League of Governors, the League of Mayors, and the League of Councilors (Jiang, 1990). This support from local officials all the more fueled resentment on the part of congressional leaders, specifically those from the LDP.

The formation of Kabisig also specifically threatened the interests of a number of legislators known to be angling for the presidency in 1992. Two of these prospective candidates, Senate President Jovito Salonga and Speaker Ramon Mitra, forged a common legislative agenda described by a commentator as a “transparent conspiracy to mount a campaign of obstructionism against the Executive Department in response to the launching by President Aquino of the Kabisig political movement” (Doronila, 1990, p. 1). While the two leaders and Congress did not pursue the common agenda, especially as they prepared their separate campaigns for the presidential elections of 1992, the agreement between Salonga and Mitra may have clinched Aquino’s decision to junk each of them as her potential anointed successor.

Aside from the PPOPs, annual budgets under Aquino also included presidential project-based appropriated pork (PPAP). These are mostly infrastructure projects included in the annual budget. An example of this is a PHP 200,000 allocation in 1988 for each of the country’s more than 1,500 municipalities to carry out infrastructure projects (Esplanada, 1988b). This program is reminiscent of the aid to the barrios implemented by former President Marcos in 1967 (as discussed in Chapter 3), a project that provides central government support to local government units.
Conclusion: accommodating the demands to sustain the coalition

Faced with the task of securing a smooth transition from the loathed Marcos regime to a new political order, Aquino confronted numerous challenges during her administration. For one, Aquino defended herself against more than a handful of coup attempts, two of which, in August 1987 and in December 1989, could have toppled her government. After deciding to cast aside the established representational institution, the Batasang Pambansa, she convened a constitutional commission that crafted a charter that basically brought back the political system under the 1935 Constitution. While the 1987 Constitution limited the President’s exercise of emergency powers, it maintained the President’s strong budgetary powers that provided Aquino the tools to build and sustain a multi-party coalition in Congress.

One tool employed by Aquino to build and sustain her legislative coalition was the congressional pork barrel, through congressional slush funds and congressional earmarks. In restoring these, Aquino submitted to the politics of patronage that has hounded Philippine politics from the American colonial period. Unlike her predecessors, however, Aquino, in the absence of a clear legislative agenda, delegated more authority to the congressional leaders, in the determination and release of congressional pork. Given her weak position, partly arising from the circumstances through which she assumed power and partly from her failure to understand the importance of political parties, Mrs. Aquino had no choice except to accommodate the interests of legislators, despite the fact that many projects funded by the congressional slush funds were found to be wasteful (Boncodin, 1998, p. 113). Another factor, as explained, was Aquino’s lack of a clear legislative agenda.
Two years before her term ended, Aquino was faced with a rather obstructionist Congress. To regain her stature and skirt Congress, she launched a movement, Kabisig, to allow her to implement projects at the local government levels. This program was similar to the presidential pork of prior presidents, namely the Presidential Assistance for Community Development program started under Magsaysay in the 1950s and reinvigorated by Marcos in the 1960s. Using funds drawn from the national government’s share of casino-generated revenues, Kabisig drew the ire of leaders of Congress. In 1991, while dealing with the continuing impact of two natural calamities, a powerful mid-1990 Luzon earthquake and the cataclysmic eruption of Pinatubo Volcano in Central Luzon in mid-1991, Aquino had to face an even more belligerent Congress that refused to enact the year’s budget (Tiglao, 1991). The budget was subsequently enacted very late, in the middle of 1991, with Congress succeeding in inserting a number of projects as congressional earmarks. These were all intended to allow legislators to claim credit in preparation for their re-election in the 1992 national polls.

All told, Aquino succeeded in restoring the procedural democracy that obtained from 1935 until before the declaration of martial law. However, she undeniably missed many opportunities to secure a serious overhaul of the political system. In the middle of her term, a long-time scholar of Philippine politics remarked that “the marvellously non-violent way in which ‘people power’ won restoration of constitutional government in February 1986 may someday be recognized as a fleeting moment in the Philippines history, an opportunity with great potential, which was lost” (Wurfel, 1989, p. 697). While her administration did not confront any major scandal vis-à-vis the disbursement of pork
barrel resources, she bequeathed to her successor powers that would enable him to be even more particularistic than she was.

There was no provision in the Constitution that prohibited Aquino from seeking another term in 1992, but despite calls from her supporters to run for the presidency she declared in late 1990 that she would not run again. From the time she announced her decision, speculations abound as to whether she would endorse a successor (McBeth, 1990b). In due course, Aquino decided to “anoint” the former general who stood by her side during coup attempts, Fidel Valdez Ramos.
Among the post-Marcos presidents, Fidel Valdez Ramos stands out as the Chief Executive who is remembered as being successful in bringing about a range of important economic reforms, from the deregulation of the oil industry to telecommunications sector liberalization (Bernardo & Ang, 2008; Hutchcroft, 1998). To achieve these reforms, Ramos relied on a number of strategies, the most critical of which was the strategic use of pork. This included both congressional and presidential pork. In the former category was the Countrywide Development Fund (CDF), a slush fund established by the preceding Aquino administration in the 1990 budget. Alongside the CDF, Ramos also systematized budget insertions, or congressional earmarks, via the oddly named Congressional Initiative Allocation (CIA). The final form of congressional pork under Ramos was another slush fund through the 1995 Public Works Act (PWA). The latter endowed legislators with multi-year allocations (1995-1998) to finance their local infrastructure projects. It was under Ramos that the congressional slush fund labelled as CDF started to be used for micro-particularistic purposes. From 1994, legislators allocated part of the CDF for livelihood assistance that benefitted individuals, extending the use of pork from what had been, until this time, meso-particularistic projects. While the expansion of spoils for legislators could be interpreted as Ramos’ surrender to the particularistic whims of legislators, the reality is quite the opposite. Ramos’ demonstrated a capacity to maintain the upper hand by controlling the releases of such funds until legislators acted on his proposed measures.
During the Ramos administration, deliberations on the Executive-proposed annual budgets reflected the divergent preference for pork among members of the lower house versus those of the upper chamber. Members of the House carefully guarded their slush funds, notably the CDF and the 1995 PWA, as they were targeted to smaller constituencies. Senators, on the other hand, had a different calculus based on their national constituency and their frequent aspirations for the vice-presidency or the presidency. This led them to favour larger earmarks that they could distribute to a broader constituency and subsequently claim credit for—whether running for re-election or for higher national elective positions.

In addition to his strategic disbursement of congressional pork, to get urgent legislation passed, Ramos was also skilful in deploying funds from his equally large cache of presidential pork. This included the President’s Social Fund inherited from the previous administration, as well as discretionary funds under various lump-sum appropriations (e.g., a poverty alleviation fund, a “pole-vaulting” fund, contingent fund, and a calamity fund). Aside from these, Ramos also invoked the budgetary powers provided by the 1987 Administrative Code by repeatedly exercising the authority to put on reserve or “impound” funds. As explained above, this is what I refer to as “quasi-pork.”

Taken together, under Ramos, particularism came in the form of congressional slush funds and earmarks; presidential project-based off-budget pork and presidential project-based appropriated pork; and quasi-pork of the impoundment/augmentation sub-type. With the resources disbursed through these forms of particularism, Ramos
was able to build and sustain support from a frequently divided Congress despite being the post-Marcos President with the smallest plurality of votes.

The lowest plurality President

The 1992 elections saw seven contenders for the Chief Executive post, namely:

a. House Speaker Ramon Mitra of the *Laban ng Demokratikong Pilipino* (LDP);
b. former Defence Secretary Fidel V. Ramos of the *Lakas-Tao-National Union of Christian Democrats* (Lakas-NUCD);
c. former Senate President Jovito Salonga of the Liberal Party;
d. former Agrarian Reform Secretary Miriam Defensor-Santiago of People’s Reform Party (PRP);
e. incumbent Vice President Salvador Laurel of the *Nacionalista* Party (NP);
f. former First Lady Imelda Marcos of the *Kilusang Bagong Lipunan* (KBL; Movement for a New Society); and
g. businessman Eduardo “Danding” Cojuangco of the Nationalist People’s Coalition (NPC).

Among these seven candidates, Ramon Mitra was thought to have the advantage as he could rely on the supposedly potent machinery that he and his party, the LDP, had built up since its formation in 1988. In early 1992, thanks in large part to the support he received from more than half the legislators, Mitra beat out Fidel Ramos to become the official candidate of the LDP. When the elections were held in May, however, Mitra’s LDP was decimated by the shift of its members to two other contenders, Ramos and the NPC’s Eduardo “Danding” Cojuangco.

Given his defeat in the LDP convention, Ramos, with the endorsement of President Aquino, initially formed his faction of the LDP, called EDSA-LDP, with 28

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58 EDSA refers to Epifanio de los Santos, the name of the major thoroughfare traversing the central part of Metro Manila where the 1986 “people power revolt” took place. Ramos was clearly anchoring his presidential campaign on the critical role he played in triggering the mass protest in late February 1986, when he and former Defense Chief Juan Ponce Enrile announced their withdrawal of support from
congressmen, led by Aquino’s uncle, Representative Francisco Sumulong, and close to a third of the governors (Tiglao, 1992). Ramos subsequently registered as a candidate of a new coalition, the merger of *Lakas ng Tao* (Power of the People), and the National Union of Christian Democrats (Lakas-NUCD).

Salonga, a long-time Marcos oppositionist and the Senate President until late 1991, decided to vie for the presidency under the LP despite not getting the endorsement of President Aquino. Defensor-Santiago was the newest face among the contenders. A former judge, Immigration Commissioner, and Agrarian Reform Secretary, Defensor-Santiago ran on an anti-corruption slogan under the newly established PRP.

The remaining three candidates were highly critical of Mrs. Aquino. Vice President Laurel had been at odds with President Aquino from the start of her term. Given that his initial party, UNIDO, was weakened with the formation of the LDP, as discussed in Chapter 4, Laurel ran as the candidate of the resurrected NP. Businessman Cojuangco, Mrs. Aquino’s cousin and a known crony of former President Marcos, established his own party, the NPC. Cojuangco’s closeness with former President Marcos dated back to the pre-Martial Law days. Cojuangco was the only civilian that was included in a small group referred to as the Rolex 12 (so named because they were all given Rolex watches in exchange for their support) that were consulted by Marcos on the declaration of martial law. Soon after its formation, the NPC courted a dozen LDP members from areas that were known to be potential

Marcos and confirmed the wholesale electoral fraud that the Marcos camp engaged in during the February 1986 presidential elections.
bailiwicks of Cojuangco, the provinces of Tarlac and Negros Occidental (Tiglao, 1992).
The last candidate from the opposition was Imelda Marcos, taking as her vehicle the
KBL, the party created by her husband, former President Ferdinand Marcos, in 1978.

With a large number of contenders, the 1992 presidential race produced a
minority President with Fidel Ramos winning the elections with less than 24 percent of
the total votes cast for President—the smallest plurality of votes ever registered in a
Philippine presidential election (a record that holds to this day). The newest face in the
race, Miriam Defensor-Santiago, came in second with close to 20 percent of the votes,
followed by businessman Cojuangco whose vote total was just a percentage point less
than that of Defensor-Santiago.\textsuperscript{59} The purported machinery built by the LDP failed to
deliver for Speaker Mitra, who ended up in fourth place, trailing Cojuangco by close to
five percentage points\textsuperscript{60}. Mitra’s standing provides further demonstration of the
weakness of Philippine political parties, as a party dominant in the outgoing
administration proved unable to mobilize widespread support from voters.

In contrast to his predecessor who enjoyed a significant majority support from a
broad coalition of parties at the resumption of Congress in 1987, Fidel Ramos’s Lakas-
NUCD party only had 39 representatives and one senator (his sister, Leticia Ramos-

\textsuperscript{59} With the small difference between the share of votes of Ramos and Defensor-Santiago, the latter filed an
election protest claiming that the former engaged in wholesale cheating, in what the media referred to as \textit{dagdag-
bawas} (literally add-subtract). Defensor-Santiago alleged that Ramos’s win was the result of an orchestrated
operation conducted by his camp, in cahoots with election officials, to pad and shave votes as recorded in the local
canvass. Such operations were alleged to have reduced her share of the votes and resulted in Ramos’s victory.
Defensor-Santiago’s protest was eventually dismissed by the Presidential Electoral Tribunal after she ran and won
in the 1995 senatorial elections.

\textsuperscript{60} Imelda Marcos’s share of the votes, more than 10 percent, was an indication of the retained support for Marcos.
It is widely believed that had Mrs. Marcos not run, Cojuangco would have won the presidency. Imelda’s candidacy
split the votes of the Marcos loyalists and those from the Ilocos region between herself and Cojuangco.
Shahani) after the 1992 elections. This would not pose a problem, though, for the new President, as his lieutenant in the lower house—Jose de Venecia—subsequently assembled a “rainbow coalition” of 156 representatives. For the Senate, Ramos came to terms with returning Senate President Neptali Gonzales of the LDP, through a “strategy of constructive engagement” (Lumauig, 1998). In reality, however, the major reason both for the shift of almost half of the representatives to Ramos’ party and for the success of “constructive engagement” in the Senate was the desire of legislators to gain access to the patronage resources that remained firmly under the control of the President.

Aside from winning with a low plurality of votes, which made him keen to build a larger coalition, Ramos may have further been influenced by his personal experience of serving in the previous administration of Mrs. Aquino. There he witnessed the challenges she faced within her term, specifically from Congress, as discussed in the preceding chapter. Thus, Ramos endeavoured to directly engage leaders of Congress in pushing his initiatives. Less than six months within his term, Ramos institutionalized a mechanism for executive-legislative collaboration through the passage of Republic Act 7640, the law that established the Legislative-Executive Development Advisory Committee (LEDAC). Ramos also saw the strategic importance of a unit established by former President Aquino, the Presidential Legislative Liaison Office (PLLO), allowing the head and staff of the PLLO to sit in most top-level policy making bodies such as the Cabinet, the National Security Council, and the LEDAC (Lumauig, 1998, p. 64). The

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61 The LEDAC is composed of 20 members, with the President as Chair; the Vice President; the Speaker of the House; the Senate President; seven members of the cabinet; three representatives each from the House and the Senate; and a representative each of local governments, the private sector and the youth sector.
PLLO is the President’s point person in dealing with the leaders and members of Congress, following through on congressional measures deemed urgent by the President. More importantly, the PLLO is critical in the President’s employment of another toolkit—exchange of favours. Legislators relay their requests for additional favours through the PLLO prior to acceding to the President’s demands.

By frequently convening the LEDAC and working through the PLLO, Ramos was able to push for legislative measures that were certified by his office as urgent. More than half (135 of the 229) of all the laws with national impact enacted during the Ramos presidency were administration-certified, versus just more than a third (73 of 185) of national measures passed during the prior Aquino administration (Lumauig, 1998, p. 66).

Though the creation of LEDAC may have helped Ramos in forging an agreement among its members on the urgent measures to be enacted into law, the legislative output during his administration can be attributed most of all to the effective use of various variants of particularism surveyed at the outset of this chapter. To begin with, Ramos maintained the CDF, the congressional slush fund established by Mrs. Aquino (as discussed in Chapter 4). My analysis of the dynamics of Ramos-era particularism will begin with this major component of pork.

**Feeding the coalition: Continuing the congressional slush fund**

The total amount appropriated and released for the CDF under Ramos is shown in Table 7. Like Aquino before him, Ramos released a huge proportion of slush funds during his term, except for 1998 when a large chunk of the funds was withheld given the unfavourable fiscal position of government.
Table 7 Appropriations for CDF, 1993 to 1998 (in Million PHP)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th></th>
<th></th>
<th></th>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Appropriated</td>
<td>Released</td>
<td>% Released</td>
<td>Appropriated</td>
<td>Released</td>
<td>% Released</td>
<td>Appropriated</td>
<td>Released</td>
<td>% Released</td>
<td></td>
<td></td>
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<tr>
<td>1993</td>
<td>2952</td>
<td>2797</td>
<td>95%</td>
<td>2512.5</td>
<td>2370</td>
<td>94%</td>
<td>432</td>
<td>408</td>
<td>94%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1994</td>
<td>2977</td>
<td>2780</td>
<td>93%</td>
<td>2512.5</td>
<td>2388</td>
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<td>1995</td>
<td>3002</td>
<td>2803</td>
<td>93%</td>
<td>2512.5</td>
<td>2384</td>
<td>95%</td>
<td>432</td>
<td>400</td>
<td>93%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>3014</td>
<td>2598</td>
<td>86%</td>
<td>2537.5</td>
<td>2212</td>
<td>87%</td>
<td>432</td>
<td>368</td>
<td>85%</td>
<td></td>
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</tr>
<tr>
<td>1997</td>
<td>2583</td>
<td>2520</td>
<td>98%</td>
<td>2192.4</td>
<td>2272</td>
<td>104%</td>
<td>432</td>
<td>230</td>
<td>53%</td>
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<tr>
<td>1998</td>
<td>2324</td>
<td>982</td>
<td>42%</td>
<td>2283.75</td>
<td>976</td>
<td>43%</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Source: GAAs of 1993 to 1998; (Boncodin, 1998). Note: Appropriations for the House and the Senate computed based on number of members in each Congress. 

Table 7 also shows how the appropriation for the CDF under the Ramos administration fluctuated. While the total amount in 1993 was similar to the funds allocated for the CDF in 1992, the marginal increases in CDF appropriations from 1993 to 1996 were followed by reductions in 1997 and 1998. The decline in CDF allocations in the last two years of Ramos is a result of the pork barrel scandal in 1996, a development that will be discussed in a separate section in this chapter. However, at this point, it is important to stress that the reductions in CDF allocation do not constitute a cutback in the amount of congressional pork. As mentioned earlier, and as will be discussed in subsequent sections of this dissertation, additional and higher pork allocations were given to the legislators by way of earmarks through congressional insertions and public works funds.

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62 There were 201 representatives and 24 senators in the 9th Congress (1992-1995) and 203 representatives and 24 senators in the 10th Congress (1995-1998).
While congressional pork (either as slush funds or earmarks) in prior years was exclusively used for public works projects, it was in 1994 when legislators were allowed to use their slush funds (in the CDF) to establish livelihood funds for qualified beneficiaries. This was the first instance when congressional pork was allowed for “soft” purposes, using the slush fund to provide small infusions of capital for livelihood projects of individuals, therefore extending pork to a level that Hutchcroft (2014b) refers to as micro-particularistic.

The expansion of the CDFs’ use, from traditional infrastructure to credit assistance, elicited opposition from the Philippine Constitution Association (PHILCONSA), which filed a case in the Supreme Court (SC) questioning the constitutionality of the CDF (Quiason, 1994).\footnote{Another case, questioning the CDF and the congressional insertions (known as the Congressional Initiative Allocation, or CIA), was filed in 1998 (G.R. 125680 and 126313) and the Supreme Court affirmed its 1996 decision on the PHILCONSA case as regards the CDF.} The petitioners argued “that the power given to the members of Congress to propose and identify the projects and activities to be funded by the CDF is an encroachment by the legislature on executive power.” However, the SC dismissed the petition as it ruled that the role of legislators in the disbursement of the CDF is merely to propose projects that are subject to the President’s approval and therefore does not impinge on the Executive’s power to implement the budget.

More importantly, the SC decision commended the CDF as it:

\begin{quote}
It is also a recognition that individual members of Congress, far more than the President and their congressional
\end{quote}
colleagues are likely to be knowledgeable about the needs of their respective constituents and the priority to be given each project.  

The 1994 decision of the Supreme Court would be repeatedly used by legislators, specifically members of the lower house, to defend the CDF in particular, and the congressional slush fund in general, against those who called for its abolition under the Ramos administration and succeeding administrations.

The other notable changes related to the CDF came in 1997. As a result of the 1996 pork barrel scandal, as discussed below, the 1997 GAA included a provision that required the publication of a list of CDF Projects and prohibited the disbursement of any funds not included in the list. Owing to the reduced appropriation for the 1997 CDF—to PHP 2.58 billion from PHP 3 billion—, the members of Congress ensured that the Executive could not further cut their allocation by prohibiting the imposition of a reserve on the appropriated amount for the CDF. While Ramos vetoed provisions that prohibited the imposition of reserves on other items in the 1997 GAA, he chose not to veto the prohibition on “impounding” the CDF. This decision is consistent with his strategic calculus of retaining the congressional slush fund so as not to displease legislators and, more importantly, to maintain their support for his programs.

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64 Emphasis added. The Supreme Court decision reads: “The authority given to the members of Congress is only to propose and identify projects to be implemented by the President. Under Article XLI of the GAA of 1994, the President must perforce examine whether the proposals submitted by the members of Congress fall within the specific items of expenditures for which the Fund was set up, and if qualified, he next determines whether they are in line with other projects planned for the locality. Thereafter, if the proposed projects qualify for funding under the Funds, it is the President who shall implement them. In short, the proposals and identifications made by the members of Congress are merely recommendatory.” (Quiason, 1994)

65 However, as discussed in Chapter 9, the Supreme Court reversed this 1994 decision in 2013 and declared the congressional slush fund as violative of the separation of powers.
Beyond the general provisions on the CDF in the annual GAA, the disbursement of the CDF is also guided by circulars from the Department of Budget and Management (DBM). These National Budget Circulars manifest the budget execution power of the Executive as it operationalizes the guidelines to be employed by the Budget Department in disbursing congressional slush funds. As an example, in 1995, National Budget Circular No. 444 specified that the CDF can be used for the following:

- Infrastructure projects including roads, bridges, waterworks, electrification, school buildings and other public buildings;
- Livelihood projects including those covered by existing programs of government agencies;
- Projects geared toward improving the health, social, and economic conditions of the community;
- Calamity assistance to a province or municipality such as repair or rehabilitation of structures and relief assistance, provided that the proposed assistance is supported by a Presidential proclamation or certification from the National Disaster Coordinating Council (NDCC) specifying the area as a calamity area; and
- Purchase of equipment. (Parreno, 1998a, p. 39)

In exercising the delegated authority, the DBM has the power to assess whether the projects recommended by legislators are aligned with the purposes stated in the Circular. In view of the authority delegated to the DBM, the Budget Secretary would court criticism from legislators. A senator labelled Ramos’ Budget Secretary, Salvador Enriquez, as a “liar” and a “teapot despot” (Cruz, 1994). In 1996, in the wake of the pork barrel scandal, another ranking member of the Senate lambasted the DBM as an agency engaged in “financial dictatorship” (Marfil, 1996, p. 4). But the DBM and its Secretary would not be the sole recipient of legislators’ censure. As had been the case in the past, administration officials and members of the two chambers would regularly
fight over issues of pork, and these disputes would have an impact on the amount appropriated for the CDF.

Aside from the CDF, the budgets from 1995 to 1998 included appropriations for the School Building Program (SBP). The SBP was considered an additional congressional slush fund inasmuch as a sizeable portion of the allocation was slated for the legislative districts.\(^{66}\) The appropriated amount for the SBP in 1995 was PHP 5.268 billion; PHP 4.783 billion in 1996; PHP 6.656 billion in 1997; and PHP 3.31 billion in 1998. The SBP would be retained by the subsequent administrations (as discussed in the next chapters).

**Senate-House relations: Pork with good cholesterol versus pork with bad cholesterol**

Despite being endowed with their shares of congressional pork, the two houses of Congress became entangled in disputes related to the rationale for the maintenance of the CDF. In general, these clashes reflect the distinct incentives for pork barrelling between senators, who have a national constituency, and representatives, who mostly cater to smaller district constituents. For senators, the amount received from the CDF is simply too minute to have an impact on their re-election bids. In pushing for the abolition of the CDF, senators projected themselves as protectors of larger public interests compared to their parochial counterparts in the lower house. On the other hand, members of the lower house always argue that the interests of their constituents are

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\(^{66}\) A common provision in the School Building Program from 1995 to the subsequent budget years spells out the distribution of the total appropriation, 90 percent of which is allocated to the legislative districts. Though the implementing agency, the Department of Education (DepEd), determines the final distribution of the appropriation, the stipulation that the bulk of the funds should be used for classroom/school building construction in the country's legislative district binds the DepEd to finance the school building projects of legislators.
often neglected in the Executive-proposed budget. Thus, they will fight tooth and nail to ensure that their CDF would be maintained, so that they can implement priority programs in their districts—programs that are purportedly demanded by their constituents.

In 1993, on the pretence that they intended to address the ballooning budget deficit and avoid the introduction of new tax measures, a majority of the senators pushed for the removal of the CDF allocation in the budget (Cañares, 1993c). Leaders and members of the House opposed the scrapping, with Speaker Jose de Venecia arguing that the CDF was “the only means to level the playing field for all” and that the senators “who have no constituency to speak of” can exercise their prerogative to “forego their rights to these funds” (Cañares & Perez, 1993). The House Appropriations Committee Chair, Rolando Andaya, Sr., asserted that if the Senate majority pursued the deletion of the CDF, the House would see to it that the budget will languish unapproved and government will have to adopt the re-enacted 1993 budget (Anda & Cañares, 1993). Andaya claimed that the senators do not like the CDF “because it is a political disadvantage to them since they cannot accommodate all the requests for assistance” (Anda & Cañares, 1993).

Though a majority of the senators pushed for the CDF’s abolition in late 1993, the proposal was subsequently junked given the opposition of other senators. One senator, Raul Roco, proposed that those who want to eliminate the CDF “should just waive whatever is allocated to them” (Cañares & Perez, 1993). Another senator, popular movie actor turned politician Ramon Revilla, Sr., was more candid in his opposition to the abolition of the CDF, declaring that the fund “is part and parcel of the
promises (we) have made to the people during the election campaign (Cañares, 1993b). The proposal to abolish the CDF was defeated when Senate Committee on Finance Chair Neptali Gonzales threatened to resign from his post if his colleagues insisted on pushing for the CDF’s abolition (Cañares, 1993a).

In the view of Makati City Representative Joker Arroyo, the former Executive Secretary to President Aquino, the Senate’s proposal to abolish the CDF was but a “product of Senate rascality” (Arroyo, 1993). His observation is drawn from the eventual compromise between the two chambers that broke the budget impasse in 1993—when the senators successfully inserted their projects, as congressional earmarks, amounting to billions of pesos in the Congress-approved budget before withdrawing their initial proposal to abolish the CDF. Arroyo’s observation is validated by an account of then Budget Secretary Enriquez, who criticized Senators for the insertions to the budget in the face of their claims that they approved budget reductions. He noted that 15 Senators earmarked amounts for their projects in the Department of Public Works and Highways (DPWH), ranging from PHP 12 million (Angara) to P 100 million (Revilla) (Maragay, 1994). To Representative Arroyo, the actions taken by the Senate had turned “the appropriations act” into “a huge pork barrel exercise” (Arroyo, 1993).

The Senate would repeat their proposal to scrap the CDF during the deliberations of the 1996 and the 1997 budgets. Unlike its opposition to the CDF in 1993, however, the proposed abolition for the 1996 budget did not gather as much steam, as a key figure in the Senate—Senator Ernesto Maceda—argued that scrapping the CDF would only be meaningful if President Ramos dispensed with his own Presidential pork that Maceda alleged amounted to PHP 1.2 billion (Requejo, 1995).
Arroyo’s description on the “rascality of the Senate” in the 1993 budget impasse was repeated from late 1996 to early 1997 when the Senate delayed the passage of the 1997 budget. During this period, the Senate insisted on their proposal to reduce the allocation for the CDF and the funds proposed by the House to finance public works projects under the “resurrected” variant of congressional pork—the 1995 Public Works Act (Republic Act No. 8150). As mentioned earlier, the 1995 Public Works Act (PWA) is another congressional slush fund, reintroduced under the Ramos administration. It revived the old practice, from 1922, of covering infrastructure programs to be implemented by the government via a statute separate from the GAA (as discussed in Chapter 3).

The 1995 PWA can be categorized as an additional congressional slush fund in view of two provisions that allow the involvement of legislators in the determination of projects to be implemented. Section 5 of the 1995 PWA empowers members of Congress to request the DPWH to authorize local government units to implement local infrastructure projects. Section 6 of the 1995 PWA requires the Department of Public Works and Highways (DPWH) to consult and coordinate with the respective oversight committees of the Senate and the House in the programming of its annual projects and allows members of Congress to submit their priority projects. Finally, under the 1995 PWA, legislators were allotted a specific amount of public works project for the duration of the Act’s implementation, from 1995 to 1998: PHP 180 million for senators and PHP 80 million for representatives (Javellana, Cañares, & Jumilla, 1996, p. 12).

That LGUs could only implement projects under the 1995 PWA upon the request of a congressional representative indicates the motivation of legislators to serve as the
main patrons for projects in their constituencies, and eventually claim credit for the implementation of such projects. With the PWA, legislators garnered an additional patronage resource that they could employ against local political rivals who had been, by virtue of the 1991 Local Government Code, provided their share of national taxes through the Internal Revenue Allotment (IRA). Under the Local Government Code, 40 percent of internal revenues are distributed as IRA to provinces, cities, municipalities, and barangays across the country. This share of revenues enables local politicians to implement their own programs independent of those carried out by national legislators. After the passage of the 1991 Local Government Code, many national legislators viewed the IRA as a major threat, with one legislator explaining how they were driven by “a natural tendency not to yield powers to these people who would screw them” (Hutchcroft, 2012, p. 111)

The deadlock on the proposed 1997 budget came about when the Senate pruned the total amount of the budget by more than PHP 82 billion through cuts to the amount of debt service. The upper house further proposed a 40 percent reduction in the CDF and the elimination of any allocation for PWA projects for the 1997 fiscal year (Jumilla & Cañasares, 1996). As these proposals came in the context of the 1996 pork barrel scandal, the senators were definitely playing up to a public that was expressing an aversion to high levels of government spending. Senator Ernesto Herrera, Finance Committee chair, claimed that the proposed reductions were an “institutional decision” on the part of the Senate and that the proposed gradual phase-out of the CDF was meant to allow “legislators to concentrate on legislating” (Javellana et al., 1996, p. 12).
In response, leaders and members of the House argued that the Senate committed an unconstitutional act when it passed an entirely different version of the 1997 budget and insisted on its version in the Bicameral Conference Committee (BCC) meeting (Javellana et al., 1996). House members pointed out that while the Senate reduced the CDF and eliminated PWA appropriations, the upper house inserted more than PHP 9 billion worth of infrastructure and other projects as earmarks in their version of the budget, an amount much larger than the PHP 5.2 billion of CDF and PWA funds included in the House version (Jumilla, 1997). In response, Senator Herrera differentiated their proposals from the House’s proposal, labelling the House’s proposed inclusions in the 1997 budget as “pork with bad cholesterol” versus the Senate’s budget which had “pork with good cholesterol” (Jumilla & Cañares, 1996). He further warned the members of the lower house that if a 1997 budget was not passed, they would not receive funds for their projects, since these would have been considered completed based on the prior year’s budget (Cañares, 1996).

The word war between the Senate and the House on the 1997 budget continued for a month. In one LEDAC meeting convened by Ramos in late January 1987, Budget Secretary Enriquez described the exchange between the two main protagonists—Senate Finance Committee Chair Herrera and House Appropriations Committee Chair Rep. Andaya—as one involving an exchange of nasty words expressed in coquettish (landian) fashion (Javellana, 1997b). To him, the budget debates between the two chambers of Congress was but a farce, inasmuch as all these legislators knew that a re-enacted budget would maintain the pork that they enjoyed in the previous year (Javellana, 1997a). Eventually, though, the two chambers finally settled their
differences on the 1997 budget with a slight reduction in the CDF (as mentioned earlier), the retention of the House insertions to fund public works projects, and the maintenance of the Senate’s earmarks for their own priority projects (Javellana & Canuday, 1997). In sum, both types of “cholesterol” continued to be a part of the diet of congresspersons and their constituents.

In the disputes between the House and the Senate on congressional pork, two distinct stances are clear. The House, given its confined constituency, zealously protected its share of the kitty chiefly through the retention of its slush funds (in the CDF and the 1995 PWA). And the Senate, with its national constituency and the aspirations of some of its members for higher office, pushed for larger earmarks that it could distribute to a larger constituency and claim credit for when the members ran for re-election or for higher national elective positions (i.e., Vice President or President). The tussle between the two chambers continued, specifically with regard to the other variant of pork made available to all legislators under Ramos—additional earmarks through congressional insertions.

**Earmarks through congressional insertions**

In addition to the CDF, members of Congress were able to insert their own projects in all the budgets passed under the Ramos administration. These inclusions—labelled Congressional Initiative Allocations (CIA) given the unfavourable connotation of the term “insertions” as popularized in media reports—were earmarks in the budget that was released subject to the endorsement of the sponsoring legislator (Boncodin, 1998, p. 115). Through a systematic tracking of the changes effected by Congress on the
President’s proposed budget, the DBM was able to identify the amount of earmarks under the Ramos administration, as shown in Table 8.

Table 8 Net Change in Effective versus Proposed budget (all figures in billion PHP)

<table>
<thead>
<tr>
<th>Year</th>
<th>President’s Proposed Budget</th>
<th>Effective (Congress approved budget)</th>
<th>Net Change (in absolute terms)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>296.6</td>
<td>301.7</td>
<td>5.1</td>
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<tr>
<td>1994</td>
<td>325.5</td>
<td>325.1</td>
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<tr>
<td>1995</td>
<td>352.5</td>
<td>361.9</td>
<td>9.3</td>
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<td>1996</td>
<td>415.5</td>
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</tr>
<tr>
<td>1997</td>
<td>476.2</td>
<td>492.6</td>
<td>16.4</td>
</tr>
<tr>
<td>1998</td>
<td>540.8</td>
<td>565.3</td>
<td>24.5</td>
</tr>
</tbody>
</table>

Source: (Boncodin, 1998)

Taking the net changes reflected in Table 8 as an initial indication of the amount of inserted earmarks, the CIA, in all but one of the years under Ramos, was significantly higher than the congressional slush fund appropriations (i.e., the combination of the CDF and the 1995 PWA allocations). However, Table 8 still does not capture the actual amount of insertions. Given the constitutional provision that Congress cannot increase the level of appropriation proposed by the President, legislators are able to insert their projects only by slashing the amounts proposed for debt payments and/or reducing or totally eliminating projects included in the President’s proposed projects. For example, while Table 8 shows that there was a marginal reduction in the effective versus the President’s proposed budget in 1994, the reality—as would be revealed in an
investigative report on the President’s use of pork to push for a tax law (to be discussed below)—is that the CIA for 1994 amounted to PHP 9 billion, three times more than the CDF allocation for the same year. Moreover, in 1996, much of the scandal surrounding the use of the pork barrel involved the uneven distribution of CIA funds, totalling over PHP 23 billion—again an amount much larger than that reflected in Table 8.

The amount of insertions also reflects the lack of commitment of the Ramos administration to pursue its own previously stated priorities. While the President’s proposed budget was crafted along the lines of the medium-term plan of his administration, the congressional insertions allowed by Ramos distorted the budget. Instead of increases in programmatic items in the budget, such as allocations for social services, congressional insertions caused a higher increase in items known as the “economic sectors,” specifically in transportation and communications, a sub-sector that includes public works. In the 1994, 1995, and 1996 budgets, congressional insertions led to increases in the economic sectors amounting to 6 percent, 22 percent, and 20 percent, respectively (Manasan, 1996, p. 5). By agreeing to congressional insertions that distorted the budget, Ramos, like prior Presidents in the pre-martial law era (as discussed in Chapter 3), put a premium on satisfying the demands of coalition members versus financing the provision of collective goods.

Aside from these budget distortions, the CIA was distributed unevenly and suffered from fund leakages (as surfaced in the 1996 pork barrel scandal discussed below). Given the controversies related to the congressional insertions, a case was filed in the Supreme Court (SC) to question the constitutionality of such practice. The SC
dismissed the case\(^{67}\) and ruled that such insertions are constitutional as “Congress merely exercised its prerogative of allocating the obtainable budget of the government to its different agencies and projects... [it] increased the proposed budget for some items, but decreased the proposed budget for others” ("Sarmiento et.al. versus the Treasurer of the Republic of the Philippines, et.al.," 2001). 

As part of his larger strategic calculus, President Ramos allowed legislators to alter his proposed budget through their insertions via the CIA program. This is further evidenced by the absence of any direct veto on any item inserted by Congress. In his veto messages on the budgets within his term, Ramos would only make a general comment that it is within the Executive’s prerogative to approve the releases and disbursements on the budgetary realignments introduced by Congress. Beyond this general statement, it was only in the 1998 budget that Ramos would make a specific note that congressional insertions in two funds—the pole-vaulting strategy fund and poverty alleviation fund—would be reviewed to ensure that they are consistent with the pole-vaulting strategy and his social reform agenda (Department of Budget and Management, 1998).\(^{68}\) The general comments on congressional insertions are in stark contrast to Ramos’ rejection, through a line-item veto, of Congress’ proposed reductions on debt servicing—a power he invoked in the budgets of 1995, 1996, 1997, and 1998. By vetoing the reductions in debt servicing while retaining the projects inserted by

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\(^{67}\) G.R. 125680 and 126313, Andres Sarmiento et.al. Versus the Treasurer of the Republic of the Philippines, et al.

\(^{68}\) The Poverty Alleviation Fund (PAF) was included in the 1996 budget with an appropriation of PHP 4 billion pesos. In 1997, the PAF funding was reduced to PHP 2 billion. The fund was meant to support projects for 5\(^{th}\) and 6\(^{th}\) class local government units in 20 priority provinces, especially in Muslim Mindanao. The Pole Vaulting Strategy Fund was included in the 1998 budget with a PHP 4 billion budget to implement programs that aimed to make the Philippines a knowledge, trade, telecommunications and tourism hub in Asia and the Pacific.
legislators, Ramos effectively increased the total amount appropriated for the annual budget, putting further pressure on his administration to source the revenues to cover the authorized expenditures as the government was faced with fiscal difficulties. The fiscal deficit would enable Ramos to constantly invoke the authority to withhold fund releases (as provided by the 1987 Administrative Code) and endow Ramos with larger quantities of what I refer to as impoundment and augmentation pork (IAP).

Maximizing reserve control and savings: Ramos’s quasi-pork

As discussed in Chapters 2 and 4, the 1987 Constitution (Article 6, Section 25.5) and the 1987 Administrative Code empower the President to withhold the release of funds and re-align unused (i.e., savings) funds to augment other items of spending. In Chapter 4, I underscore that these powers allowed President Aquino to exercise a specific form of quasi-pork, the impoundment and augmentation pork (IAP). For Ramos, as well, deployment of this form of budget particularism proved to be a valuable part of the Presidental toolkit.

With respect to withholding the release of funds, the President can invoke this power by citing changes in the expected revenues or arguing that releases of funds should be based on the availability of resources. As revenue projections of the Department of Finance (DoF) and the National Economic Development Authority (NEDA) are often excessively rosy—the result of “flawed economic assumptions” given “strong political pressures” (Diokno, 1994)—, the President is customarily provided with an easy excuse to “impound” or “reserve” funds appropriated by Congress. In addition, the seasonality of cash flows provide another reason for the executive to withhold fund releases (Boncodin, 1998, p. 120).
Under Ramos, the amount of funds put under reserve ranged from a low of 3 percent to a high of 25 percent of the aggregate amounts allocated for Maintenance and Other Operating Expenses (MOOE) and Capital Outlays (CO). The percentage and absolute figures are shown in Table 9 (Boncodin, 1998, p. 119). Funds put on reserve eventually wound up as “savings.” Focusing on the year 1996, when it was revealed that more than PHP 23 billion was released for CIA projects of legislators, the additional funds to secure this release came partly from the more than PHP 10 billion impounded by the President from the 1996 budget.

The regular exercise of the reserve powers reflects that Ramos and his budget managers were keenly aware of the authority he possessed to impound and subsequently re-align funds across the budgetary items under the control of the executive. Ramos’s keen attention to his “reserve control” or budgetary impoundment power is further reflected in several direct line-item vetoes he exercised. In the 1993 and 1994 GAA, Ramos vetoed several provisions in the congressionally approved budget that he believed contravened the constitutional provision on the disposition of savings. When the 1997 budget came to him for his signature, as mentioned above, Ramos gave special treatment to the CDF. While he vetoed the efforts of legislators to prohibit the imposition of reserves on other items of the GAA, he did not veto the prohibition on “impounding” the CDF.

The total amount impounded by Ramos in most of the years within his term was generally several-fold higher than the congressional slush fund or congressional earmarks (with the exception of 1994, when the two were roughly equal). Thus, while Ramos privileged members of Congress with their own pork (the CDF, CIA, and the
PWA), his own slush fund from savings, the retained President’s Social Fund, and a number of other lump sum appropriations (e.g., contingency fund, calamity fund, other special purpose funds) was huge. Unlike the slush funds of legislators, moreover, disbursement was solely at his discretion. In an interview, Budget Secretary Salvador Table

<table>
<thead>
<tr>
<th>Year</th>
<th>Items affected</th>
<th>Proportion of Funds Impounded</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>PS</td>
<td>MOOE</td>
</tr>
<tr>
<td>1992</td>
<td>Non-PS</td>
<td>0</td>
<td>13%</td>
</tr>
<tr>
<td>1993</td>
<td>Non-PS</td>
<td>0</td>
<td>4%</td>
</tr>
<tr>
<td>1994</td>
<td>Selected</td>
<td>0</td>
<td>3%</td>
</tr>
<tr>
<td>1995</td>
<td>Non-PS</td>
<td>0</td>
<td>5%</td>
</tr>
<tr>
<td>1996</td>
<td>Regular Budget</td>
<td>0</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>Congressional initiatives</td>
<td>0</td>
<td>10%</td>
</tr>
<tr>
<td>1997</td>
<td>Regular Budget</td>
<td>0</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>Congressional initiatives</td>
<td>100%</td>
<td>25%</td>
</tr>
<tr>
<td>1998</td>
<td>Non-PS</td>
<td>0</td>
<td>25%</td>
</tr>
</tbody>
</table>

Source: (Boncodin, 1998)  PS – Personnel Services; MOOE—Maintenance and Other Operating Expenses; CO-Capital Outlays

Enriquez recalled several conversations with the President wherein Ramos inquired about and obtained funds re-aligned for projects meant to “satisfy the demands of politicians” or those deemed important by Ramos (Enriquez, 2014). Thus, impounded funds provided a pool of resources that the President could tap to exchange favours. In view of the large quantities of presidential and quasi-pork, legislators who were opposed to the proposed scrapping of the CDF during Ramos’ time were quick to challenge Malacañang to take on its counterpart action of giving up its own pork (Cañasares, 1993a; Requejo, 1995). These calls were not heeded by the President, as he needed the resources both to maintain his coalition and to push for the passage of his signature reforms.
Pushing the President’s initiatives through pork releases

Ramos inherited a government that had operated with a fiscal deficit for every year since 1986. From 1986 to 1992, government expenditures outpaced revenues by an average of 20 percent (Bureau of Treasury, 2018). The unfavourable fiscal position of government was due to the economic crisis that the Philippines confronted from Marcos’ last years and the huge debt service payments that Aquino committed to during her term. While there were slow improvements recorded in the tax effort of the government under Aquino, from 11.7 percent in 1986 to 16 percent by the end of 1991 (Department of Finance, 2018), Ramos needed to sustain such improvements through the introduction of new tax measures, specifically an increase in the value added tax. Additional revenues were also required as the government remained saddled with the burden of complying with debt servicing requirements. In pushing for new taxes to cover expenditures and comply with debt obligations, Ramos would confront the same sort of opposition from Congress as had Aquino (see Chapter 4). To temper this opposition, Ramos would employ pork to sway Congress to conform to his preferred policy.

A couple of cases illustrate the somewhat contrasting results of Ramos’ use of pork to secure a desired action on the part of Congress, both in regard to debt servicing and the introduction of a new tax measure. The first case involves the Chief Executive’s pressure on Congress, specifically the lower house, in late 1992 to quash a debt cap proposal. The second case pertains to the President’s push for the passage of an expanded Value Added Tax (eVAT) in 1994.

Quashing the congressional debt cap proposal in 1992
With respect to the debt service cap proposal, Ramos tried to quell a move in the lower house seeking to reduce debt payments by offering to release the remaining CDF of representatives in late 1992, just a day before the lower house was set to debate in a plenary session the proposed measure. In a caucus of representatives belonging to his party, Lakas-NUCD, Ramos sent his Executive Secretary, Edelmiro Amante, to relay to the 100 representatives in attendance that their remaining CDF of PHP 200 million would be released before the end of the year (Manalo, 1992; Perez & Cañares, 1992, p. 1). Appropriations Committee Chair Rolando Andaya Sr. confirmed that Amante relayed this message to legislators, along with a request to submit lists of their proposed projects before the closing of the 1992 book of accounts (Jacinto, 1992). Ramos’ instructions to Amante were meant to entice the representatives to withdraw their support for the debt cap proposal. They may also have been taken as a threat, to those who supported the debt cap, that their CDF would not be released.

A proponent of the debt cap bill, Representative Edcel Lagman, urged his colleagues to continually support the reduced debt payments, arguing that he did not “think any congressmen should be beholden for something that belongs to his constituents in the first place” (Perez & Cañares, 1992, p. 1). Since this particular CDF allocation to be released amounted to but a tenth of their annual allocation, or around PHP 1 million, a number of the legislators stood their ground on the proposed debt cap measure. This compelled Ramos to call for a “five-hour budget summit” during which he and the legislators entered into a compromise, wherein the appropriation for debt service was reduced from its original amount of PHP 126.5 billion to PHP 100 billion (Diokno, 1992). An interesting item in the compromise is the resolution on the part of
the Senate to re-align to “public health projects” around PHP 6 billion of the slashed 
PHP 26.5 billion (*Manila Standard*, 1992)—yet another instance when the upper house 
seized the opportunity to insert their favoured earmarks by reducing debt payments. 
While Ramos may not have succeeded in keeping the entire amount of debt service 
appropriation in place, the commitment to disburse pork produced its full dividend in the 
first half of Ramos’ six-year term, particularly when Congress passed the expanded 
Value Added Tax (eVAT) law in 1994.

**Pushing the eVAT law**

Aside from inheriting crippling blackouts that led to a contraction in the economy 
(Brillantes, 1993), Ramos, as mentioned earlier, had to focus his attention on generating 
revenues to cover programs that could not be financed given the country’s continuing 
debt burden and the consequent effect of this on the government’s fiscal position. 
While he was unsuccessful in securing legislation to generate these needed revenues in 
his first year, Congress started to act on the President’s proposal, specifically the 
expanded value added tax (eVAT), from its second regular session in mid-1993 (Eaton, 

It took less than a year for the eVAT law to be enacted. Like a number of 
statutes, the initial deliberations in the lower house saw a number of representatives 
inserting particularistic provisions that exempted goods or services produced in their 
home districts or those provided by businesses run by their relatives/families (Eaton, 
2002, pp. 114-117; Mendoza, 2004). Given the exemption provisions in the lower

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69 In the original House version, goods such as sugar, copra, and real estate were exempted from VAT 
(Mangahas, 1994).
house, the proceeds from the application of the House version of the eVAT bill were just around one-sixth of the projected revenues to be generated by the counterpart measure in the Senate (Eaton, 2002, p. 116). However, the eventual version of the bill that came out of the Bicameral Conference Committee (BCC) provided an even broader base (Eaton, 2002, pp. 117-118). What brought about the sudden change in the disposition of the lower house?

The shift in the position of the House, from a slew of exemptions to a broader base for VAT coverage, is explained in an account of the final negotiations between the executive and Congress in the weeks before the enactment of the eVAT law on May 4, 1994. Mangahas (1994) provides the following detailed timeline that captures how pork, specifically the release of CIA funds, was used by the President to secure assent from members of the lower house on the eVAT law:

<table>
<thead>
<tr>
<th>Date</th>
<th>Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>14 February 1994</td>
<td>Department of Budget and Management (DBM) issued a circular specifying that “all identified congressional initiatives shall be withheld for later release subject to the submission of a special budget request by agency concerned.”</td>
</tr>
<tr>
<td>30 March 1994</td>
<td>An International Monetary Fund (IMF) mission completed negotiations with Philippine officials on a draft economic program whose approval would depend on the passage of the eVAT law, alongside other conditions.</td>
</tr>
<tr>
<td>11 April 1994</td>
<td>Meeting between President Ramos and House leaders where a commitment was made by the latter to pass the law within a week’s time. Committee on Appropriations Chair Andaya Sr. inquired about the release of Congressional Initiative Allocations (CIA).</td>
</tr>
<tr>
<td>14 April 1994</td>
<td>DBM issued a memorandum stating that “as per instructions of the President, the advice of allotment for the first one-third of the PHP 2.82 billion of the funds will be released in April.” This memorandum starkly differs from the February 14, 1994 memorandum that defers releases of funds for congressional initiatives.</td>
</tr>
</tbody>
</table>

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70 114 representatives voted in favour of the Bicameral Conference Committee version of the expanded value added tax bill; 12 voted no, while 100 representatives were absent (Beltran, 1994)
18 April 1994  Budget Secretary Enriquez relayed to officials within the department that congressional initiative funds have been reclassified from “soft” to “firm” expenditure items and will be released from April to September.

19 April 1994  President Ramos met with congressional leaders where Speaker de Venecia committed the law will be passed “without any opposition in the House.” Speaker de Venecia inquired about the release of CIA funds, to which Budget Secretary Enriquez responded that the releases started on April 15.

25 April 1994  Bicameral Conference Committee finalized the version of the law that was to raise PHP 8.3 billion in value added taxes.

27 April 1994  House ratified the BCC eVAT law version.

Based on this timeline, Ramos effectively used the releases of pork, specifically the funds earmarked for congressional insertions, to secure the passage of the 1994 eVAT law. Ramos’s success in convincing the legislators to enact the eVAT measure in 1994 results from a couple of conditions that were non-existent in 1992. The first relates to the amount of pork to be released. The total amount of CIA funds that were to be released in 1994 was PHP 9 billion, 45 times larger than the remaining PHP 200 million CDF that the executive threatened to withhold in late 1992 during debates over the proposal to impose a debt service cap. From this larger total, each House member received at least PHP 33 million and Senators, PHP 116 million (Mangahas, 1994).

Second, and more important, is the timing of the pork releases. Unlike the push to quash the debt payment cap in late 1992 that was attempted six months after an election, the carrot offered by way of CIA releases in 1994 came just a year short of the 1995 elections. For legislators, this was crunch time, a period when they needed to deliver on promised projects that could only be financed through the release of their congressional pork funds.

However, Ramos’ victory in the passage of the eVAT law (Republic Act. No 7716) would be short-lived. Immediately after the law was signed, petitions for its repeal
were echoed by several sectors and cases were filed before the Supreme Court questioning the constitutionality of the law. Among the petitioners were legislators who assented to the law’s enactment and who already obtained, albeit partially, releases of their CIA. These legislators either publicly apologized for the law’s enactment or called for a reinstatement of exemptions, leading the Secretary of Finance to refer to them as persons inflicted with the “Pontius Pilate syndrome” (Cruz & Cañares, 1994, p. 2). The calls for an amendment of the eVAT were prompted by the public’s adverse reaction to the recently passed measure and the fear of legislators that they would be held accountable for its passage in subsequent elections.71

Thus these two illustrations of Ramos’s use of pork to influence congressional action had contrasting immediate outcomes: A partial repudiation of the President’s demand in 1992 versus the assent to the President’s pressure to pass the eVAT in 1994. In the end, the President’s capacity to induce favourable congressional action depended on whether the amount and timing of the pork releases came before or after an election. In the amendments to the 1994 eVAT law in the non-election year of 1996, Eaton explains, “presidential control over pork releases was a less powerful tool for convincing house members to give up tax breaks for their constituents.” As Congress deliberated and passed the amended eVAT law, the institution was rocked by a serious pork barrel scandal. This seems to have prodded the legislators and the President to

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71 Another setback for Ramos was the Supreme Court’s imposition of a temporary restraining order on the law’s implementation on June 30, 1994. The high court eventually declared the law constitutional in its decision on August 25, 1994 (“Tolentino et.al, versus the Secretary of Finance, et.al.,” 1994). But as Eaton recounts, the story of the eVAT did not end with the Supreme Court’s decision, as legislators deliberated on amendments to the law and eventually got their way in passing a new law (Republic Act No. 8241) in late 1996 (2002, 118-123). This measure reintroduced exemptions and various provisions that encouraged tax avoidance and evasion.
agree on an amended law that would satiate a public that not only remained averse to
tax increases but was also now outraged by the pork barrel scandal.

The 1996 pork barrel scandal

In late July 1996, a pork barrel scandal erupted after a statement from the Chair
of the Presidential Commission Against Graft and Corruption, Eufemio Domingo, who
denounced Congress for the “criminal waste of hard earned tax money” funded through
the CDF and the CIA (Esplanada, 1996a). In elaborating on his criticism, Domingo
raised questions regarding rural development projects that included putting up clinics or
buying medicine that was not utilized in rural areas, and the meddling of legislators and
local officials in the award of projects financed by the CDF (Esplanada, 1996a). While
Speaker de Venecia admitted that there “were instances of abuse” in the utilization of
the CDF, he pressed Domingo to identify specific cases that could be further examined
(Esplanada, 1996b). After Domingo’s criticism of wasteful congressional pork, the
scandal was further inflamed when the Department of Budget and Management (DBM)
released a list of CDF recipients.

The DBM document revealed that certain leaders of Congress, including vocal
members of the opposition, received a larger share of the funds under the CDF/CIA
(Nocum, 1996e). Commission on Appropriations Chair Rolando Andaya Sr. was alleged
to have received PHP 3.6 billion of CIA funds, while House Speaker Jose de Venecia
allegedly got P 573 million (Nocum, Pablo, & Javellana, 1996). Six of the eight
representatives who obtained from PHP 100 million to over PHP 200 million in CIA
funds were Vice Chairs of the Appropriations Committee, while minority leader Ronaldo
Zamora was also privileged with a PHP 103 million CIA allocation (Nocum et al., 1996,
Commenting on his large CIA share, Zamora argued that he had to “fight” for the interests and needs of his constituents, and the amount received was a result of his diligence (Nocum, 1996e, p. 22).72

The DBM document showed that the total CIA of the lower house amounted to PHP 12.2 billion, more than half of which (PHP 7 billion) went to public works (Nocum, 1996c). With respect to the Senate, the “big four” recipients were Senate President Neptali Gonzales, Senator Ernesto Maceda, Senator Raul Roco, and Senator Anna Dominique Coseteng, taking more than 70 percent of the reported P 10.2 billion CIA allocated to the Senate (Javellana & Nocum, 1996). Maceda, chair of the Senate’s Finance Committee, was reported to have inserted P 5.467 billion of his programs in the budget, PHP 4 billion of which was for a poverty alleviation fund (Javellana & Nocum, 1996, p. 6). While the Senate did not deny the insertions, the Senate’s Legislative Budget Research and Monitoring Office (LBRMO) ran a full-page advertisement in several newspapers asserting that while the Poverty Alleviation Fund (PAF) was conceptualized by Maceda’s Committee on Finance, it was not a pork barrel fund.

Neophyte senator Miriam Defensor-Santiago accused Domingo of using a “smear tactic” against the Senate, given the opposition of a number of senators against the Executive-proposed Southern Philippines Council for Peace and Development (Esplanada, 1996b, p. 11).73 Defensor-Santiago was not alone in believing that the leaked documents were part of a conspiratorial move. In a LEDAC meeting, Speaker de

72 This practice of providing a larger share of congressional pork to certain members conforms to patterns already established in pre-martial law years (as discussed in Chapter 3).
73 The Southern Philippines Council for Peace and Development was a product of the 1996 “final” peace agreement between the Ramos administration and the Moro National Liberation Front (MNLF). The body was tasked to promote development efforts in the Autonomous Region of Muslim Mindanao.
Venecia threatened that they would withhold support for the proposed comprehensive tax reform program unless the source of the leak on the release of pork barrel funds was identified (Marfil, 1996). De Venecia and other lower house solons blamed the Executive as well as Senate minority leader Edgardo Angara for the leak, with one representative pointing to Angara’s “dirty tricks department” as the culprit to “sow intrigue and dissension within the Lakas-dominated” lower house (Marfil, 1996, p. 4). Despite these accusations, the newspaper that reported on the disbursement of the pork, the *Philippine Daily Inquirer*, revealed that the documents they received came from a congressman (*Philippine Daily Inquirer*, 1996). The congressman got the list from a DBM official who lived in a neighbourhood that was often flooded and complained that the CIA funds are simply not enough for drainage projects (*Philippine Daily Inquirer*, 1996).

While the uneven distribution among legislators caused an uproar among members of the two chambers, the more scandalous element involved kickbacks as well as funds that benefitted business and related interests of legislators. Senator Defensor-Santiago was the first to come out and reveal her experience of contractors of CIA projects approaching her offering “kickbacks” amounting to 30 to 40 percent of the costs of her projects (Javellana, 1996). The whistle-blowing congressman detailed how pork is chopped, with a proportion of funds financing actual projects alongside the funds pocketed by legislators and the pay-offs to other officials (e.g., heads of executive agencies implementing the projects; members of Bid and Awards committees; local

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74 Many years later, the *Inquirer* would identify the congressman as Romeo “Omi” Candazo of Marikina City (*Philippine Daily Inquirer*, 2013e).
government officials). The congressman described a standard operating procedure with kickbacks to legislators and other officials, ranging from a low of 19 percent to a high of 52 percent, depending on the type of projects financed by the CDF or the CIA (Pablo, 1996). The congressman’s description of kickbacks essentially categorized the “leakages” into two, a fixed versus the variable. The fixed kickback is the 12 percent of project funds that goes to the head of an agency’s Pre-Qualification, Bids and Awards Committee (PBAC), the unit established in each government department to disseminate, receive, and screen proposals for projects to be undertaken by the department (Pablo, 1996, p. 1). That a ranking bureaucrat captures more than a tenth of pork funds indicates the pervasiveness of corruption in the bureaucracy. On the other hand, the variable kickback lines up the pockets of local officials and legislators and ranges from 7 percent for school buildings to 40 percent for appropriations financing books and publications (Pablo, 1996).

Legislators were reported to receive their payoffs from their congressional pork-supported projects in tranches, half upon contracting a project to a supplier/provider, the other half upon the issuance of the DBM of a Special Allotment Release Order (SARO)/Notice of Cash Allocation (NCA) (Parreno, 1998a, pp. 38, 44). A SARO provides government agencies the authority to incur obligations of a given amount for a specific period and purpose included in the GAA, while the NCA authorizes offices under the DBM to cover the cash requirements of agencies (Department of Budget and Management, 2012). These payoffs demonstrate the multiple “purposes” of pork. For President Ramos, the major goal was to push through his legislative agenda. Legislators, on the other hand, had at least a couple of major motivations in their hunger
for pork—not only the quest for electoral advantage but also personal aggrandizement (some of which, no doubt, goes to campaign expenses in the next election).

Aside from monetary kickbacks, a report revealed that legislators and local government officials also received other perks such as condominium units, real estate property or cars, in a “pork for perk” swap (Nocum, 1996b). Legislators were also reported to have channelled their pork to foundations/non-governmental organizations they established. In these cases, there is a possible “connivance between congressmen, the implementing agencies, and the contractors” (Nocum, 1996f). Other reports suggested that representatives tapped their own or a relative’s firm to carry out their projects. In Surigao, a representative’s construction firm was reported to have cornered 80 percent of all road projects in the congressional district (Nocum, 1996d). In another congressional district in Bohol, one representative purchased a used power generator from her sister and also disbursed funds to a cooperative established by her political leaders and staff (Fuentes, 1996).

In view of the alleged wastage of public funds and the corruption attendant to the use of the CDF/CIA, several groups—including the Catholic church hierarchy, non-governmental organizations, and leagues of local officials—called for the abolition of the pork barrel or urged the public to closely monitor the performance of their elective officials (Nocum, 1996a; Timonera, 1996). These calls, however, fell on deaf ears as the CDF and CIA continued in the subsequent years, albeit with a slight reduction in the CDF (from PHP 3 billion in 1996 to PHP 2.6 billion in 1997, as indicated in Table 7 above). Further, the 1997 GAA imposed a requirement that projects financed by the fund would be published before these are implemented.
The large amount of congressional insertions, specifically the uneven distribution of such spoils, led to divisions in the lower house. While a few congressmen favoured the abolition of the pork barrel (Nocum, 1996a), most representatives called for an even distribution of the pork, a call similar to the demands of representatives in previous administrations (as discussed in Chapter 3). In a caucus of Lakas-NUCD members convened by the Speaker, a number of congressmen criticized the Chair of the Appropriations Committee for his supposed favouritism (Beltran, 1996). One representative went to the extent of differentiating members of the ruling party Lakas-NUCD into two types, the Lakas na malakas (Lakas that are well connected) versus the Lakas na mahina (Lakas that have poor connections) (Olivares-Cunanan, 1996). By connections, the Lakas-NUCD member referred to the strength of a legislator’s connection to the powers-that-be, not only within Congress but more importantly with the President.

Relative success in engaging in particularism

Within his term, Ramos endowed legislators with a greater variety of pork that enabled him both to build a legislative coalition from the start of his term and to get a number of market-oriented reforms passed by Congress. Aside from the congressional slush fund (i.e. CDF), Ramos allowed legislators to insert earmarks in the annual budget through what was referred to as the Congressional Initiative Allocation (CIA). On top of these, Ramos also approved the enactment of a multi-year Public Works Act in 1995 that provided legislators yet another slush fund and an opportunity to tap central government resources for their so-called priority infrastructure projects. Ramos effectively employed pork to get his legislative agenda passed, as indicated by the
pressure exerted on representatives to get the eVAT law passed in 1994.\textsuperscript{75} However, this particular success was soon threatened as the legislators who had received their spoils quickly flip-flopped in the face of popular opposition to the tax increases and as Ramos’s own political strength vis-à-vis Congress dissipated after the May 1995 midterm elections, i.e., during the second half (1995-1998) of his six-year term (Mendoza, 2004, p. 137).

Despite effectively playing off to the legislators’ hunger for pork, Ramos still tightly controlled the purse strings through the exercise of the reserve control powers provided in the 1987 Administrative Code and the effective re-alignment of savings that resulted from the withheld or “impounded” funds. By doing so, Ramos successfully sustained the “rainbow coalition” built in 1992. However, from mid-1996 onwards, the coalition started to show signs that it was crumbling, partly due to the pork barrel scandal. By early 1998, members of Ramos’ own party started to question what they believed was a “bloated” pork appropriation for the President (Burgos, Esplanada, & Marfil, 1998). At around the same time, the main contenders for the 1998 presidential race also critiqued Ramos’ use of pork to obtain support from Congress (Pablo, 1998) or to push for the victory of his anointed successor, House Speaker Jose de Venecia, in the 1998 presidential polls (Macaspac, 1998a). One contender, then Vice President Joseph Ejercito Estrada, vowed to eliminate pork if elected as President (Esplanada, 1998).

\textsuperscript{75} Aside from the expanded Value Added Tax law, the other measures that constitute Ramos’ legislative agenda that were enacted into law include the Downstream Oil Deregulation Law of 1998; the National Water Crisis Act of 1995 that privatized the Metropolitan Waterworks and Sewerage System; and the Public Telecommunications Policy Act of March 1995, the law that deregulated the telecommunications industry (Bernardo & Ang, 2008). Also included is the New Central Bank Act (1993) that established an independent central monetary authority.
1998). The next chapter examines the politics of pork that emerged after his victory in the 1998 presidential race.
CHAPTER 6 JOSEPH EJERCITO ESTRADA, 1998-2001: BROKEN PROMISES

*Congress shares my conviction that we have to abolish the pork barrel in the face of our fiscal position.* Joseph Ejercito Estrada (1998b)

**The vow to abolish the pork barrel**

In his first State of the Nation Address in late July 1998, Estrada repeated a vow he made during the campaign for the presidency. With the country reeling from a fiscal crisis and the 1996 pork barrel scandal, Estrada made the assertion in the epigraph above. With a rather staid reaction to his bold statement, Estrada quipped “*kakaunti ang mga congressman na pumapalakpak*” (only a few congressmen clapped). He then stressed to the legislators that the Filipino “people ask no less.” At that moment, however, Estrada, a veteran politician who had served as Mayor for close to two decades, a legislator for six years, and Vice President for another six years, should have realized that the sombre response from legislators signalled that they were not about to give up their long-standing share of the spoils. Nonetheless, Estrada initially insisted that he “won’t play politics with Congress and there will be no horse trading…maglaban-laban na lang kami (let us just fight over this)” (Pablo, Marfil, & Guanzon, 1998).

In an interview before he assumed the presidency, Estrada rationalized his decision to abolish pork by asserting that he was unlike his predecessor, Fidel Ramos, who “has a lot of political debts” (Tiglao, 1998b). The statement belies the reality, though, as Estrada did have his own range of political obligations—leading him quickly to step away from his vow to abolish pork. These obligations came as a result of the
alliances he forged as he vied for the presidency, culminating in the formation of the electoral coalition, the Lakas ng Makabayanng Masang Pilipino (Power of the Nationalistic Filipino Masses or LAMMP). While Estrada abolished the Countrywide Development Fund (CDF), the congressional slush fund established by former President Aquino in 1990, his administration found ways to satiate the particularistic demands of legislators through a set of slush funds in the 1999 and 2000 budgets. Thus, like prior presidents, Estrada succumbed to the reality that the only way he could sustain a coalition, fractious in his case from his inauguration at the end of June 1998 until his untimely departure from the presidency in the third week of January 2001, was to dispense congressional pork. During his administration, major categories of pork included congressional slush funds, congressional earmarks, and presidential project-based appropriated pork (PPAP) that was directed at local politicians.

Compared to his immediate predecessors (Aquino and Ramos), Estrada differentiated himself by impressing upon legislators that he alone held the power to disburse patronage resources. This he did by vetoing a provision that required congressional consultation on the disbursement of the congressional slush fund in the 2000 budget. Such act indicates that Estrada wanted to assert himself as Patron-in-Chief, a stance that would prove disastrous for Estrada when he faced a critical challenge: an impeachment case in late 2000 that required a critical level of unwavering support from the members of Congress. Legislative allies subsequently abandoned him, seemingly disaffected by his assertion of his executive prerogative, the selective disbursement of spoils, and his favouring of local politicians over national legislators. Moreover, Estrada failed to recognize that while he, like prior presidents, successfully
built a coalition, the foundation of his coalition, both in the legislature and in the executive, was unusually shaky from the start. On top of this, his administration was persistently rocked by scandals spawned by alleged personal aggrandizement.

As Chief Executive, Estrada was like Corazon Aquino who lacked a legislative agenda and left the management of Congress to the leaders of each house. While Ramos used pork to solidify a national legislative coalition and get economic reforms passed, Estrada did not manage to hold together a strong coalition, even in the initial three years in which his powers should have been at their strongest. Estrada rather tilted disbursement of patronage toward local politicians and ended up losing legislative support. As mentioned earlier, this ultimately led to his downfall.

From an electoral coalition to a shaky governing coalition

Estrada’s electoral coalition LAMMP was formed a year before the 1998 presidential elections by three parties: Estrada’s Partido ng Masang Pilipino (PMP, Party of the Filipino Masses); businessman Eduardo Cojuangco’s Nationalist People’s Coalition (NPC), and the once dominant Laban ng Demokratikong Pilipino (LDP), headed by Senator Edgardo Angara. Dubbed as the “united opposition,” the coalition would find itself rocked by an internal dispute just a few months after its founding assembly. One of its proponents, Senate President Ernesto Maceda of the NPC, threatened to withdraw NPC from LAMMP in late December 1997. Maceda claimed that Senator Angara started to appoint LAMMP provincial officials without his consent as LAMMP Chair and that Angara was also part of a move to oust him as Senate President (Santos, 1997a, 1997c). Maceda’s threat backfired as his party eventually sealed its alliance with LAMMP (Business Daily, 1998). It should be recalled, as discussed in
Chapter 4, that the NPC was the party formed by Eduardo “Danding” Cojuangco as he vied for the presidency in the 1992 elections. Estrada, moreover, was Cojuangco’s vice presidential running mate in that election. Thus, the ties between Estrada and Cojuangco sustained the coalition despite Maceda’s protestations.  

With Estrada generating high support in pre-election polls, LAMMP steadily evolved into a larger coalition. In its founding assembly held in October 1997, LAMMP claimed to have obtained the support of eight senators, 50 representatives, 20 of the country’s 78 governors, and 500 of roughly 1,500 municipal mayors (Deocadiz, 1997). One of the touted 1998 presidential contenders, Gloria Macapagal-Arroyo, was even reported to have approached Estrada to discuss her possible drafting as the vice presidential running mate, a proposal that was rejected by Estrada as he already forged an earlier commitment to have Angara as his running mate (Santos, 1997b).

The competition for congressional leadership

As soon as Estrada secured the presidency, members of his electoral coalition started to jockey for the leadership positions in Congress. For House speaker, the presumptive contenders from LAMMP were Representatives Gilberto Duavit and Joker Arroyo. For the senate, four LAMMP members were vying for its leadership: Marcelo Fernan, Blas Ople, Franklin Drilon, and Aquilino Pimentel (Macaspac, 1998b).

76 Unfortunately for Maceda, his accusation that Angara was part of a move to oust him as Senate President did come true when he was compelled to resign the position in late January 1998. Marcelo Fernan replaced Maceda in Senate at the start of the 11th Congress at the end of June 1998 (Santos, 1998). From January to June 1998, Neptali Gonzales of the LDP served as Senate President.

77 No relation to Gloria Macapagal-Arroyo. Joker Arroyo formerly served as Executive Secretary to President Corazon Aquino and was by this time an independent representative of first district of Makati City.
The contest for speakership in the lower house was extended (Manila Standard, 1998) and subsequently resulted in a re-configuration of the LAMMP coalition into a new political formation, the Lapian ng Masang Pilipino (Assembly of Filipino Masses or LAMP) (Sipin, 1998). While still composed of the three parties that merged under LAMMP (NPC, PMP, and LDP), the new political formation accommodated members of the once dominant Lakas-NUCD who shifted to LAMP in support of the candidacy for speaker of one of their members, Manuel Villar. A real estate magnate, Villar was said to have had Estrada’s support for the speakership, as he donated a significant amount to Estrada’s presidential campaign (Cacho-Olivarez, 1998; Surbano, 1998). In supporting Villar, Estrada would conform to the common pattern of the President designating the leader of the House—thus undermining the prospects of Gilberto Duavit and Joker Arroyo, contenders who were original members of his electoral coalition.

Duavit withdrew from the speakership race and was eventually named as Chair of the powerful House Appropriations Committee (Arpon, 1998b). Unlike Duavit, Arroyo ended empty-handed as he continued to vie for the speakership and ended up with only 10 votes against Villar’s 171 votes (Arpon & Aquino, 1998). Joker Arroyo’s fate once again illustrates the weakness of parties in the Philippines, where party allegiance does not necessarily serve as a basis for assuming key leadership posts.

In the upper house, the contest for its leadership wound up being between second-term Blas Ople and an incumbent first-term Senator, Marcelo Fernan. While

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78 As discussed in previous chapters, the Appropriations Committee is a coveted position inasmuch as the Chair a) presides over committee and plenary-level discussions of the Executive-proposed budget, exercising considerable authority in including amendments to the Committee and Congress-approved budget, and b) reviews and endorses to the President requests from fellow legislators for the release of congressional pork funds.
all four contenders mentioned earlier (including Pimentel and Drilon) belonged to LAMP, the coalition only had ten members in the upper chamber and needed the support of other senators affiliated with other parties or who stood as independents. Estrada, knowing the dynamics in the post-Marcos Senate (being a former Senator), demurred to the choice of the majority, which was Fernan (Jurado, 1998). When Fernan resigned as a Senate President at the end of June 1999 due to a serious illness, the leadership of the Senate was decided with the intervention of Estrada himself. In a meeting convened by Estrada, the two contenders for the Senate presidency, Blas Ople and Franklin Drilon, agreed to a power-sharing arrangement where the former would occupy the senate presidency from July 1999 to April 17, 2000, while the latter would assume the position from April 18, 2000 until the end of June 2001 (Manila Standard, 1999f).

All told, the leadership of Estrada’s legislative coalition was unstable from the start. In the lower house, Estrada favoured a campaign contributor belonging to a different party (i.e., Villar) instead of two individuals allied with his electoral coalition from the beginning, Duavit and Joker Arroyo. The latter continually distanced himself from the President and subsequently served as one of the prosecutors in Estrada’s impeachment trial. While Villar initially drew the support of a significant majority of his colleagues in the House, he was essentially orphaned by Estrada throughout his term. Like Arroyo, Villar also eventually took the lead in pushing the impeachment complaint raised against Estrada in the last quarter of 2000.

Fernan resigned as Senate President in 1999 and was replaced by Blas Ople. The senate presidency would change thrice within the period from 1999 to 2001, with Ople replaced by Frank Drilon in July 2000 as a result of a power-sharing agreement between Ople and Drilon, an agreement sealed with Estrada’s intervention. In the end, Drilon only served for a few months before being replaced by Aquilino Pimentel after the former issued a statement against Estrada on the juetenggate scandal (as discussed below).
A key question, therefore, is why Estrada had such poor relations with the House—particularly in comparison to his predecessor, Ramos? The primary reason is that Estrada felt he had little need for Congress (Williamson, 2000). Estrada’s lack of regard of Congress was affirmed by Budget Secretary Benjamin Diokno, who asserted that it was only on budget matters that the administration required the cooperation of Congress. This was because “the President doesn’t have a large legislative agenda” and because almost all the reforms he planned to carry out were provided by the existing laws (Liden, 1998). As such, Estrada was like Corazon Aquino, who lacked a legislative agenda and left the management of Congress to the leaders of each house. Not surprisingly, Estrada did not back Villar to the same degree as President Ramos supported House Speaker de Venecia during the previous administration (Tiglao, 1999b). In the upper house, Estrada’s intervention in settling the Senate presidency after the resignation of Marcelo Fernan in 1999 indicated the fissures among the members of the Senate, a division that would become clearer when the upper chamber acted as an impeachment court against Estrada in late 2000 to early 2001.

**Bloc within the palace**

Within his cabinet, Estrada had to deal with at least four different power blocs that had their distinct interests and were constantly at odds. These blocs were led by several personalities who played a key role in his presidential campaign and subsequently took key positions in the administration. One bloc was led by Robert Aventajado, a long-time friend of Estrada and one of the leaders of the campaign organization known as the Joseph Ejercito Estrada for President (JEEP) Movement (Tordesillas, 2000). Aventajado was appointed as Presidential Adviser on Economic
Affairs, tasked to take charge of the President’s flagship projects (Laquian & Laquian, 2002, p. 34). He was reported to be instrumental in the appointment of two cabinet secretaries, tourism head Gemma Cruz-Araneta and Agrarian Reform Secretary Horacio “Boy” Morales (Duplito, Lugo, & Serapio, 1998a). A second bloc, touted in reports as the most powerful at the start of Estrada’s term, was the group led by Ronaldo “ Ronnie” Zamora, erstwhile representative of Estrada’s town, San Juan and a stalwart of the NPC (Duplito, Lugo, & Serapio, 1998b). Zamora was appointed as Executive Secretary, a position referred to as “little President.” His bloc included his own brother, Manuel, a long-time friend of Estrada and reported to be the bagman during the presidential campaign (Tordesillas, 2000). Through Manuel Zamora, Estrada courted the support of prominent Chinese-Filipinos during the campaign, a number of whom were regulars in what came to be labelled, as discussed below, as Estrada’s “midnight cabinet” (Tiglao, 1998a).

The third political bloc was led by Estrada’s losing vice presidential running mate, Edgardo Angara. While Angara had to wait for the year-long proscription on appointment of losing candidates to lapse before assuming the agriculture portfolio, he is credited with the appointment of a number of key cabinet officials, including Budget Secretary Benjamin Diokno, Socio-economic Planning Secretary Felipe Medalla, Labor Secretary Bienvenido Laguesma, and Finance Secretary Edgardo Espiritu (Duplito et al., 1998a). At the start of the Estrada administration, Angara was at loggerheads with a member of the Zamora bloc, Manuel, who was designated to head the Cabinet

80 San Juan is one of the 17 component units of Metropolitan Manila.
81 Angara would assume the position of Executive Secretary in early January 2001 for a period of two weeks, after the resignation of Zamora, who was running for Congress.
Selection Committee in lieu of Angara himself (Laquian & Laquian, 2002, pp. 133-134). The fourth and final major political bloc was composed of members of the PMP, the party created by Estrada. This bloc was led by Orlando Mercado, a colleague of Estrada in the re-established Senate in 1987 who was appointed as Estrada’s Secretary of National Defense.

Aside from these political blocs, Estrada also relied on the advice or was influenced by his relatives, from his siblings to his second “wife,” Guia Gomez (Tordesillas, 2000, p. 21). Finally there is the coterie of friends, some of whom were appointed as presidential consultants but were generally part of what was labelled as Estrada’s “midnight cabinet” (Laquian & Laquian, 2002; Tordesillas, 2000). This “midnight cabinet” involved Estrada’s friends who met “at night until dawn” and where “views are traded, strategies prepared, and deals struck” (Tordesillas, 2000, p. 15).

Members of his official family argued that the existence of blocs is part of the “divide and rule” tactic of Estrada, intended to keep “everybody on their toes” as “there is no single, exclusive group around the President” (Tiglao, 1999a, p. 18). For a former Chief of Staff of Estrada, Aprodicio Laquian, however, the diversity within Estrada’s camp mirrors Estrada’s persona, as a “bundle of contradictions”:

A kind and generous friend who was easily manipulated by his families and cronies who used him to achieve their own ends. With people he liked, he was compliant and very accommodating; perhaps, he was too eager to please. With people who didn’t matter, he was totally indifferent….He was a

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82 Estrada had multiple “wives”/partners. Aside from his legal wife, Luisa “Loi” Ejercito Estrada, Estrada’s other known partners included Guia Gomez and Laarni Enriquez. There were other women that Estrada had a relationship with, as reported by the Philippine Center of Investigative Journalism (Coronel, 2000).

83 Among the friends in the midnight cabinet, Ilocos Sur Governor Luis “Chavit” Singson would be a key figure in the eventual ouster of Estrada as he exposed alleged payoffs from illegal gambling syndicates to the President. Singson also revealed Estrada’s demand for a sizeable part of Ilocos Sur’s share in tobacco excise taxes.
true friend but an unforgiving enemy when friendships turned sour. He could be charming and persuasive as well as brutal and vindictive...He was bright and had street smarts, but he was not analytical and had a very poor work ethic. Erap was supremely human with built-in emotional contradictions. (Laquian & Laquian, 2002, pp. 96-97)

Such persona may partly explain Estrada’s lack of will in following through with his commitment to eliminate pork.

**Congressional pork à la Estrada**

For the remainder of 1998, Estrada kept his vow to dispense with congressional pork when his administration continued to withhold the release of the remaining congressional slush fund (i.e., CDF) in the 1998 budget, amounting to more than PHP 34 billion (Maragay, 1998c). Estrada’s decision on the non-release of the remaining congressional pork was really compelled by the serious cash flow problem his administration faced at the start of its term, which also necessitated withholding the Internal Revenue Allotment (IRA) funds for local government units (*Business World*, 1998d; Hutchcroft, 2012). This coincided, of course, with the Asian Financial Crisis. The test of Estrada’s commitment to the abolition of pork in the budget came in the proposed 1999 budget. To summarize the story below, he failed very decisively in following through on this commitment.

**The 1999 Budget: New variants of pork**

Given Estrada’s re-stated commitment to abolish pork in late July 1998, a hundred legislators from the lower house pooled their personal money to engage in a public relations blitz to counter Estrada’s decision and show to the public that only
Estrada would benefit from such abolition (Egco, 1998). Despite such pressure, Estrada appeared to be unaffected, and at one point even sneered, “hayaan mo sila mag-away-away, para ako pa rin ang boss” (Let them quarrel so that I will still be the boss) (Tordesillas, 2000, p. 25). The statement, however, appears to be just part of the customary bravado from Estrada as shown by the inclusion of a number of lump-sum appropriations in the proposed 1999 budget that combined congressional earmarks and slush funds.

The process of considering new variants of congressional pork started as soon as Estrada submitted the proposed 1999 budget to Congress. In mid-August 1998, the Department of Budget and Management (DBM) called on legislators to identify projects that they wished to be funded and included in the line-item budgets of various departments (Lugo, 1998c). In his briefing of lower house members, DBM Secretary Benjamin Diokno encouraged legislators to pass a joint resolution within a few weeks so that their inputs to the 1999 budget could be included (Arpon, 1998a). In this process, Speaker Villar confirmed that each representative was allotted a ceiling of PHP 30 million to identify projects that included irrigation systems, farm-to-market roads, school buildings, low-cost housing, and electrification (Patinio, 1998; Requejo & Egco, 1998). Similar to previous years, ranking members of the House or those closely identified with the Speaker were expected to receive a higher appropriation, with the Chair of the Appropriations Committee, Gilberto Duavit, reported to be eyeing PHP 9 billion to finance a major road network for his home province of Rizal. In the end, PHP 14 billion worth of projects submitted by House members were incorporated into the budget.

84 Members of the so-called Team Villar included the deputy speakers and majority floor leader.
(Arpon, 1998d). These projects constitute the earmarks included in the proposed 1999 budget—what were, under the Ramos administration (as discussed in the previous chapter) labelled as Congressional Initiative Allocations (CIA).

On the part of the Senate, adjustments made to the House-endorsed proposed budget indicate, once again, the predilection of members of the upper chamber to augment their share of pork by inserting their own projects into the proposed budget. As explained in Chapters 4 and 5, senators—given their national constituency—would augment their congressional slush fund by inserting lump-sum appropriations that they could eventually tap in the budget of line departments. In the case of the proposed 1999 budget, Senator Miriam Defensor-Santiago revealed that the Senate increased the allocation for two departments, the Department of Public Works and Highways (DPWH) and the Department of Health (DoH) by PHP 8 billion. These increases came in the form of lump-sum appropriations for public works and close to a billion pesos allocation for new rural hospitals in the case of the health budget (Aquino, 1998d). Aside from public works and health, senators also secured an increase in the budget for agriculture; social welfare and development; and education. By ensuring lump-sum appropriations for these line agencies, senators provided themselves an opening to recommend funding for future projects (Aquino, 1998a, 1998c). The total insertions of the Senate in the proposed 1999 budget reportedly amounted to PHP 15 billion (Arpon, 1998e).

Given the changes introduced by the Senate to the House-proposed budget, an unusually large contingent from the lower house attended the meetings of the Bicameral Conference Committee (BCC) (Arpon, 1998f). The key goal for the members of the lower house was to secure the retention of the projects they included in several line-
item and lump-sum appropriations. The two chambers finally agreed on a compromise budget that established four funds in the 1999 General Appropriations Act (GAA): The School Building Program (SBP); the Food Security Program (FSP); the Lingap para as Mahihirap Fund (Care for the Poor Fund or Lingap); and the Rural/Urban Development Infrastructure Program Fund (RUDIPF) (Aquino, 1998b). These four funds had a common provision that required prior consultation with members of congress before the implementation of projects. Given this common provision, these funds can be classified as congressional slush funds. Altogether, they substituted for the Countrywide Development Fund abolished by Estrada’s 1999 budget proposal.

While the SBP had been in existence since 1995, the 1999 budget was the first to include the requirement that representatives from legislative districts be consulted before the implementation of the project. With an allocation of PHP 2.5 billion for 1999, legislators also successfully inserted a provision in the SBP that prohibited the imposition by the Executive of a reserve on such funds. Through this provision, the legislators aimed to ensure that not a single chunk of the SBP fund could be withheld by the President. This is not the first time that Congress included a provision restricting the imposition of a reserve on a slush fund. As discussed in Chapter 5, Congress included a similar provision on the disbursement of the congressional slush fund (i.e., CDF) in 1997, a provision that was not vetoed by former President Ramos. Estrada similarly did not veto this provision.

The FSP, with an allocation of PHP 1.5 billion, was intended to support the construction of farm-to-market roads, post-harvest facilities and other agriculture-related infrastructure. The third program, Lingap, was included in the budget as a replacement
to the poverty alleviation fund in the 1998 budget. With an allocation of PHP 2.5 billion, the projects under Lingap covered six programs, namely: food, nutrition and medical assistance under the DoH; livelihood development under the Cooperative Development Authority; a socialized housing program through the National Housing Authority; rural waterworks system with the Local Water Utilities Administration; protective services for children and youth under the Department of Social Welfare and Development (DSWD); and price supports for rice and corn by the National Food Authority. Of the six Lingap programs, four (i.e., health programs, livelihood development; housing; and children and youth services) could be considered micro-particularistic in that they allowed legislators to provide support down to the level of individuals.

Finally, RUDIPF had an allocation of PHP 5.4 billion areas with two-thirds of the allocation appropriated for rural development infrastructure and the remainder for urban infrastructure projects. Under RUDIPF, each legislator was allotted PHP 30 million for local infrastructure projects, the fulfilment of the commitment made by the Executive to allot a specific amount for priority infrastructure projects of legislators (Manila Standard, 1999i). Essentially, the RUDIPF program extended the 1995 PWA passed under the Ramos administration that lapsed in 1998.

Thus, in signing the 1999 budget into law, less than six months after assuming office, Estrada had already retreated from his vow to abolish pork. More importantly, the total amount (PHP 11.9 billion) allocated to the four congressional slush funds mentioned above was more than double the obligated amount (PHP 5.634 billion) for congressional slush funds (i.e., CDF and SBP) in 1998. Other than rewarding legislators with a new set of congressional slush funds, Estrada expressed his gratitude to
legislators for the early passage of the 1999 budget by giving each of them a Christmas gift of PHP 100,000 (Garcia & Arpon, 1998).

The 2000 budget: Asserting executive control of pork releases

These patterns continued the following year in the drafting of the 2000 budget. In mid-1999, Estrada stated that he was willing to reinstate the congressional slush fund, or what was formerly known as the CDF, on the “condition that it will be focused on irrigation, farm-to-market roads, school rooms, and socialized housing” (Business World, 1999b). In support of this statement, Executive Secretary Ronaldo Zamora stressed that the new congressional slush fund will be “focused, if it is restored” and “should not go to soft projects such as textbooks, seminars, medicines, and waiting sheds as was done in the two previous administrations” (Manila Standard, 1999q).

Estrada’s retreat from his initial stance on the CDF, the congressional slush fund from the previous two administrations, was believed to be linked to his intent of persuading legislators to support his move to amend certain provisions of the Constitution (Business World, 1999b). Estrada’s pursuit of constitutional change started as soon as he assumed the presidency. In late November 1998, Estrada issued an executive order creating a Preparatory Commission on Constitutional Reforms to review provisions of the Constitution and recommend the necessary amendments (Maragay, 1998a). Though Estrada succeeded in getting support for his proposed changes to the

85 The Commission conducted consultations and completed its work within a year, recommending, among other things, a relaxation of the constitutional prohibition on foreign ownership of land and the convening of Congress as a Constituent Assembly to amend the Constitution (Preparatory Commission on Constitutional Reforms, 2000). In response to fears expressed by anti-charter change groups that Congress as a Constituent Assembly may amend other provisions to benefit its members, Estrada said he would ask members of Congress to sign a covenant that they will not include changes that benefit all.
Constitution from members of the legislative majority, the initiative to amend the Constitution was eventually scuttled by Estrada himself in late 1999 as his administration was dogged with several controversies (as discussed below).

Despite Estrada’s expressed willingness to formally reinstate the congressional slush fund in mid-1999, the proposed 2000 budget was not enacted into law until February 16, 2000. The delay in the enactment of the 2000 budget reflected again the differing motivations on the part of members of the lower and upper house. More importantly, it demonstrated Estrada’s weak control of the two chambers of Congress. Unlike his immediate predecessor, Ramos, Estrada faced congressional opposition on his budget measure very early within his term. The latter is evidenced by a boycott of a number of the members of the lower house, including members of Estrada’s LAMP party, of the plenary sessions set to deliberate on the proposed budget (Manila Standard, 1999r).

Inter-chamber dispute on the 2000 Budget and Estrada’s interventions

The primary demand of the representatives who absented themselves from the plenary sessions was to increase their congressional slush fund allocation from PHP 30 million in 1999 (under the RUDIPF) to PHP 80 million in the proposed 2000 budget (Manila Standard, 1999u). The demand to increase their slush fund allocation was incumbent officials including himself (Lugo, 1999). Moreover, Estrada also committed that the amendments will not cover political provisions, including his earlier pronouncement of extending the terms of elected local officials (Maragay, 1998b) but would be confined to the recommendations of the Commission.
probably rooted in the House’s earlier approval of a proposed new Public Works Act (PWA) that would have given each congressperson an annual allocation of PHP 30 million for each house member for five years beginning the year 2000 (*Manila Standard*, 1999t). This was not enacted by the Senate, and thus did not become law. The representatives, part of a so-called Group of 20, also complained about delays in the release of their 1999 pork allocation, with neophyte representatives expressing fear that it could affect their re-election campaign in the 2001 elections (Arpon, 1999b). Thus, as early as the third quarter of 1999, not only opposition members but even a number of Estrada’s own allies were irked by the belated release of their pork.

Angered by the boycott of the representatives, Estrada ordered the leadership of the House to crack the whip on the recalcitrant members (*Manila Standard*, 1999v). Estrada even went to the extent of asking the headstrong LAMP members to quit as he remarked:

> I am saddened because never have I imagined that there would be some congressmen who only think of themselves...Perhaps it is about time for us to take a look at these congressmen. If possible, we will just oust them because they make our party a shame before the Filipino people. (*Manila Standard*, 1999d)

The statement leads us back to the characterization of Estrada’s persona by his former Chief of Staff, Aprodicio Laquian. Estrada was clearly displeased with the actions taken by his own allies and openly threatened them with expulsion from his party. While there were speculations that the boycott by representatives of plenary sessions was meant to express displeasure in the performance of Speaker Manny Villar, the Group of 20 had in fact affirmed their support for Villar during their boycott (*Manila Standard*, 1999v). This suggested that while Villar’s hold over the majority remained, he was, like...
Estrada, equally incapable of whipping these 20 members of the LAMP party into conformity with the President’s directive. Villar eventually succeeded in obtaining a quorum in the plenary sessions after he told legislators in a caucus that Malacañang had agreed to allocate PHP 11 billion for congressional projects, or PHP 50 million per district (*Manila Standard*, 1999w).

In the upper house, the Chair of the Finance Committee, Sen. John Osmeña, also of LAMP, persisted in his opposition to the budget given the “grossly exaggerated” revenue estimates from the Finance Department (*Manila Standard*, 1999s). He and like-minded colleagues in the Senate called for budget cuts of more than PHP 50 billion. After Budget Secretary Diokno warned that a cut in the 2000 budget will have disastrous effects (*Manila Standard*, 1999p), Osmeña attacked him for “playing God” and “acting like an Emperor.” Unlike his irate response to the boycott in the lower house, Estrada initially created a group of emissaries composed of cabinet members, led by Executive Secretary Ronaldo Zamora and Budget Secretary Benjamin Diokno, to dialogue with senators on the proposed budget cuts. This dialogue did not bear fruit as Osmeña questioned Diokno’s credibility (Aquino, Arpon, Garcia, & de Leon, 1999). Learning about Osmeña’s intransigence, Estrada called the senator to a meeting to convince him and the other members of his committee to reduce the planned budget cuts (*Manila Standard*, 1999c). The meeting failed to resolve the differences between the Executive and the senators on the proposed budget cuts.

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86 A representative claimed that Osmeña was using the threat of budget cuts to blackmail Estrada to retain the controversial head of the Presidential Management Staff, Leonora de Jesus. This came at a time when a cabinet shuffle was rumoured to be in the offing (*Manila Standard*, 1999c).
To facilitate an agreement between the two chambers of Congress on the 2000 budget, Estrada called two special legislative sessions, the first in late December 1999, and the second for a week in mid-January 2000. The special sessions did not produce an agreement between the two chambers, with the Senate insisting on more cuts while the lower house members defended their pork slices. The two chambers subsequently compromised on a budget measure that was enacted in mid-February 2000, with the Senate succeeding in reducing the total amount from the original PHP 651 billion to PHP 629 billion, while the members of the lower house triumphed in incorporating their projects accompanied by provisions that required consultations with Congress in the determination of projects for these appropriations.

The 2000 GAA included a new congressional slush fund, the Priority Development Assistance Fund (PDAF). While the lower house proposed an allocation of PHP 7.1 billion for PDAF (Arpon, 1999a), the 2000 GAA appropriated less than half of the original amount, PHP 3.3 billion. Of this total allocation, the bulk, PHP 3 billion, was slated to enable legislators to support projects ranging from food security to economic and social infrastructure to hospitalization assistance, among others. The eventual guidelines issued after the enactment of the 2000 GAA further qualified the projects that could be funded by PDAF to include emergency relief assistance, rice subsidy, and palay and corn procurement (Arpon, 2000b). Given these provisions, PDAF essentially reincarnated the CDF that was abolished by Estrada on his first year. Further, the general provisions and guidelines in the use of PDAF allowed for the use of the fund for “soft” items, meaning consumable services or goods directed at individual beneficiaries (i.e., micro-particularistic patronage as defined by Hutchcroft 2014b).
Thus, the 2000 PDAF carried over the practice of disbursing funds for individually beneficial projects that was started by former President Ramos in 1994 (as discussed in Chapter 5).

While the final allocation for the PDAF declined, the 2000 GAA included another slush fund, the PHP 14.99 billion outlay for a program labelled as “Various Infrastructures including Local Projects” (VILP). The VILP qualifies as a pork program given that the items included in the appropriation are all lump-sum slush funds and a general provision for the program stipulated that it “shall be used to fund infrastructure requirements of the rural/urban areas for roads and bridges, flood control and drainage facilities, water supply and other infrastructure, and shall be released upon the recommendation of the respective members of Congress.”

As an item in the budget of the Department of Public Works and Highways, the VILP could be traced to the insertion by the lower house of a PHP 1.126 billion allocation during their budgetary deliberations (Manila Standard, 1999p). The final allocation was much higher and can be explained by initiatives taken by members of each chamber to increase the amount for their own infrastructure projects. On the part of the lower house, the additional allocation in the final version of the VILP compensated for the non-enactment of the proposed 1999 PWA, a measure they approved swiftly but which was not acted on by the Senate. Under this proposed law, as noted above, each member of the lower house was supposed to have received PHP 30 million worth of infrastructure projects for each year from 2000 to 2004 (Garcia, 1999).

Despite the Senate’s inaction on their counterpart public works measure, the members of the lower house nonetheless succeeded in getting an even bigger annual
allocation under VILP—PHP 35 million each for the year 2000. Not to be outdone, the
senators who continually fought to reduce the proposed budget succeeded in getting an
even bigger chunk of the VILP, as PHP 7.7 billion of the VILP was devoted for national
projects. With this amount, each senator could identify PHP 320 million worth of local
infrastructure projects to be implemented in any area in the country.

The last retained congressional pork in the 2000 budget is under the Department
of Education’s Basic Education Facilities Program (BEFP), a replacement of the 1999
School Building Program (SBP). With an allocation of PHP 2 billion, the BEFP provided
for the delivery of fully furnished classrooms in various public schools around the
country. Unlike the prior consultation provision in the PDAF and the VILP, the release of
BEFP funds requires the “concurrence” of the representative of the relevant
congressional district.

The deliberations and subsequent enactment of the 2000 budget reflects again
the differing motivations of legislators in each chamber. Members of the lower house
insisted on their parochial projects, while members of the Senate pushed for seemingly
programmatic but in reality meso-particularistic programs that targeted larger sub-
national constituencies that are important to their re-election bids.

While Estrada signed the budget, he vetoed the provisions that required
consultation, concurrence, recommendation or coordination with members of Congress
prior to the implementation of programs (Department of Budget and Management,
2000). The veto did not sit well with members of the lower house, some of whom moved
for an over-ride of the veto, an empty threat given the absence of a successful
congressional over-ride of a presidential veto in Philippine history (as discussed in
Chapters 3 and 4). One representative, Sergio Apostol, who eventually was designated as one of the prosecutors for the Estrada impeachment trial in the Senate, argued that the veto on the congressional consultation with respect to PDAF violates an earlier Supreme Court decision. Apostol asserted that “the President will be embarrassed because the Supreme Court already made a decision that it is constitutional for congressman [sic] to appropriate funds for projects.” Apostol was referring to the SC’s decision in 1994 that declared the precursor of PDAF, the CDF, as constitutional (as discussed in Chapter 5). Another representative, Oscar Moreno (also later to serve as a prosecutor in Estrada’s impeachment trial), observed that Estrada’s veto “confirms the fear of many lawmakers that the President is getting all the more powerful being in full control of the entire national budget, especially over the lump sum funds” (Lugo, Aquino, & Arpon, 2000).

Budget Secretary Diokno clarified that despite the veto, the President did not strip members of Congress of the authority to identify projects totalling to P 50 million (Manila Standard, 2000f). To soften the blow of the veto and quash attempts to override it, the Budget Department ordered the release of PHP 10 million as each of the legislators’ 1999 pork (Arpon, 2000c). A few days after, Economic Planning Secretary Felipe Medalla confirmed a report that an Executive Order was being formulated in Malacañang that would direct regional chiefs of all line agencies to consult congresspersons on the release of appropriated funds (Arpon & Lugo, 2000). Though the Executive Order was not issued, the proposal to formulate one indicates a backtracking of the Estrada administration to its initial stance of controlling the releases of congressional slush funds. Nonetheless, the Executive worked with Congress to
formulate guidelines in the use of the PDAF (Arpon, 2000b). The move to over-ride the presidential veto quickly lost steam as the Senate was unwilling to support the House-proposed over-ride measure (Arpon, 2000a).

Despite the assurances of his cabinet members, Estrada’s veto of provisions that required prior concurrence or consultation with Congress illustrates his attempt at asserting his role as Patron-in-Chief. All Philippine presidents, as we argued in Chapter 2, enjoy this role. But Estrada chose to distinguish himself from his predecessors by showing himself to be unwilling to share with members of Congress the discretion in dispensing patronage funds. As his former Cabinet secretary observed, Estrada’s position on pork was really “designed to strengthen his control over the money allocation process” (Lacquian & Lacquian, 2002). Estrada would also flaunt his Patron-in-Chief role in his dealings with other sub-national politicians, the heads of the local government units (LGUs).

Courting local political support

As someone who had served as a town mayor for close to two decades, Estrada recognized the importance of gaining the support of local politicians. At the start of his term, Estrada concurrently assumed the position of Interior and Local Government Secretary for a period of close to nine months. Furthermore, within his short presidential term, Estrada accommodate the concerns of local politicians relative to the demands to of legislators. In this regard, Estrada distinguished himself from his predecessors by blatantly pitting local politicians against national legislators.

Early in his presidency, Estrada addressed the League of Municipalities of the Philippines (LMP), the organization of more than 1,500 mayors that was headed by his
son, San Juan Mayor Jose “Jinggoy” Estrada. In his address, the older Estrada promised that the line departments of government will provide quick responses to the concerns of local government units (LGUs) through the creation of a “Malacañang Skyway,” an express action centre that brought together various departments to attend to delays in the implementation of projects intended for LGUs (Cagahastian, 1998). This was in response to a specific concern raised in the LMP assembly, the delay in the implementation of local infrastructure projects.

Aside from committing swift responses by the central government agencies to LGU concerns, Estrada positively responded to the demand of local chief executives to release their 1998 Internal Revenue Allotment (IRA) that was withheld by the prior administration. Under former President Ramos, PHP 8 billion, or 10 percent of the IRA obligated in 1998, was withheld. Ramos cited the fiscal condition that the country confronted in withholding the release of the IRA. In a radio interview aired in August 1998, Estrada vowed to release half of the withheld IRA as he expressed empathy towards the local government officials and vowed “ang tiyak na tiyak na hindi natin maibibigay ay itong pork barrel ng ating Kongreso pagkat iyan ay hindi naman masyadong kailangan at mas kailangan ng mga local governments ang kanilang IRA” (what is certain is that we will not release the pork barrel of Congress, the local governments need their IRA more) (Lugo, 1998a). With this statement, Estrada in the early months of his presidency indicated his preference to disburse funds previously withheld from LGUs while at the same time holding back congressional slush funds from national legislators. In December 1998, Estrada ordered the release of the remaining withheld IRA (Business World, 1998b, 1998c).
In the same radio interview, Estrada also vowed to dispense completely with a cut in the IRA allocation for 1999 (Lugo, 1998d). Moreover, for the 1999 budget, Estrada proposed to Congress a hefty increase in the allocation for local government units, from PHP 77.5 billion to PHP 103.8 billion (Lugo, 1998b). Despite initial attempts from Congress to cut the IRA, the enacted 1999 budget retained the proposed allocation for local government units (Garcia, 1998). However, part of the IRA was obligated to a special fund, the Local Government Service Equalization Fund (LGSEF), a program established through Executive Order (EO) No. 48 in late 1998. The EO stipulates that the fund is primarily meant to “address the current shortfalls encountered by LGUs in the implementation of devolution-related programs, projects and activities” (Office of the President of the Philippines, 1998). With an allocation of PHP 5 billion (Business World, 1999c), the LGSEF was part of an agreement in the Bicameral Conference Committee (BCC) to set aside funds to “augment the special needs of local government units” (Arpon, 1998c). When the LGSEF was implemented, it was criticized as a “dole-out” fund under the control of the President and his son, LMP President and San Juan Mayor Jinggoy Estrada (Newsbreak, 2005b). Owing to the President’s discretion in releasing the LGSEF funds, the program could be regarded as presidential project-based appropriated pork.

Beyond obtaining their IRA shares, local politicians pushed through the LMP for the release of what were erstwhile congressional slush funds, directly to LGUs. Arguing that the release of these funds will “give true meaning to local autonomy”, Mayor Jinggoy Estrada pushed for the release of RUDIPF funds directly to LGUs (Manila Standard, 1999l). As discussed above, the 1999 budget obligated PHP 5.4 billion for
RUDIPF, a program that was meant to finance various rural-urban infrastructure projects. The disbursement of the RUDIPF appropriation, as mentioned earlier, required prior consultation with members of Congress. In proposing to tap RUDIPF funds for local infrastructure projects implemented through the LMP, the younger Estrada was in effect usurping the discretion that the special provision in the 1999 budget exclusively bestowed on legislators.

Jinggoy Estrada’s proposal to tap RUDIPF funds stemmed from the LMP’s role in disbursing counterpart funds to support local infrastructure projects of its member municipalities. In August 1999, President Estrada allocated PHP 1.5 billion to the LMP to provide counterpart financing for local infrastructure projects with the LMP disbursing PHP 1 million to a third of the roughly 1,500 municipalities in the country (Manila Standard, 1999a). Believing that they were more efficient in distributing central government largesse, the LMP subsequently proposed that additional funds be sourced from the RUDIPF program. In the same month, the LMP, together with the Union of Local Authorities of the Philippines (ULAP), pressed for the release to LGUs of yet another prior source of congressional slush funds, the withheld PHP 58 billion for the 1998 allocation of the 1995 Public Works Act (Manila Standard, 1999i). These proposals indicate that, with a presidential son heading one of its constituent associations, the League of Municipalities, and with a President that clearly favoured them versus national legislators, local politicians became more assertive in accessing central government resources that had erstwhile been the exclusive domain of legislators.
Aside from the PHP 1.5 billion in local infrastructure grants, which were yet another form of *presidential project-based appropriated pork* sourced from lump-sum funds under the discretion of the President, the LMP was also tasked to distribute ambulances to local government units, a responsibility that formerly fell in the hands of the sponsoring organization, the Philippine Charity Sweepstakes Office (PCSO) (*Manila Standard*, 1999g). A lower house member, Raul Gonzalez, called for a probe into what he referred to as anomalous distribution, arguing that the younger Estrada was angling for a senatorial position in the 2001 elections (*Business World*, 1999d). For its part, the head of the PCSO defended the younger Estrada by saying that the 276 ambulances turned over to the LMP replicated the manner of releases of over 2,500 ambulances under the Ramos administration (*Manila Standard*, 1999n).

To reciprocate for the President’s support to LGUs, the municipal mayors of the LMP unanimously endorsed the confirmation of Ronaldo Puno to be Estrada’s successor as Interior and Local Government secretary (*Manila Standard*, 1999h). Puno, a member of Estrada’s presidential campaign team, served as the sole Undersecretary of the Interior Department while the President held the position of Secretary concurrently. The municipal mayors also backed Estrada’s constitutional change proposal (*Manila Standard*, 1999k). Quite clearly, the president had effectively ensured an exchange of favours with local politicians.

From cordial relations in the first year and a half of the Estrada administration, the relations between the Executive and local government officials turned sour at the end of 1999. This was due to the PHP 30 billion cut in the 2000 Internal Revenue Allotment proposed by the Senate Committee on Finance. As a reaction to the
proposed IRA reduction, local politicians (through ULAP) threatened to lead a nationwide rally to protest what it called as an “unjustified, illegal, anti-local government move” of the Senate Finance Committee (Arpon, Aquino, Garcia, de Leon, & Lugo, 1999; Hutchcroft, 2012). The provincial governor of Negros Occidental warned the senators that if they insisted on the IRA reduction, they would be targets of a negative campaign waged by local governments against them in the 2001 elections (Garcia & Tajanlangit, 1999). As head of a member organization of ULAP, the LMP, the younger Estrada lobbied for the restoration of the PHP 30 billion cut (Arpon, Aquino, & Lugo, 1999). While President Estrada initially expressed support for the proposed IRA reduction (Business World, 1999a), he backpedalled a day before 65 of the 78 provincial governors, as well as a majority of the members of the LMP and other LGU organizations, were to stage a nationwide sit-down strike against the proposed cut (Hutchcroft, 2012; Robles, 1999).

Estrada’s mediation between Congress and the LGUs on the proposed IRA cut hinted that there was discord between local and national politicians vis-à-vis spending priorities in general, or their share of central government patronage resources in particular. While local politicians fiercely defended their Internal Revenue Allotment and sought a share of what were traditionally congressional slush funds, legislators were conversely willing to slash the funds that should have been automatically obligated to local governments so that they could retain their own congressional pork. The ULAP President, Laguna Governor Jose Lina, lambasted legislators for putting a premium on their pork while proposing to reduce the IRA, declaring such act as “deplorable and smacking of insensitivity to the plight of the poor who rely on LGUs to deliver solely
needed services” (*Manila Standard*, 2000h). On the other hand, the President's vacillating position on the Senate-proposed IRA reduction indicated his inability to convince nationally elected legislators, who enjoyed an equally broad constituency, to agree on a compromise budget.

Estrada’s teetering on the proposed IRA cut kept the local government leaders in a guarded stance, with ULAP vowing to continue the fight for the release of the full IRA share (*Manila Standard*, 2000i). The support for the President from LGU leaders would eventually wane as Estrada became embroiled in a scandal that would lead to his untimely departure from the presidency. Not surprisingly, only the LMP, led by his son, would express full support and confidence in the President as he faced an impeachment complaint in late 2000. They argued, in a statement, that “until proven beyond reasonable doubt, the allegations against President Estrada are baseless and fabricated lies” (Felipe, 2000).

**End of the road: Scandals and the limits of patronage**

In a privilege speech delivered on October 5, 2000, Senator Teofisto Guingona accused President Estrada of receiving millions of pesos in pay-offs from operators of *jueteng*, an illegal gambling game that proliferates in many areas in the Philippines (Aquino, Payumo, Garcia, Villanueva, & Visto, 2000). Reacting to Guingona’s statement, an ally of Estrada in the Senate, Francisco “Kit” Tatad, warned that “if Senator Guingona is unable to prove his allegations, the Senate…may punish him for disorderly behaviour, and with the concurrence of two-thirds of the entire membership, suspend or expel him” (*Manila Standard*, 2000e). Tatad’s warning was a sign of things to come—of how the Senate, eventually acting as the impeachment court, would be
divided into two camps: one favouring Estrada, and the other inclined towards convicting the President.

Guingona’s accusations were eventually supported by the testimony and documents submitted by the main whistle-blower, Estrada’s erstwhile long-time friend (and alleged member of the midnight cabinet), Ilocos Sur Governor Luis “Chavit” Singson. He alleged that Estrada received bribe money from illegal gambling operators, specifically *jueteng* syndicates, that amounted to PHP 414 million for the period from November 1998 to August 2000 (Doronila, 2001, p. 13). In addition, Singson claimed that Estrada withheld the release of his province’s share of the tobacco excise tax until he was given a commission amounting to PHP 130 million (Laquian & Laquian, 2002, p. 17).

Prior to the Guingona and Singson accusations, Estrada had faced a number of scandals that questioned his integrity. The first scandal occurred in early 1999 and hogged the news within the first quarter of the year. The scandal resulted from an alleged bribery incident when a representative of a textbook publisher delivered PHP 3 million in cash to the Department of Budget and Management to facilitate the release of a PHP 200 million book contract (*Manila Standard*, 1999o). In a subsequent Senate investigation of the alleged bribery, the Education Secretary, Br. Andrew Gonzalez, 87

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87 *Jueteng* is a popular numbers game played in various communities where bettors wager any amount from a peso upwards on a combination of two numbers, from 1 to 37. A winning bettor could take ten times the amount of his/her bet. According to one report, *jueteng* operators nationwide commonly rigged the results so that the number combination that has the lowest amount of bets would win. The report further estimates that the total annual revenue of *jueteng* operators is PHP 38 billion (Dychiu, 2010)
linked a third cousin of the President to the incident (Lugo & Aquino, 1999). The second scandal involved the alleged insider trading of a close friend of the President, Dante Tan, also reported to be one of the regular attendees in the midnight cabinet (Tordesillas, 2000, p. 16). The third scandal pertained to several revelations that raised questions about Estrada’s alleged unexplained wealth. In a series of investigative journalism reports published in the first couple of years of Estrada’s tenure, several questions were raised as regards the source of the President’s wealth (Chua, Coronel, & Datinguinoo, 2000a), the expansion of business ventures of members of his extended families (Chua, Coronel, & Datinguinoo, 2000b), and numerous choice properties.

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88 The cousin, a certain Celia de Castro, turned out to also be a presidential appointee as a consultant for barangay affairs (Aquino & Fiel, 1999). De Castro was alleged to be a part of a “gang of four” that included one of Estrada’s partners, former actress Laarni Enriquez (Manila Standard, 1999e). Estrada was quick to refute the existence of the alleged gang as he blamed a political group for what he believed was a smear campaign (Manila Standard, 1999m). A senior leader of the House, Deputy Speaker Eduardo Gullas, was also linked to the scandal as the textbook publisher representative, Mary Ann Maslog, was a cousin and alleged to have contracted the repair of school buildings in Gullas’ district (Manila Standard, 1999).

89 Tan’s Best World Resources Corporation (BW Resources), a publicly listed firm that was awarded an online bingo contract by the government’s Philippine Amusement Gaming Corporation, was alleged to have profited from his alleged crony ties with Estrada. Sometime in August 1999, legislators threatened to investigate Tan for what was argued to be an “extraordinary astronomical rise” in the market price of BW Resources stocks (Lugo & Arpon, 1999). When the BW Resources stocks were first listed in the bourse in March 1999, its price was at PHP 2.50, but by early October 1999, the market price stood at PHP 70.50 (Manila Standard, 1999), hitting its highest share price of PHP 107 by mid-October 1999 (Manila Standard, 1999x). In December 1999, the Office of the President issued a memorandum ordering the Chairman of the Securities and Exchange Commission (SEC) to refrain from issuing any statements related to trading transactions without prior clearance or approval from the Office of the President. This memorandum fuelled more questions, leading one legislator to allege that there was a possible cover-up of BW Resource share trading (Junia, 1999). Instead of complying with the President’s order, the SEC chairman, Perfecto Yasay, continued to issue public statements and claimed, in a Senate hearing in January 2000, that President Estrada called and asked him to clear Dante Tan of any wrongdoing in the trading of BW Resource shares (Arpon, Lugo, Yap, Visto, & Aquino, 2000). In response, Estrada claimed that Yasay tried to extort money from Dante Tan and threatened the SEC chairman with a bribery case (Lugo, 2000). To Estrada’s former Chief of Staff Aprodicio Laquian, the President’s attack against Yasay showed his “all too obvious loss of temper,” and “revealed the extent to which” he “could inflict harm on a person he did not like.” Over time, this “did not help much in raising his stature in the people’s eyes” (Laquian & Laquian, 2002, p. 16).
registered under the names of Estrada friends but allegedly occupied or used by
Estrada family members and old and new female partners (Coronel et al., 2000).

As the President’s critics were keen to note, all these earlier scandals
seemed quite clearly to contradict a promise that Estrada had made in his
inaugural speech:

Walang kaibigan, walang kumpare, walang kamag-anak o anak na maaaring
magsamantala sa ngayon. At ngayon pa lamang sinasabi ko sa inyo, nag-
aaksaya lamang kayo ng panahon. Huwag ninyo akong subukan. (No friends,
no buddies, no relatives can capitalize now. I say this now, you are just
wasting your time. Do not dare me) (Estrada, 1998a)

Thus, when in early October 2000 Singson came out with his own allegations
of Estrada mulcting from illegal gambling syndicates and drawing his share of
tobacco excise tax, the alleged depravity of his administration was fully exposed.

Despite the seriousness of Singson’s charges and the jueteng-gate scandal
it spawned, Estrada remained confident that he could weather the biggest storm in
his term inasmuch as he still had majority support in the lower house. Only 22
representatives endorsed the impeachment complaint at the start, far short of the
two-thirds (75 of 218) of the House membership required to impeach the President
(Manila Standard, 2000a). In the first hearing of the Committee on Public Order
and Safety, convened by its Chair Roilo Golez, members of the majority
questioned the jurisdiction of the committee to hear Singson’s allegations and
through a narrow majority vote (23 against 22), succeeded in striking off the name
of Estrada in the committee’s proceedings. This “tyranny of the majority”, however,
began to slowly dissipate, as members of Estrada’s coalition started to dissociate
themselves from him bit by bit in the latter months of 2000.
The first to resign from the cabinet was Estrada’s Vice President, Gloria Macapagal Arroyo, who concurrently served as Social Welfare Secretary (Rubrico, Sanchez, & Garcia, 2000). Arroyo’s resignation was followed by the resignations from LAMP or the majority coalition of key members of the Senate and the House, specifically the members of the LP that composed of 15 representatives aligned with the President. Another LP member, former majority leader Manuel Roxas, also resigned from his position as Secretary of Trade and Industry (Garcia, 2000a).

To stave off the exodus from the legislative coalition and ensure the support of legislators to halt the impeachment complaint at the committee level, the President committed in late October 2000 to release the remaining congressional slush fund (Garcia & Aquino, 2000). This carrot, however, was combined with a stick: legislators signing the impeachment complaint were allegedly threatened with the prospect of not having their congressional slush funds released (Garcia, 2000b). But these tactics came too late in the game, and Estrada was impeached by the lower house on November 13, 2000.90 Aside from the public outrage against Estrada’s alleged corruption, other resentments that had built up across his more than two years in office encouraged a number of erstwhile Estrada allies to favour impeachment. This included delays in and the inequitable disbursement of pork-barrel funds as well as the veto of the provision in the 2001 budget that required congressional consultation on the releases of pork funds. An additional source of

90 Because of the impeachment case, Congress failed to pass the 2001 budget. While the lower house deliberated on the budget, it was not until after Estrada was deposed, in late January 2001, that the House approved their version of the 2001 budget.
resentment was Estrada’s decision, early in his term, to prioritize the disbursement of patronage resources to local politicians early in his term.

Cognizant that the supporters of impeachment had swelled, Estrada, according to a key informant, instructed his supporters in the House to allow the impeachment case to proceed and be sent to the Senate. Estrada’s instruction was alleged to be based on his belief that he would be acquitted of the charges by the majority of the senators. However, House Speaker Manny Villar did not follow this purported script. In early November 2000, Villar resigned from the LAMP, joined by around 40 LAMP members (Manila Standard, 2000c). By that time the proponents of the impeachment claimed that they had already obtained 77 signatures supporting the impeachment (Manila Standard, 2000b). On November 13, 2000, after leading the prayer at the start of the session, Villar single-handedly transmitted the articles of impeachment to Senate by declaring, despite opposing motions from members of the majority, that:

We are in receipt of a matter of high constitutional privilege which has precedence over all legislative matters, namely the report of the committee on justice. Since the Constitution mandates that when at least a third of all the members of the House files a verified complaint or a resolution of impeachment, the same shall constitute the articles of impeachment, the duty of the House becomes pre-emptory and ministerial, to endorse it to the Senate for trial in the same manner as an approved bill (Garcia & Lugo, 2000)

The impeachment trial started on December 7, 2000 but the process was cut short. On January 16, 2001, House prosecutors walked out after the majority of the Senator-judges voted against opening a sealed envelope from a commercial

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91 The key informant is one of the assistant majority leaders who remained supportive of Estrada during the impeachment. Interview with anonymous key informant conducted on 3 July 2014, Quezon City.
bank that was supposed to prove that Estrada had unexplained wealth. Estrada was alleged to have opened a bank account under an alias, Jose Velarde, with a total deposit exceeding PHP 3 billion (Manila Standard, 2001b). The account was alleged to have contained deposits sourced from illegal gambling kickbacks, profits from insider trading (in the BW scandal mentioned above), and embezzled state funds (Clapano, 2002). With a slight majority of the senator-judges (11 versus 10) rejecting the opening of the sealed envelope, the prosecutors were joined by the dissenting senator-judges in walking out from the trial. Representative and impeachment prosecutor Joker Arroyo said the decision was a “shadow of the tribunal’s final verdict on the case” (Aquino, 2001b). More importantly, the vote affirmed Estrada’s confidence that he had the numbers in the Senate to secure an acquittal. Unfortunately for Estrada, the Senate-tribunal’s decision triggered street protests that swelled from the night of January 16, 2001. Eventually, the leadership of the military and the police, as well as additional members of Estrada’s cabinet, withdrew their support for the President. On January 20, 2001, the Supreme Court Chief Justice Hilario Davide swore in Gloria Macapagal Arroyo as President of the Philippines.

A number of explanations have been offered for the abbreviated term of Estrada. Doronila argued that the fundamental source of Estrada’s political woes was that “he introduced into the presidency a set of predatory values that converted the powerful office of the land into an instrument for the extraction and accumulation of wealth” (Doronila, 2001, p. 255). A related explanation was offered by former close associates of Estrada, who recounted that he went into the presidency with his usual bravado but
was eventually brought down by allegations of corruption (Laquian & Laquian, 2002, pp. 8-21).

Beyond these explanations, Kasuya (2005) focuses on a dimension that is most salient to this analysis. All LAMP members received pork barrel, she explains, but some proceeded to support Estrada while others defected. Kasuya wants to understand, in general terms, under what conditions the lure of patronage is not effective and, more specifically, why did some LAMP members endorse the articles of impeachment while others did not? (Kasuya, 2005). She argues that LAMP members who switched to the party after the 1998 elections and those who were nearing the constitutional limit of three terms were more likely to support the impeachment given that they received less patronage from Estrada in the past, and “accorded less value to the future importance of presidential patronage” (Kasuya, 2005, p. 536). Kasuya’s assertions are partly correct. She does establish that most of the LAMP members who supported the impeachment were post-1998 election party-switchers.

However, Kasuya fails to recognize a number of conditions discussed in the preceding parts of this chapter. Patronage failed to sustain Estrada in the presidency chiefly because the resource that the President could have used to cement support from members of the legislative coalition a) was not fully released, and b) more importantly, was in part diverted away from Congress and toward local-level politicians. While the limited distribution of pork could be explained by the fiscal crisis that the Estrada administration continually faced, I am more inclined to believe that the fiscal difficulty was a rationalization. The Estrada administration made no dramatic progress in containing the fiscal deficit; quite the contrary, the deficit increased from PHP 50 billion
at the end of 1998 to PHP 182 billion at the end of 1999 before declining somewhat to PHP 134 billion by end of 2000 (Treasury, 2017). Moreover, as discussed in the preceding chapters, prior presidents had always found a way to finance disbursements, specifically those that are required to sustain the support of legislators.

Thus Estrada simply failed to deliver on a promise to dispense the variants of pork incorporated into the budgets during his administration. The rush to release the third and fourth tranche of pork entitlement in late October and early November 2000 supports this contention, inasmuch as such releases were compelled by the snowballing support among legislators for the impeachment.

Secondly and more importantly, Estrada further upset his potential national legislative allies by, at certain instances, favouring local politicians over them. As a case in point, in 1999, while large chunks of congressional slush funds (e.g., SBP, Lingap, RUDIPF, and FSP) were not disbursed, Estrada allotted PHP 1.5 billion for local infrastructure projects that were distributed to LGUs through the League of Municipalities headed by his own son, Jinggoy Estrada. In 2000, Estrada also disbursed a PHP 5 billion a special local government fund, the LGSEF, through his son. By disbursing patronage to local officials while the pork of legislators was released in delayed or selective fashion, Estrada basically undermined the capacity of legislators to be significant patrons in their areas of jurisdiction while at the same time elevating the capacity of sub-national politicians to serve as conduits of pork from the central government to their constituents. In sum, he was not curbing patronage but rather distributing it in a different way.
Thus, Estrada’s downfall is not a story of patronage failing the presidency, but of a president who alienated allies in Congress, the institution that had the power to impeach him. The disaffection started from the delays in the release of congressional pork. The resentment further built up when Estrada dispensed patronage to local politicians. Finally, by vetoing the provision that required congressional consultation or concurrence in the distribution of pork funds in the budget, Estrada, in asserting his sole authority to disburse pork, signalled to legislators that he did not regard them as important coalition partners.
Gloria Macapagal Arroyo assumed the presidency on January 20, 2001, sworn in by Supreme Court Chief Justice Hilario Davide in front of a throng of anti-Estrada protesters who had for four days amassed at the same place where people assembled in the 1986 mass protest against Marcos. Because of the clear parallels, the 2001 uprising came to be known as People Power 2. And given the extra-constitutional means by which she assumed the presidency, Arroyo's mandate was weak from the start (Hutchcroft, 2008, p. 580), as evidenced by the lower performance ratings she received compared to her predecessors at the start of their terms. An even bigger challenge to her legitimacy came after the 2004 elections. In mid-2005, a recorded

92 The first People Power also lasted for four days, from February 22 to 25, 1986. The public started to assemble along the main thoroughfare in Metro Manila, EDSA (Epifanio de Los Santos Avenue), fronting the military (Camp Aguinaldo) and police (Camp Crame) headquarters on the evening of February 22, 1986, responding to a call from Jaime Cardinal Sin. The Catholic prelate, through a radio broadcast, called on the public to protect former Defence Minister Juan Ponce Enrile and then Armed Forces Vice Chief of Staff Fidel Ramos who were encamped in Camp Aguinaldo and announced their withdrawal of support from then President Ferdinand Marcos. People Power II started on the evening of January 16, 2001, with the public mobilized through text messaging after the Senate voted to reject the opening of a sealed envelope that contained a bank document that was supposed to prove that President Estrada had unexplained wealth in a bank account, as discussed in Chapter 6. People Power II was staged in front of the EDSA Shrine, which had been constructed to commemorate the events of 1986. On the fourth day, January 20, 2001, Arroyo was sworn in as President at noon while Estrada evacuated Malacañang Palace mid-afternoon. The Supreme Court issued two decisions that allowed Arroyo to be sworn in and legitimized her presidency. In the Supreme Court’s Administrative Memorandum (A.M. No. 01-1-05-SC), the Chief Justice was authorized to administer the oath of office on January 20, 2001 to Arroyo. In a subsequent case filed by Estrada questioning Arroyo’s assumption of the presidency, the Supreme Court issued a unanimous decision that dismissed Estrada’s case (Puno, 2001).

93 Based on Social Weather Stations data, Arroyo’s net satisfaction rating of +24 in March 2001 compared very unfavourably to similar ratings of her predecessors: Corazon Aquino enjoyed a +53 rating in May 1986, Fidel Ramos a +66 rating in September 1992, and Joseph Estrada a rating of +60 in September 1998.
conversation between Arroyo and an electoral commission official, Virgilio "Garci" Garcillano, was leaked to the public. In this conversation, which took place during the canvassing of the votes for the President in 2004, Arroyo was alleged to have asked Garcillano whether he had succeeded in padding her votes for a convincing victory against her closest rival (Philippine Center for Investigative Journalism, 2004). The leaked conversations triggered what was to be known as the Hello, Garci scandal, placing in doubt the integrity of the election process and the mandate of Arroyo to continue in office.

Despite her weak mandate and the heightened opposition given the alleged wholesale election fraud committed in 2004, Arroyo was able to keep herself in power for more than nine years, until the middle of 2010. As this chapter and the next chapter will show, Arroyo accomplished this by effectively utilizing the budgetary power bestowed on the President to distribute pork to legislators and local politicians. My examination of particularism under Arroyo is divided into two chapters to give due recognition to the distinct motives of Arroyo during her first partial term (2001-2004) versus her second full term (2004-2010). As mentioned above, the crucial goal in the

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94 The leaked conversations involved telephone calls made or received by Commission on Election Commissioner Virgilio Garcillano within the period from May 17 to June 18, 2004, following elections held on May 10. Garcillano, later to be popularly referred to as Garci, spoke with a number of identified and unidentified persons, including President Arroyo, First Gentleman Mike Arroyo, an allied Senator from Mindanao, Robert Barbers, and local election officials in Mindanao. In a series of conversations with Arroyo, the President was following up with Garci on the results of the canvass in several places in Mindanao and at one point asked whether she would lead by one million votes overall. (At this point, prior to the 2010 automation of Philippine elections, tabulation was done by hand from the precincts up to the national level in a laborious process prone to high degrees of wholesale fraud.) Garci replied that the lead would be more or less one million and Arroyo responded that “it cannot be less than one M?” The full transcript shows Garci’s role in facilitating favourable results not only for Arroyo but for allies of the administration.
initial three years was to strengthen her mandate given the extra-constitutional process of assuming the presidency. In addition to this, Arroyo was unique among post-Marcos presidents in being driven by an incentive for re-election.\textsuperscript{95} Chapter 8, on the other hand, emphasizes Arroyo’s need to survive after the \textit{Hello Garci} scandal briefly mentioned above. In her later years in office, Arroyo relied very heavily upon particularism for the basic task of regime maintenance. She was, in effect, propped up and re-elected through the disbursement of pork from 2001 to 2004 and saved by pork from 2005 onwards.

I begin this chapter with a brief discussion of Arroyo’s elective political career and the formation of her initial coalition, an assemblage of traditional political groups that came together in the wake of the \textit{jueteng-gate} scandal that brought down Estrada (as discussed in Chapter 6). As I argue in this first section, Arroyo’s pragmatic politics (Robles, 2007) is manifest in the patterns of her political career before assuming the presidency in 2001.

The second section focuses on developments from January 20, 2001 to the end of Arroyo’s first term on June 30, 2004. In this section, I pay particular attention to the interaction between the President and the legislators in the enactment of the annual budgets from 2002 to 2004. Despite Arroyo’s highly adept skills in the art of disbursing pork, her proposed budgets did not sail smoothly through Congress. Of the three annual budgets that she proposed, two were enacted late (after the fiscal year started) and one

\textsuperscript{95} While all other post-Marcos presidents to date have come up against the limit of a single six-year term, the same constitutional rules enabled Arroyo to run for a fresh six-year term after finishing the latter portion of the term of Joseph Estrada. In late 2002, Arroyo had declared that she would not seek re-election in 2004. Less than a year later, however, she reneged on that promise—thus enhancing the suspicions of her critics that she had, from the outset, aspired to extend her tenure in office.
was rejected, thereby causing the re-enactment of the previous year’s budget. Given a general pattern in which legislatures are supportive of presidents who readily release congressional pork, such delays and re-enactment are a puzzle that needs to be explained. It is all the more puzzling given the nature of executive-legislative relations under Arroyo. As President, Arroyo recognized the authority of the Speaker of the House and the Senate President, in tandem with the Chair of the House Appropriations Committee and the Senate Finance Committee chair, respectively, to serve as patrons to their peers and as guarantors of allegiance of the recipients of pork to the Executive.

Why, then, the repeated budget issues under Arroyo? Delays and re-enactment of the budget, the latter a first in Philippine history, allowed her to enjoy blank check particularism, the very large sub-variant of quasi-pork. This provided her significant leeway in disbursing resources to projects that would secure the support of legislators and sub-national politicians and in implementing programs that she could claim credit for as she vied for re-election in 2004. What may at first seem to be major budget problems, therefore, were from the standpoint of Arroyo major budget opportunities. As we shall see, Arroyo very effectively employed the variants of pork to secure her victory.

The pragmatic politician’s rise to power

As the daughter of a former Philippine President, Arroyo was exposed to politics early in life. Just two years after she was born, in 1947, her father, Diosdado, started a two-decade career in elective politics, first as representative of the first district of his home province of Pampanga (1949-1957), later as Vice President (1957-1961), and finally as President (1961-1965). Despite her political lineage, Arroyo joined the government service late: It was only in 1989 when she accepted an appointment as an
Assistant Secretary in the Department of Trade and Industry. Prior to this stint in the bureaucracy, relatively little is known about Arroyo’s political involvement within the Marcos period except that she spoke on the economic situation in a forum convened by a Marcos opposition group, the Kongreso ng Mamamayang Pilipino (Congress of Filipino Citizens or KOMPIL) in 1984 (Manila Standard, 2000g).

Her first foray into elective politics came in 1992, in her mid-forties. As her father was a member of the Executive Committee of the Liberal Party (LP), Arroyo was initially slated to be part of the party’s senatorial slate. Eventually, though, she swung to the then dominant Laban ng Demokratikong Pilipino (LDP), a party that had more resources by virtue of leading the majority coalition. Arroyo landed in 13th place in the 1992 senatorial elections, thus gaining a seat. Her decision to run under the LDP banner demonstrated her political savvy, as the party won 16 of the 24 slots available while only one LP candidate, the re-electionist Wigberto Tañada, landed in the winning circle.96

As a first term Senator, Arroyo was part of the majority coalition in the upper house that was initially led by re-elected Senator Neptali Gonzales. Within the first six months of her senate stint, Arroyo witnessed the dynamics behind the ouster of Gonzales and his replacement by a party mate, the LDP Senator Edgardo Angara (Macaspac, 1992). Being a neophyte, Arroyo did not play an active role in Gonzales’ ouster but assented to the change in the Senate leadership.

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96 When the Senate was reconvened in 1987, the 24 members of the body were elected to five-year terms. The 1992 Senate elections set the subsequent pattern of six-year terms, with the Constitution prescribing that “of the Senators elected in the election of 1992, the first twelve obtaining the highest number of votes shall serve for six years and the remaining twelve for three years” (1987 Republic of the Philippines Constitution, Article XVIII Section 2).
In the 1995 senatorial elections, Arroyo’s re-election was bolstered by the coalition between her party, LDP, and the dominant Lakas-NUCD. To enable Arroyo to connect with the masa (masses), her campaign team created an image of her in the likeness of a popular actress, Nora Aunor (Crisostomo, 2002, p. 24). With this campaign strategy and her prior record of service in the Senate, no doubt assisted further by the strength of her family name, Arroyo topped the 1995 race with more than 60 percent of the popular vote.

Soon after being re-elected, Arroyo once again became a witness to intramurals within the upper chamber that also involved members of her own party, the LDP. In the leadership change that brought Gonzales back to the Senate presidency replacing Angara on August 30, 1995, Arroyo sided with Angara and became a member of the minority in the Senate. More than a year after being elected Senate President, Gonzales himself was replaced in a move led by Angara and that led to the election of Senator Ernesto Maceda as Senate President in early October 1996 (Business World, 1996a). From the perspective of former Senator Miriam Defensor-Santiago, this last revamp was meant to bolster the presidential and vice presidential bids of members of the majority and put a “wrinkle” on the image of other presidential hopefuls, Arroyo included, who remained in the minority (Business World, 1996b).

Having topped the senate elections in 1995, Arroyo was touted as a contender for the 1998 presidential elections. She made her intent to run for the presidency known in the middle of January 1997 when she rejected the offer of presumptive Lakas-NUCD presidential candidate Jose de Venecia, a close ally and party mate of former President Ramos, to join him as his running mate (Business World, 1997c). Within the same
month, Arroyo bolted out of the LDP and joined a new party, the **Kabalikat ng Mamamayang Pilipino** (KAMPI) (*Business World*, 1997b). In her irrevocable resignation, Arroyo accused LDP leader Angara of dictatorial leadership and remarked that she “cannot, in conscience, remain in a party that stifles dissent and demands the unthinking obedience of a robot” (Egco, 1997). KAMPI was founded by past LDP leaders that included former Senate President Neptali Gonzales and Representative Jose “Peping” Cojuangco, Corazon Aquino’s brother, himself a founder of the party.

From the formation of KAMPI until the formal filing of candidacy for the 1998 elections, Arroyo took steps to seal her candidacy for the presidency. With a party vehicle, albeit a fledgling one, and her positive standing in pre-election polls, Arroyo’s confidence was high and she rejected persistent offers from De Venecia, the potential candidate of the dominant party, to be his vice presidential running mate (*Business World*, 1997a, 1997c). Arroyo instead started to look for her own running mate and the roster of names she considered indicates that she was willing to take on anyone to secure her presidential bid. Among those she sought out were Senate President Ernesto Maceda (*Business World*, 1997d) and Senator Vicente “Tito” Sotto (*Business World*, 1997e). Both Maceda and Sotto were, at the time Arroyo considered them as running mates, sullied with prior allegations of corruption. She also pursued but failed to get the endorsement of three key personalities—incumbent President Fidel Ramos, former President Corazon Aquino, and the leader of the Catholic Church, Jaime Cardinal Sin (Crisostomo, 2002; Robles, 2007). Among these three, the response of former President Aquino unmasked Arroyo’s character as the former President
remarked that Arroyo was “too pragmatic” and “will do anything to gain the presidency” (Robles, 2007, p. 236).

Failing to get the endorsement of these personalities, Arroyo eventually considered sliding down to the vice presidential race, and as discussed in Chapter 6, even approached Estrada to offer herself as his vice presidential running mate (Santos, 1997b). With the latter already committed to another running mate, Edgardo Angara of the LDP, Arroyo eventually decided to agree to a merger between her party, KAMPI, and the then dominant Lakas-NUCD, as well as serve as vice presidential running mate to Lakas-NUCD’s standard-bearer, Jose de Venecia (Guiwa, 1998). While de Venecia lost to Estrada in the presidential race, Arroyo won the vice presidential elections with half of the total votes cast, the highest recorded to date by a post-Marcos vice presidential candidate (Presidential Communications Development and Strategic Planning Office, 2015).

After assuming the vice presidency in 1988, Arroyo accepted the concurrent appointment as Secretary of the Department of Social Welfare and Development (DSWD). With the mandate to “alleviate poverty and empower disadvantaged individuals, facilities and communities” (Business World, 1998a), the DSWD portfolio was propitious for Arroyo as she continued to harbour ambitions for higher office. Given this assignment, Arroyo would enjoy significant majority net satisfaction ratings as Vice President, ratings that were consistently higher than Estrada in surveys done from

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97 Arroyo’s appointment as a member of the cabinet follows the practice of previous presidents, as discussed in earlier chapters, to assign a cabinet level position to the Vice President (e.g., Aquino appointed Vice President Laurel as Foreign Affairs Secretary and Ramos designated Estrada as “anti-crime” czar).
September 1998 to September 2000. Arroyo’s favourable ratings could also be attributed to the supportive role she played as a member of the Estrada cabinet. In explaining her continued support for Estrada, in spite of the scandals the President faced, Arroyo, in an interview in the middle of February 2000, remarked that:

“Talk is cheap. People expect me to behave as a senator, which I’m no longer. …I’m in the executive branch, and here you’re expected to perform, to act rather than talk. I can say that I’m really more comfortable in my team player mode at present.” (Tiglao, 2000, p. 26).

Arroyo stuck to the “team player mode” until October 2000, when Estrada was besieged with the jueteng-gate scandal (as discussed in Chapter 6). In fact, a couple of months after the February 2010 interview quoted above, a number of Arroyo’s party mates in Lakas-NUCD/KAMPI tried but failed to persuade Arroyo to break away from the Estrada cabinet and lead a “shadow cabinet” of the opposition (Manila Standard, 2000d).

In her first nine years in elective politics (30 June 1992-19 January 2001), in a period that is about a year shorter than her tenure as President (20 January 2001-30 June 2010), Arroyo appears to have learned how to play her cards right. In her first senatorial term (1992-1995), she stuck with her party leader. But the exposure to swift leadership changes in the Senate, as discussed earlier, instigated by individuals within and beyond the party/coalition she belonged to, gave Arroyo an opportunity to understand the impermanence of alliances in Philippines politics. Her decision to slide

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98Vice President Arroyo’s satisfaction ratings were consistently higher than the satisfaction ratings of President Estrada in surveys conducted from September 1998 to September 2000 (Social Weather Stations, 2017b). Her highest net satisfaction rating was +81 posted in the November 1998 SWS survey, and the lowest, prior to the “juetenggate scandal” was at +63 in September 2000 (Social Weather Stations, 2017a). Estrada’s net satisfaction ratings within the same period was at its highest at +67 (March 1999) and lowest at +5 (in March 2000).]
down to the vice presidential race, when her fringe party merged with the dominant Lakas-NUCD in 1998, may have been brought about by yet another critical learning: that organizational resources provided by a party in power are essential to secure one’s pursuit of higher office. Finally, we can note acute pragmatism in Arroyo’s decision to stick with Estrada despite being the highest elected leader of the “opposition” party.” This remained her position until there was really no choice but to break away.

Putting her house in order

As mentioned at the outset, Arroyo ascended to the presidency through extra-constitutional means. Acting on a request from Arroyo to the Supreme Court (SC) on the early morning of January 20, 2001, the members of the High Court voted unanimously to allow the Chief Justice to administer the oath of office as President to Arroyo “due to the inability of President Estrada to lead the country” (Visto, 2001). Arroyo’s legality as President was unanimously affirmed by the SC as it dismissed a case filed by Estrada questioning Arroyo’s assumption of the presidency. In this decision, the SC ruled that Estrada resigned from the presidency (Puno, 2001).

Given the manner in which she rose to the presidency, the first thing on Arroyo’s agenda was to put her house in order. This was a herculean challenge inasmuch as she had to satisfy groups that were instrumental in ousting Estrada, from mainstream or traditional politicians to organized civil society groups, to members of the Catholic Church hierarchy.

Arroyo's first cabinet was dominated by politicians (constituting 11 of 20 members of her official family). These appointees included Sen. Raul Roco for education, Laguna governor Jose Lina for Interior and Local Government, Hernani
Perez for Justice, and, Richard Gordon for tourism. In selecting a majority of her cabinet members from the various political groups, Arroyo would employ the cabinet allocation tool (Chaisty et al., 2015). As explained in Chapter 1, presidents, with their broad powers of appointment, may use the cabinet allocation tool to appoint members of other parties in the coalition to the cabinet. While Chaisty et al. (2015) demonstrate that this tool is effective in other countries, Arroyo’s experience indicates the ineffectiveness of this tool to build and sustain a legislative coalition in the Philippines.  

More than the inter-personal differences among national politicians, as mentioned in earlier chapters, the cabinet allocation tool is rendered irrelevant in the Philippines by the fact that parties are weak.

While Arroyo was reconstituting her cabinet, members of the lower house were embroiled in a dispute as regards the chamber’s leadership. The end result, in which Arroyo’s chosen Speaker was replaced by the House, signalled the relatively nominal control that Arroyo had over the House at the start of her term. Arroyo was reported to have assured the incumbent Speaker, Arnulfo Fuentebella, of his retention of the post owing to an alleged agreement among Arroyo, Fuentebella and former Speaker Jose de Venecia (Garcia & Villamor, 2001). Despite Arroyo’s alleged assurance, Fuentebella was replaced by his peers in the House. After a long deliberation in the House, the new

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99 Aside from Arroyo, as discussed in Chapters 3 and 4, Ramon Magsaysay, Diosdado Macapagal [Arroyo’s father], and Corazon Aquino employed the cabinet allocation tool early in their terms.
100 Fuentebella, as discussed in the previous chapter, was installed as Speaker of the House to replace Manuel Villar after the latter bolted out of the Estrada camp and led the passage of the impeachment case against Estrada in mid-November 2000. A number of representatives wanted to reinstall Manuel Villar as Speaker (Garcia & Villamor, 2001).
majority elected the Senior Vice President of Arroyo’s Lakas-NUCD/KAMPI party, Quezon City Third District Representative Feliciano Belmonte (Garcia, 2001h).  

Unlike the lower house, the Senate retained its leadership structure. Meanwhile, Arroyo, she however looked to the Senate to appoint a Vice President and eventually picked Teofisto Guingona, the President of Lakas-NUCD, given the endorsement of members of her party, Lakas-NUCD/KAMPI (Lugo, Aquino, & Baetiong, 2001).  

Another hurdle for Arroyo in solidifying her mandate was the continuing challenge from Estrada and his supporters. The challenge started in early February 2001 when Estrada formed a coalition to field candidates for the impending May 2001 elections. The coalition, later to be called Puwersa ng Masa (Force of the Masses), initially included three parties (LDP, NPC, PMP) that also supported Estrada’s 1998 presidential campaign, as discussed in Chapter 6. The second challenge from Estrada was a petition he filed before the SC questioning Arroyo’s assumption of the presidency, as he argued that he was only temporarily unable to perform the functions of the presidency. As discussed earlier, the SC, in a unanimous decision, dismissed Estrada’s petition.

The third challenge came in the last few days of April 2001 when supporters of Estrada gathered around the EDSA Shrine, the same place where previous mass protests precipitating Estrada’s ouster were held (Rubrico & de Leon, 2001). With a

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101 Belmonte’s election was reported to have been the handiwork of Villar, who threw in his support for Belmonte and subsequently got the nod of Arroyo and civil society groups (Manila Standard, 2001c).

102 Under the 1987 Constitution, a vacancy in the office of the Vice President (due to Arroyo’s assumption of the presidency) shall be filled up by a nominee of the President from among the members of the Senate and the House of Representatives. A majority vote of all the members of both houses, voting separately, is required for the nominated Vice President to assume the office. The other senators considered by Arroyo included Teofisto Guingona, Senate President Aquilino Pimentel, Franklin Drilon, Loren Legarda, Raul Roco, Juan Flavier, and Ramon Magsaysay, Jr. (Aquino, 2001a).
demand for Arroyo to step down and for Estrada to be reinstated as President (Rubrico, Conclara, & De Leon, 2001), the protest was staged for four days, peaking at around 250,000 participants a couple of days before the May 1, 2001 Labour Day celebration (Villanueva & Villamor, 2001). To quell the protest, Arroyo and her officials met separately with leaders of two religious groups, the *Iglesia ni Cristo* and *El Shaddai*, whose members were mobilized for the pro-Estrada rally (Garcia, 2001c). Despite these meetings, however, the protest continued, and on May 1, 2001, the protesters moved on Malacañang. Given the attendant violence resulting from the forced dispersal of the rallyists by the police and soldiers, Arroyo was compelled to declare a state of rebellion in Metro Manila. Fortunately for Arroyo, this declaration did not generate much opposition in the face of widespread objection to a reinstatement of Estrada, coming from groups of various political persuasions, from the extreme left (Rubrico et al., 2001) to organized labour (Conclara & Rubrico, 2001) to civil society (Garcia, 2001a) and big business (Baetiong, Flores, Sanchez, Luib, & De Leon, 2001).

To confront the second challenge posed by Estrada—the formation of his electoral coalition—Arroyo brought together several parties in a People Power Coalition (PPC). The parties in the PPC included Arroyo’s own Lakas-NUCD/Kampi, the LP, and an erstwhile member of Estrada’s coalition, the NPC. With the May 14, 2001 elections regarded as a referendum of Arroyo’s new government, the PPC won 8 of 13 senatorial slots in the election and close to half of the House of Representative seats.

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103 The three other parties in the People Power Coalition were *Aksyon Demokratiko* (Democratic Action) of Education Secretary Raul Roco; the *Partido para sa Demokratikong Reporma* (Party of Democratic Reforms or Reporma) of then Executive Secretary Renato de Villa; and the *Probinsiya Muna* Development Initiatives (Province First Development Initiatives or PROMDI) of former Cebu Governor Emilio “Lito” Osmeña.
Though the PPC trounced the competing *Puwersa ng Masa* in the 2001 elections, the victory of Estrada’s wife, Dr. Luisa Ejercito Estrada, who won a senate seat with more than a third of the votes cast for senators, indicated the division that would hound Arroyo as she continued in her first term as President.

**Distributive politics to court broad political support**

In the first term of Arroyo (2001-2004), two budgets were re-enacted (2001 and 2004) and two (2002 and 2003) were signed into law after the fiscal year started. As mentioned earlier, on the surface, the delays or re-enactment of the budget may indicate a problematic relationship between the Executive and the Legislature. After all, a deferral or the lack of congressional assent to the Executive’s proposed spending may be taken as a rebuke of the President’s proposal. In reality, though, as mentioned in Chapter 1 and earlier in this chapter, delayed and re-enacted budgets actually benefitted the Executive, as this would allow the disbursement of *quasi-pork* in the form of *blank check particularism* (BCP). This gave the President the discretion to expend a part of the previous year’s budget until a new budget is passed by Congress.

While the House of Representatives passed the proposed 2001 budget amounting to PHP 751 billion in late January 2001 (Garcia, 2001b), the Senate decided to agree to a re-enactment of the prior year’s budget in view of the preparations of legislators for the May 2001 elections. Senator John Osmeña, Chair of the Senate Finance Committee, reportedly agreed with the Finance Secretary, former Senator Alberto Romulo, to re-enact the 2000 budget because Congress did not have time to pass a new appropriations act (Aquino, Calica, Luib, & Lucas, 2001). Despite their
agreement to a re-enacted budget, Senate President Aquilino Pimentel rejected a request by Finance Secretary Romulo to give Arroyo blanket authority to re-align the national budget according to her administration’s priorities. Pimentel argued that such request is unconstitutional and asserted that granting such request would have the Arroyo administration start on the “wrong foot.” He promised that the Senate, after resuming its sessions in the middle of 2001, would review Arroyo’s spending (Aquino & Rubrico, 2001). However, there is no record that the Senate actually reviewed the disbursement of the funds from the re-enacted budget to check whether Arroyo spent the funds in licentious fashion.

The 2002 budget

On the first day that the lower house was to deliberate on the proposed PHP 780.2 billion budget for 2002, Budget Secretary Emilia Boncodin assured members of the chamber that they would receive a higher appropriation for the Priority Development Assistance Fund (PDAF). As explained in Chapter 6, PDAF was a congressional slush fund, a sub-variant of congressional pork that could be used to finance priority programs and projects identified by legislators. It existed alongside another slush fund, the Various Infrastructure Local Projects (VILP), and both had been introduced under the Estrada administration in the 2000 budget. For the proposed 2002 budget, the recommended appropriation for congressional slush funds was PHP 3.4 billion for PDAF and PHP 7.3 billion for the VILP under the Department of Public Works and Highways (DPWH) (Business World, 2001).
In a briefing for legislators, Secretary Boncodin said that the increased allocation for PDAF and VILP recognized the need of legislators to implement projects for their constituents, arguing that:

we recognize that people go to them and ask for projects because that’s how you get elected. Instead of going to us and going to the President asking for all kinds of things, we are giving them this budget which they can use. It is evenly distributed so as to be fair to everyone. (Garcia & Gallardo, 2001)

Her assurance came after legislators had reacted to a statement of Presidential Spokesperson Rigoberto Tiglao suggesting that departments and agencies—and not legislators—would identify projects to be financed by the PDAF and VILF.

Aside from PDAF and VILP, the proposed 2002 budget also allotted PHP 2 billion for the School Building Program (SBP) Fund, yet another lump-sum item where consultation with legislators was required prior to the determination of projects to be implemented (like the SBP under the prior Estrada administration, as discussed in Chapter 6). Alongside the verbal assurance from Secretary Boncodin on higher congressional pork allocation for 2002, she also guaranteed the release of the second tranche of PDAF and VILP allocated for 2001 (Business World, 2001b).

Despite these assurances from the Budget department, the deliberations of the proposed 2002 budget in the House were delayed in view of the absence of a quorum. To compel House members to attend the plenary sessions, Appropriations Committee Chair Rolando Andaya Jr. threatened to cut the pork allocations of absentee members, a threat that immediately produced the required quorum (Garcia, 2001d).104

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104 Rolando “Nonoy” Andaya, Jr. is the son of former representative Rolando Andaya, Sr. The older Andaya served as Chair of the House Appropriations Committee from 1987 to 1998. Andaya, Jr. would later be appointed as Secretary of the Budget in late 2006.
Notwithstanding the improved attendance, the House minority continued to question the approval of the budget on second reading in the early hours of October 26, 2001, the date when Congress was supposed to have been adjourned (Garcia, 2001e). The House majority eventually passed the budget on its third and final reading on November 20, 2001, with a vote of 169 in favour versus 19 opposed (Garcia, 2001f).

A noteworthy provision introduced in the House-approved budget measure was a clause that required the Executive to qualify the basis of any eventual reserve or impoundment imposed on all Congress-approved appropriations (Garcia, 2001g). For legislators, the proposed provision would have prohibited the Executive from impounding or preventing the release of public funds until the fiscal deficit becomes unmanageable—the latter defined as exceeding the deficit target for the fiscal year (Garcia, 2001). While one can argue that the aim of the provision was fiscal discipline, the motives of the legislators were in fact a bit more practical, to ensure that their congressional pork would not be impounded by the President. It should be recalled, as discussed in Chapters 5 and 6, that legislators were opposed to the Executive’s exercise of budget impoundment, a power provided under the Administrative Code of 1987, in view of the fact that part of what had been put on reserve in previous years was congressional pork barrel funds.

The proposed anti-impoundment provision in the 2002 budget was the third time that Congress introduced the measure. As mentioned in Chapter 5, Ramos vetoed a number of similar provisions in the 1997 budget. As discussed in Chapter 6, Estrada vetoed a similar provision inserted by Congress in the 2000 budget. Unlike Estrada, however, Arroyo partially assented to the anti-impoundment provision introduced by the
lower house in the 2002 budget. She basically replicated Ramos’ selective veto of anti-impoundment provisions in 1997, when the latter also relieved the congressional slush fund from any form of impoundment (as discussed in Chapter 5). In her veto message, Arroyo exempted projects or allocations at the congressional district level from the imposition of reserves.\(^{105}\)

After the House passed the budget, the Senate started its deliberations of the proposed measure with the Chair of the Committee on Finance, John Osmeña, urging further cuts in the House-approved measure, a stance that he has taken in prior years’ budget deliberations (as discussed in Chapter 6). The initially proposed cut, amounting to PHP 13.9 billion, were in the budgets of several departments, excluding the pork-laden Department of Public Works and Highways (DPWH) (Rubrico, 2001b). In a plenary session held on December 18, 2001, the Senate approved its version of the budget, reducing the allocation from the Malacañang- and House-approved version by PHP 7.5 billion, with the cuts applied on several government departments but with increases in the allocation for congressional pork (i.e., PDAF as well as the VILP under the DPWH) (Rubrico, 2001a). In a Bicameral Conference Committee (BCC) meeting held on December 22, 2001, the representatives from the two chambers agreed to

\(^{105}\) Arroyo’s veto message reads: “Finally, I veto General Provision, Section 69, ‘Release and Use of Appropriation Reserves,’ pages 1316-1317. Section 37, Chapter 5, Book VI of E.O. No. 292 already authorizes the establishment of reserves against appropriations to provide for contingencies and emergencies which may arise later in the calendar year and which would otherwise require deficiency appropriations; and the necessary adjustments in case conditions change during the fiscal year justifying the use of the reserves. Accordingly, the Executive Department shall implement the imposition, release and use of appropriation reserves in accordance with the above-cited provision of E.O. No. 292. In the imposition of reserves, certain exceptions involving appropriations of a vital nature shall be made like those pertaining to specific district projects or allocations that aim to address the necessities in the grassroots level.” (Department of Budget and Management, 2002, emphasis added)
restore the cuts proposed by the Senate by re-aligning funds, with a significant cut in the Armed Forces Modernization fund to allow for significant increases in the budget for DPWH (PHP 2.911 billion) and PDAF (PHP 2.287 billion) (Manila Standard, 2001a). In the end, the enacted budget for 2002, signed by Arroyo in the third week of January 2002, saw an increase in the allocation for two congressional pork items, the VILP under DPWH and PDAF. The increases were very substantial: from the initial proposal of a PHP 7.3 billion allocation for the VILP, the final 2002 budget had an allocation of PHP 18.316 billion. With regard to PDAF, the original proposed allocation of PHP 3.3 billion was increased to PHP 5.677 billion. Thus, as in previous years, Congress succeeded in securing a higher allocation for their projects under both the VILP of the DPWH and the PDAF.

The President’s assent to the changes introduced by Congress in the 2002 budget, specifically the significant increase in the appropriation for two congressional slush funds (i.e., PDAF and VILP) alongside a reduction in the budget for the modernization of the Armed Forces, clearly reflects the importance that Arroyo gave to satisfying the particularistic demands of legislators versus an expenditure item that is, objectively, very much a public good: the effective defence of the country’s territorial integrity. This is not the first time that a President favoured pork versus a programmatic expense. As discussed in Chapter 3, during the administration of President Garcia, the Chief Executive and leaders of Congress pruned such expenditures as improving the salaries of government personnel in order to re-allocate funds to cover congressional pork barrel allocations. In a previous administration (as discussed in Chapter 5), President Ramos favoured a significant number of congressional insertions even as
they moved the budget away from the medium-term development targets of his administration.\textsuperscript{106}

The 2003 budget

As in 2002, Malacañang submitted to Congress its proposed 2003 budget just a few days before the constitutionally designated deadline, which is 30 days after the resumption of Congress. With a total amount of PHP 804.2 billion, the proposed budget was presented to Congress on August 22, 2002 (Valisno, 2002c), only to be recalled the day after, given errors in the tally of lump-sum items (\textit{Business World}, 2002). A few days after submitting the proposed budget, Budget Secretary Boncodin committed to release PHP 2 billion of a PHP 4.6 billion allocation for public works projects of legislators (Valisno, 2002a). The commitment repeats the experience that Boncodin faced in the previous year’s budget deliberation where legislators pressed for the release of their pork entitlement as soon as the proposed budget was submitted. More importantly, the commitment was in keeping with an assurance made by Arroyo herself in a speech:

Though we are faced with a big budget problem, I will not scrap the pork barrel of congressmen. But this will have to be released on a piecemeal basis so that the cash flow of the national treasury will not be disturbed…. The pork barrel has become an inviolable tradition among the representatives (of the people). You can deprive them of all other things except the pork barrel. (Maragay, 2002)

When the House approved the budget in mid-December 2002, it restored the original allocation for PDAF and instead put a number of expenditure items that were deemed as “non-essential” as a standby appropriation (Valisno, 2002b). Stand-by

\textsuperscript{106}Ramos, however, did not reduce spending on urgent items such as military modernization.
appropriations refer to items that are unprogrammed and subject to release only when revenue collections or other sources of funds could be tapped to disburse funds for such programs. Items classified by the House as stand-by appropriations included foreign-funded projects that require counterpart funding from the Philippine government (Rosario, 2002), items that would presumably not be classified as pork expenditures.

Before the Senate conducted its plenary deliberations of the House-approved budget, an important intervening development occurred. Arroyo, on December 30, 2002, declared that she would not run for the presidency in 2004. In a speech delivered on the commemoration of the 106th death anniversary of the National Hero, Jose Rizal, Arroyo summarized the context that led to her decision:

In the economy, even since the Asian crisis in the 1997, our public revenues have been steadily declining in relation to the size of our economy. This has led to persistent budget deficit. In society, we have become a nation deeply divided, symbolized by the polarity between EDSA II and the May 1 siege barely three months after EDSA II. And in governance, there is now too much politics hampering good, productive governance. The convergence of the national stresses such as these has led to the sense of gloom that many of our citizens now talk of. There is a feeling of too much negativism and conflict in our society. (Arroyo, 2002)

Offering a prognosis that the forthcoming 2004 elections would be the most bitterly contested elections due to what she referred to as a “deep social and political division,” and with the possible consequence that such situation would derail efforts to get the country back on track, Arroyo declared:

If I were to run, it will require a major political effort on my part. But since I’m among the principal figures in the divisive national events for the last two or three years, my political efforts can only result in never-ending divisiveness. On the other hand, relieved of the burden of politics, I can devote the last year and half of my administration to the following: First,
strengthening economy; to create more jobs and to encourage business activities that is [sic] unhampered by corruption and red tape in government. Second, healing the deep divisions within our society. Third, working for clean and honest elections in 2004. (Arroyo, 2002, emphasis added)

While a number of personalities and groups remained cynical about the renunciation of an election motive, calling Arroyo’s declaration a “well-calculated political gambit intended to throw the opposition off-guard” (Manila Standard, 2003b), the decision was generally well-received. Minority Senators labelled Arroyo’s decision as one that “gave her full freedom to set her development agenda and gave her the moral ascendancy to ask everyone to support it” and “a golden opportunity to implement the laws that need to be implemented and to carry out her programs without a taint of partisan politics” (Landicho, 2003).107

In view of Arroyo’s decision, the 2003 budget sailed through the Senate. While the Senate did not start its plenary deliberations on the budget until late February 2003, Senate Committee on Finance Chair Manuel Villar initially proposed a miniscule PHP 150 million cut to the Palace proposed PHP 804.19 billion budget (Visto, 2003). With Villar calling it a “bag of bones,” as in lacking not only fat but also flesh, the Senate eventually passed the budget on March 6, 2003 (Casayuran, 2003b).

With tempered political wrangling arising from Arroyo’s abandonment of an election motive, the Bicameral Conference Committee (BCC) swiftly agreed on the final version of the budget to be presented for the President’s signature. In the

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107 Such statement is reminiscent of the optimism that 1934 constitutional convention delegates harboured when they agreed on a single term for the President (as discussed in Chapter 2).
words of a minority legislator, the members of the Committee were left with no choice, lamenting that the 2003 budget was a:

bare-bones budget. We cannot do anything. The budget [has ceased] to be a congressional prerogative. We cannot reduce it. We cannot increase it. All because we have a ballooning budget deficit.” (Valisno, 2003c)

The 2003 budget was enacted into law nearly four months after the beginning of the fiscal year, on April 23, 2003, with Arroyo exercising her veto on a number of provisions (Maglalang, 2003). Most importantly, she rejected a general provision that would treat funds released prior to the enactment of the 2003 budget as advance releases chargeable against the 2003 budget.108 By vetoing the general provision, Arroyo asserted that the 2003 budget would be applied prospectively, thereby allowing her to use the total allotment for 2003 for the remaining eight months of the fiscal year. What this meant was that Arroyo would in effect have immediate savings that could be rechannelled to other projects solely at her discretion.109 For the first four months of 2003, Arroyo thus enjoyed a high degree of budget leeway through what I term blank check particularism. Her selective veto went against the precedent set by two former presidents, Aquino and Ramos, when they had experienced significant delays in the enactment of their proposed budgets in previous years: in 1991 for Aquino, and in 1997 and 1998 for Ramos (as shown in Table 3, Chapter 1). Unlike Arroyo, these previous presidents did not indicate that the entire delayed annual budget was to be applied prospectively from

109 Prospectively applied to cover only the remaining eight months of 2003, Arroyo automatically possessed an excess fund from the budgetary allocation for Maintenance and Other Operating Expenses (MOOE).
the date of its enactment. As we shall see in the next chapter, Arroyo would repeat this veto in the subsequent budgets of 2007, 2008, and 2009—all of which were enacted after the start of the fiscal year. As such, she can be viewed as the all-time champion of blank-check particularism.

What may have facilitated an agreement among the legislators on the 2003 budget was the increased allocation for the PDAF, relative to the amount obligated in 2002. Despite the continuing tight fiscal situation, the 2003 budget for PDAF increased by more than 45 percent (from PHP 5.7 billion in 2002 to PHP 8.327 billion in 2003). The final allocation for PDAF in 2003 was also much higher than the Malacañang-proposed allocation of PHP 3.3 billion. The increase in the PDAF was alleged to have been a product of the Senate’s insertion of an additional PHP 3 billion for their own projects (Manila Standard, 2003c). As discussed in previous chapters, senators found a way to increase their PDAF allocation, given their larger (i.e., national) constituency.

Beyond the increase, a provision in the PDAF allows for the use of a maximum of 10 percent of the total funds for the purchase of rice and other food items through the National Food Authority for the benefit of constituents. This micro-particularistic allotment replicates the practice under the Estrada administration of allowing legislators to spend part of their slush fund for rice purchases for their constituents. With 2003 being a pre-election year, the increase in the PDAF allocation allowed legislators to implement their constituency-focused projects and claim credit for these in their re-election bids.
While the allocation for the PDAF increased in 2003, the obligated amount for the VILP in 2003 was less than half of the appropriation for 2002 (PHP 8.755 billion in 2003 compared to PHP 18.316 billion in 2002). A review of the final 2003 budget, however, shows that Congress allotted PHP 9 billion to two sizeable lump-sum appropriations under “other national public works/local infrastructure projects” and “urgent infrastructure including local projects.” Like the VILP, the funds allocated in these two items require consultation with members of Congress and can be considered as additional slush funds.

The 2004 budget

On July 27, 2003, a day before the 12th Congress (2001-2004) reconvened for its final session, the country was rocked by a coup attempt waged by young officers who complained about rampant corruption in the Armed Forces. With the coup plotters occupying a residential apartment in the central commercial and business district of Makati, the stand-off lasted for not more than a day after negotiators dispatched by Arroyo succeeded in convincing the mutinous young officers to return to the barracks.110

In her State of the Nation Address on July 28, 2003, Arroyo began on a triumphant note before signalling that the country remained at war and needed to unite:

Yesterday, without bloodshed, without damage to property, and within a single day, we overcame an ill-conceived mutiny carried out by misguided military officers. Such actions are deplorable and will be met with the full force of the law, including their political component. Yet they signal an underlying problem that we must address… we remain at war—at war against terrorism; at war against corruption; at war against disease; at war against drugs—the greatest menace facing our country today. We cannot stay divided with so much we need to do together. I address myself not only to the joint houses

110 For a detailed account of the grievances of the Magdalo group, the assembly of young officers that plotted the coup in 2004, and the process of negotiations, see Velasco and Saludo (2010, pp. 189-227).
here assembled, but to the nation-at-large. I need you; we need each other. (Arroyo, 2003)

In the succeeding months, Arroyo’s call for unity was not heeded. On October 4, 2003 she declared that she would run for the presidency in the 2004 elections to “pursue much needed reforms and reconciliation in the still deeply divided country” (Kabiling & Roxas, 2003). Thus, Arroyo recanted on her 2002 vow not to seek the presidency. As a result, members of Congress, particularly in the upper house, shifted to an adversarial stance, opposing, among other things, her proposed 2004 budget.

The 2004 proposed budget, totalling PHP 864.8 billion, was just 6.6 percent higher than the 2003 budget, an indication that government continued to confront a serious fiscal challenge, largely due to declining revenues. In her budget message accompanying the spending proposal, Arroyo highlighted that the country’s tax effort continued to decline, from 17 percent of GDP in 1997, to 12.3 percent of GDP in 2003 (Rosario & Maglalang, 2003). While submitted in early August (the earliest submission of a proposed budget under Arroyo), the 2004 budget was in the end not enacted into law. This forced the second re-enactment of the prior year’s budget within the first term of Arroyo.

The re-enactment of the 2003 budget did not come as a surprise to some key players. Even before the House conducted its plenary deliberation on the proposed budget, a leading member of Arroyo’s party, Albay Representative Jose Salceda, echoed the belief that legislators may push for a re-enacted budget given that the proposed 2004 budget slashed the appropriations for congressional pork significantly (Valisno, 2003a). On the part of the Senate, Finance Committee Chair Manuel Villar
iterated the same belief that Malacañang itself favoured a budget re-enactment, as this would provide Arroyo broader powers. This opinion was given further credibility by Arroyo’s submission of a supplemental budget for 2004 in late November 2003 to cover the additional funding required for the conduct of the 2004 elections (Salvosa, 2003b). At the same time, Senate President Franklin Drilon argued that the Senate was resigned to the re-enactment of the 2003 budget for 2004, as he assured the passage of the 2004 supplemental budget (Manila Standard, 2003d). Drilon’s position was rejected by fellow Senator Edgardo Angara, who remarked that “applying the old spending law is like endorsing a blank check to the Arroyo administration…Since 2004 is an election year and President Arroyo is a candidate, a lot of mysterious things could happen to benefit Ms. Arroyo and her party” (Requejo, 2003a).

Another interceding event that delayed deliberations on the proposed 2004 budget was an impeachment case filed against then Chief Justice Hilario Davide. Two impeachment complaints were filed against Davide: The first included other justices that participated in the decision to administer the oath of office to Arroyo (Valisno, Sto. Domingo, & Salvosa II, 2003), and the second was for the alleged misuse of the Judiciary Development Fund (Evangelista, 2003). The first complaint was dismissed by the House (Rosario, 2003). The second complaint, however, filed by legislators from the Nationalist People’s Coalition (NPC), gathered more steam when 87 lawmakers—many more than the constitutionally required endorsers to send an impeachment case to the

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111 The proposed supplemental budget was not passed by Congress. The funds needed for the conduct of the 2004 elections were subsequently sourced from the “lump sum” that remained from the re-enacted 2003 budget (Business World, 2004)
Senate—endorsed the complaint (Evangelista, Maragay, & Requejo, 2003). The second complaint delayed congressional deliberation of the proposed 2004 budget that resumed only in the middle of November 2003.

While the proposed 2004 budget was still being deliberated, the House Appropriations Committee prioritized the discussion and approval of the 2004 Supplemental Budget that was submitted by the President. The supplemental budget, amounting to PHP 5.525 billion, was proposed by Appropriations Committee Chair Rolando Andaya Jr. on November 18, 2003, in anticipation of a delayed enactment of the 2004 budget (Valisno, 2003b). Despite questions from the opposition on the constitutionality of passing a supplemental budget for a budgetary statute that was still to be enacted, 145 members of the House approved the supplemental budget on the same day it was reported out for deliberations, November 18, 2003, and prior to the passage of the 2004 proposed budget it was meant to augment (Plenary Affairs Bureau, 2003a, pp. 38-46).

Just before Congress adjourned for the holiday break at the end of 2003, the House of Representatives approved the 2004 budget without any cuts (Casayuran, 2003c). The House’s approval of the budget, both on second and third and final reading, was arrived at on an omnibus motion. Such motion meant that an approval was granted by a majority of the House’s membership despite the fact that the sub-committees and

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112 The second impeachment complaint against Davide dragged on, with a case filed before the Supreme Court questioning the constitutionality of the complaint and putting the House and the Supreme Court on a possible “collision course” (Jurado, 2003). Two and a half weeks after the second impeachment complaint against Davide was filed, the Supreme Court, in a 13-1 vote, declared the complaint as unconstitutional given the violation of the constitution’s one-year proscription against filing more than one complaint against impeachable officials in any single year (Sto. Domingo, 2003).
plenary deliberations on the budget had yet to be completed. No substantive discussion of the proposed 2004 budget took place.\footnote{On second reading, no member of the House objected to the passage of the proposed 2004 budget. (Plenary Affairs Bureau, 2003b). On third and final reading, the journal of the House indicates that there was also no discussion that followed the motion to call the roll for nominal voting, with 152 voting in favour, 16 negative votes and no abstentions(Plenary Affairs Bureau, 2003c).}

The House-approved budget was not transmitted to the Senate until the resumption of Congress in early January 2004. With the delayed approval of the 2004 budget, 47 lawmakers from Mindanao filed a resolution seeking the advance release of PHP 10 million of their pork barrel allocation for 2004, arguing that they “needed the funds to show our constituents that we could still be relied upon in delivering public works projects” (Valisno, 2004a). Inasmuch as a resolution is a mere expression of the sentiment of the members of the chamber, no concrete action was taken by the House leadership nor the Executive to act on the request of the Mindanao legislators.

In the Senate, the opposition objected to a proposal of Senate President Drilon to allow the re-enactment of the 2003 budget. The Senate subsequently passed the House-approved budget with a measly PHP 2 billion cut (Manila Standard, 2004d). Despite the minor change introduced by the Senate on the House version of the budget, the House refused to meet to reconcile the budget proposals. This prompted Senate Finance Committee Chair Villar to say that the House’s “message is clear—re-enactment” (Salvosa & Valisno, 2004).

Amidst allegations that the House leadership favoured a re-enacted budget to allow funds to be used for election purposes, House Appropriations Committee Chair Rolando Andaya, Jr. rationalized the House position for re-enactment as a means to
“avert a bigger budget deficit” (Manila Standard, 2004a). Despite the Senate’s swift approval of the proposed 2004 budget, the House shifted from its December 2003 position that approved the budget bill in toto to slashing billions from the Senate-approved version, allegedly to get to the 2003 spending limit. The shift was labelled by a Senator, Joker Arroyo (no relation to President Arroyo) as indicative of Speaker de Venecia’s “forked tongue” as he quipped:

how and why did the Speaker come to this hypocritical discovery of the PHP 60 billion difference? Why did he push the House to pass the Malacañang-proposed 2004 budget? After the Senate adopted it, De Venecia turns around and says with a straight face that the Malacañang-House-Senate 2004 proposal is no good? (Manila Standard, 2004e).

While the Senate eventually agreed to find a way to slash the 2004 budget as proposed by the House (Salvosa, Valisno, Lema, & Roncesvalles, 2004), the House insisted that there were several points of disagreement and that they were open to formalize a budget deadlock. This led the Senate to agree to hold a “sit-down” strike where it dispensed with its scheduled session to discuss the budget impasse and local measures passed by the House (Lema & Salvosa II, 2004; Salvosa, Valisno, & Lema, 2004). Amidst the deadlock between the two chambers, the Palace rejected a proposal to call a special session of Congress to resolve the impasse (Maglalang, 2004). The Palace’s refusal to convene a special session of Congress clearly indicated its desire for the deliberations on the 2004 budget to fail in order to have the 2003 budget re-enacted.

The fate of the 2004 budget validated the allegation that members of the lower house and the President were intent in re-enacting the 2003 budget. A re-enacted budget was beneficial to the House members, given that the allocation for congressional pork in the 2003 budget was higher than that proposed for 2004 (Manasan, 2004). On
the part of the President, a re-enacted budget provided her the authority to re-align funds that were allocated for completed projects or programs in the previous year to programs and projects of her own choosing. Most importantly, these projects could be chosen based on the goal of maximizing her own electoral prospects as well as assist her political allies running for national or local positions. This is forcefully backed up by an investigative report and a subsequent Senate investigation report that revealed the extent to which funds under the control of the Executive were disbursed in partisan fashion in support of Arroyo’s 2004 presidential campaign. Exhibit A, to which I will now turn, was the fertilizer fund.

The fertilizer fund scam prior to the 2004 elections

The Philippine Center for Investigative Journalism (PCIJ) reported that as much as PHP 5 billion of government funds could have been used to promote Arroyo’s candidacy in the 2004 presidential elections (Rimbau, 2005a). In its report, PCIJ identified these funds to include the following:

1. PHP 530 million from the Overseas Workers’ Welfare Administration (OWWA) that were transferred to the Philippine Health Insurance Corporation (PhilHealth) for the production of medical coverage cards (bearing the photo of President Arroyo) to be distributed in several local government units (LGUs) by local politicians;
2. PHP 1.4 billion from the Motor Vehicle Users’ Charge (MVUC) to finance the Kalsada Natin, Alagaan Natin (Our Road, Let Us Maintain It) program of Arroyo, a program that involved hiring street sweepers who donned uniforms bearing Arroyo’s initials (i.e., GMA); and,
3. the bulk (PHP 3 billion) were drawn from several sources to finance several programs of the Department of Agriculture’s Ginintuang Masaganang Ani fertilizer fund (GMA-FF) program (Rimbau, 2005a, 2005b).

\[114\] All of the programs involved Arroyo claiming credit to the extent that her face was printed on the medical assistance card, her initials were emblazoned on the shirts of street sweepers, and the same initials were used to name the Department of Agriculture’s fertilizer support program.
This report prompted the Senate to act on a resolution filed by then Senator Ramon Magsaysay, Jr. to conduct an inquiry into the “alleged mismanagement and use” of a specific fund covered in the report, the Ginintuang Masaganang Ani-Fertilizer Fund (Golden Bountiful Harvest-Fertilizer Fund or GMA-FF) under the Department of Agriculture’s program. For a period of six months, from October 2005 to March 2006, the Senate’s Committee on Agriculture, led by Magsaysay, as well as its Committee on Accountability of Public Officers and Investigations (also known as the “Blue Ribbon Committee”), led by Senator Joker Arroyo, conducted six hearings and reviewed documents to inquire into such allegations.

In its investigation, the Senate Committees established that:

1. The Department of Agriculture released, between the period of February 3, 2004 until before the May 10, 2004 elections, a total of PHP 2.8 billion covering four different programs, the largest of which is the Ginintuang Masaganang Ani (GMA) Farm Inputs and Implements program amounting to PHP 728 million, the fund that has been referred to as the fertilizer fund;

2. The architect and implementor of these programs was Undersecretary for Finance and Administration of the Department of Agriculture, Jocelyn “Jocjoc” Bolante. Bolante, linked to Arroyo’s husband, Jose Miguel Arroyo, was the one who prepared and submitted names of the recipients of fertilizer funds; ordered the release of the funds to the recipients; and worked for the release of the funds by the DBM. Bolante listed 105 congressmen, 53 governors and 23 mayors as recipients of the fund to enhance support for the immediate release of the funds. Bolante did not appear in any of the hearings and was cited in contempt.

3. Bolante tapped “runners,” persons whose job was to approach politicians to extract a commitment from them to purchase fertilizers. One witness, a runner who operated in one province (Bulacan) and a separate region (Region VI, Western Visayas), testified that he worked in tandem with another person to approach politicians, promising them a commission of 30% from the transaction and sealed the transaction with a memorandum of agreement (MOA). For the runner witness, the MOA he executed with local politicians ensured that the liquid fertilizers were to be supplied by a corporation linked and connected with Bolante.

4. The fertilizers distributed were over-priced. A COA report noted that fertilizers purchased were overpriced in the range of 720 to 1,250 percent.

5. The fertilizer fund was an appropriation that was only implemented in the early months of 2004, not repeated since. This is an indication of its intended
purpose and illicit objective, that of drawing support for Arroyo in the 2004 elections.

6. Ghost and questionable suppliers and deliveries haunt the fertilizer fund scam. The Senate failed to locate the business address of a corporation that had a substantial number of transactions while another supplier had a non-existing address. Four legislators, whose names were listed as among the recipients, denied having made any request for the funds. The largest group of fertilizer industry players claimed they did not participate in the fertilizer project. 115

7. Farmer’s organizations that testified in the Senate hearings denied having received any fertilizer during the period covered by the fertilizer fund (Magsaysay, Jr. & Arroyo, 2006).

In view of these findings, the Senate committees recommended the filing of plunder charges against Undersecretary Bolante, Agriculture Secretary Luis Lorenzo, and other officials of the Department of Agriculture. Finally, the committees recommended that:

President Gloria Macapagal-Arroyo must be held accountable in the mismanagement of the fertilizer fund….It bears knowing that a number of testimonies adduced during the hearings were that the fund was indeed used to assure her victory in the 2004 elections….Cognizant of the presidential immunity and respect accorded to the Chief Executive, the accusations against her in the fertilizer fund scam is so serious that it places the position of the Presidency in the balance. The Palace looks at the issue as a mere political tool. Its refusal to cooperate violates the spirit of democracy, promotes tyranny and breeds the ground for instability it has in fact stirred…. The committees challenge the President to break her silence and put together the pieces of the unfinished puzzle…. To this date, no effort on her part has been made, no categorical denial was even heard. But all allegations and testimonies point to her benefiting the most in an intricate scheme of deception and fraud. Only this much the committees of the Senate know: that the fertilizer fund was misused. It was corrupted. It was intended to assure her victory. (Magsaysay, Jr. & Arroyo, 2006, emphasis added)

The misuse of funds under the GMA-FF program supports the assertion that a re-enacted budget allows the President, or her subordinates, to re-channel funds that are obviously not programmed for specific expenditures in the subsequent fiscal

115 These legislators included Florencio Abad of Batanes; Benigno S. “Noynoy” Aquino III of Tarlac; Miguel Zubiri of Bukidnon; and Rufino Biazon of Muntinlupa.
year. The funds re-aligned to the fertilizer fund constitute *blank check particularism*. In addition, the re-alignment of funds by Arroyo shows how an erstwhile programmed expenditure can be converted into a particularistic program by the President driven by an election objective. As the only President in the post-Marcos period that sought “re-election,” Arroyo employed her budgetary power to re-align appropriations in support of her presidential campaign. This replicates what was done in the pre-martial law years by presidents vying for re-election. As discussed in Chapter 3, post-war presidents maximized their budget execution powers to selectively distribute resources to support their re-election and grant their allied politicians, both at the national and local level, a share of the credit in implementing programs. Along the way, these allies were given “commissions” (i.e., a portion of the largesse) that could be used to finance their own election campaigns.

**Courting support from local politicians**

Aside from satisfying the legislators’ desire for pork, Arroyo also courted the support of local politicians by releasing the Internal Revenue Allotment (IRA) for LGUs and paying lip service to their demand for the central government’s recognition of their so-called fiscal autonomy. Similar to her predecessor Estrada, as discussed in Chapter 6, Arroyo recognized early in her term the necessity of obtaining and sustaining the support of local politicians. The backing of local politicians was essential for Arroyo for two major reasons: 1) to strengthen her legitimacy, given her extra-constitutional means of assuming the Chief Executive position; and 2) to boost her 2004 presidential election

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116 Technically, Arroyo did not seek re-election as President inasmuch as her initial assumption of the presidency was through extra-constitutional means.
bid. As will be discussed in Chapter 8, this support from local politicians would ensure her survival, as her legitimacy waned after alleged wholesale electoral fraud in the 2004 presidential elections was revealed in mid-2005.

Soon after her initial assumption of the presidency, on February 1, 2001, despite continuing fiscal difficulties and notwithstanding the delayed passage of the 2001 budget, Arroyo ordered the release of PHP 8.9 billion of IRA to local government units covering much of the coming fiscal year. In succeeding months, Arroyo would also release the IRA that had been withheld in previous years (1998 to 2000) by former presidents Ramos and Estrada (as discussed in Chapters 5 and 6) and to provide the full release of funds for the 2001 fiscal year. All these releases indicate how the political logic of satisfying the needs of local politicians took primacy over attending to fiscal difficulties (Hutchcroft, 2012, pp. 124-125)—another case of exchange of favours between the President and local politicians.\footnote{As a result of the IRA releases, the government reported in early 2002 that it exceeded its deficit target by more than PHP 6 billion (PHP 136 billion versus the target deficit of PHP 130 billion) due to the payment of obligations of the previous administration, including the withheld IRA (Calica, 2002).}

Aside from releasing the IRA of local politicians, Arroyo issued Executive Orders (EOs) that recognized the fiscal autonomy of LGUs.\footnote{Early in her term, on February 5, 2001, Interior and Local Government Secretary José “Joey” Lina, the former governor of the province of Laguna and head of the umbrella organization of local politicians that campaigned for the immediate release of the IRA of LGUs under Estrada, announced that Arroyo was set to repeal two EOs issued by Estrada that impinged on the fiscal autonomy of LGUs (Payumo, 2001).} She made further announcements to court the support of local politicians. In a July 2001 speech to the

\footnote{In issuing EO No. 9 on March 29, 2001, Arroyo allowed LGUs to determine how to disburse their community development funds and fulfil the obligatory remittances to government financial institutions. She also took the opportunity to distinguish herself from her predecessor, Estrada, who she claimed believed that local governments “cannot be trusted with their own money” (Business World, 2001a).}
League of Provinces of the Philippines (LPP), she discontinued the Local Government Support Equalization Fund (LGSEF) of the Estrada years, which had been criticized by local politicians as a dole-out of the former President. In addition, she promised that in future budgets, the IRA would be automatically appropriated (Hutchcroft, 2012). This pledge was repeated in a February 2002 speech to municipal mayors:

*Kung ano ang dapat mapunta sa LGU ayon sa Local Government Code, under the budget of year 2002, ay dapat ibigay sa inyo* (What the LGU should get under the Local Government Code under the budget of year 2002, it should be given to you. (Gabot & Velasco, 2002, translation in original)

In the same event, Arroyo announced additional support for LGUs through a Department of Agriculture-League of Municipalities (DA-LMP) fund sharing plan wherein each municipality would be allotted PHP 1 million for agricultural modernization (Gabot & Velasco, 2002). This program, in the category of presidential project-based appropriated pork, was meant to elicit more support from the heads of the country’s 1,500 municipalities. In fact, it was actually quite similar to the LGSEF that she had recently abolished.

In the face of continuing fiscal difficulties, the IRA releases in the fiscal years of Arroyo’s first term (2001-2004) would be delayed. Notwithstanding this, local politicians would continue to extend support to Arroyo in view of the constant exchange of favours between them and her. A number of local politicians even agreed to a voluntary deferment of their IRA receipts as long as these are released in the first six months of the subsequent fiscal year (Luib, 2002).
Seeking a new term

As mentioned earlier, Arroyo declared in early October 2003 that she would run for the presidency in the May 2004 elections. In declaring her intent to run for the presidency in 2004, Arroyo claimed:

I am not motivated to run because I was thrust, shoved or pressed. Nakikita ko ang pangangailangan ng mas higit pang sakripisyo at gagampanan ko ito (I saw the need for greater sacrifice and I pledge to accomplish this) …. Tiwala ako na sambayanang Pilipino ay nasa aking likuran at ang ating makatarungang dahilan ay magtagumpay (I am confident the Filipino people is behind me and my just promise to them will make me win). Mahigpit nating ipapatupad ang pagbabago (Reforms will be strictly implemented). I am confident that together, we will win the future. (Kabiling & Roxas, 2003 , translation in original)

Arroyo’s declaration immediately gained the support of her party, Lakas-NUCD/KAMPI, and eventually got the backing of local politicians under the Union of Local Authorities of the Philippines (ULAP) (Gabot, 2003). On the other hand, the NPC, a party that was part of Arroyo’s majority coalition in the Lower house, formed an alliance with the Laban ng Demokratikong Pilipino (LDP) and declared that it would field its own presidential candidate for the 2004 elections (Casayuran, 2003a).

The party of former President Estrada’s, the Puwersa ng Masang Pilipino (PMP), eventually joined the NPC-LDP, essentially a repeat of the alliance among the three parties that supported Estrada’s presidential run in 1998.

As Arroyo and the opposition started to prepare their slates for the 2004 national and local elections, an opposition senator, Panfilo “Ping” Lacson, accused Arroyo of using public funds, specifically from the Philippine Charity Sweepstakes Office (PCSO), for her presidential bid (Salvosa, 2003a). Lacson, together with Senator Loren Legarda and popular actor, Fernando Poe, Jr., a long-time colleague and close friend of former President Estrada, were the three potential presidential candidates of
the NPC-LDP-PMP coalition (Requejo, 2003b). Eventually, Poe would be declared the official candidate of a new coalition, the *Koalisyon ng Nagkakaisang Pilipino* (KNP, Coalition of United Filipinos), with Legarda as his running mate.

Arroyo won the 2004 elections with the smallest margin to the runner up in all post-Marcos elections, garnering 39.99 percent of the votes versus second placer Fernando Poe Jr. who obtained 36.51 percent of the votes (Presidential Communications Development and Strategic Planning Office, 2015, p. 154). The 2004 presidential race was the most tightly contested post-Marcos presidential race, with Arroyo battling with Poe for first place in pre-election surveys. The incumbency advantage spelled the difference for Arroyo, as she very effectively employed her budgetary power, specifically *blank check particularism*, to curry favour with legislators and local politicians. Elected alongside Arroyo were her vice presidential running mate, the broadcaster Noli de Castro, who also won with a slight margin (49.8 percent versus 46.9 percent) against his main rival, Poe’s running mate Loren Legarda (Presidential Communications Development and Strategic Planning Office, 2015, p. 155). Arroyo’s *Koalisyon ng Katapatan at Karanasan sa Kinabukasan* (Coalition for Honesty and Experience for the future or K4), composed of five political parties, garnered 7 of the 12 senate seats and 72 percent of the seats in the lower house (Presidential Communications Development and Strategic Planning Office, 2015, p. 155).\(^{120}\)

\(^{119}\) Among the three, Lacson would be the first to throw his hat into the ring, declaring a three-point program that focuses on addressing crime, fighting corruption, and pursuing greater decentralization (*Manila Standard*, 2003a). Lacson’s decision to run for President split the vote for the opposition.\(^{120}\) The five political parties were Lakas, LP, KAMPI, PDSP, and the NPC. The inclusion of the NPC in the K4 coalition was an interesting development given the earlier decision, as discussed above, to coalesce with the opposition LDP and PMP. As a party founded by a prominent Estrada supporter, businessman Eduardo “Danding” Cojuangco, the NPC decided to stick it out with Arroyo despite an earlier
Arroyo's win in the 2004 elections was questioned by the opposition just a few days after the polls. A lawyer of Poe’s Koalisyon ng Nagkakaisang Pilipino (Coalition of United Filipinos, KNP) charged that it was “statistically impossible” that Poe got a limited number of votes in towns where he was favoured to win and zero in several precincts within the provinces under the Autonomous Region of Muslim Mindanao (Herrera, Requejo, & Glang, 2004). Another KNP leader, Makati Mayor Jejomar Binay, claimed that Arroyo’s husband was seen with an election commissioner, Virgilio Garcillano, in a city in Mindanao, putting forward the claim that the two were engaged in an operation that “had everything to do with the reported switching of manipulated certificates of canvass that would guarantee a victory for Arroyo” (Monterola, 2004).

Despite the opposition’s claim, the electoral watchdog, the National Movement for Free Elections (NAMFREL), challenged the opposition to produce proof of their allegations as it stood behind their own tally—which, they claimed, did not show any indication of massive cheating (Lema & AFP, 2004; Manila Standard, 2004b, 2004c). In the National Board of Canvassers (NBC)—the joint congressional body authorized to tally the votes for the presidential and vice presidential races—questions raised by members of the opposition on spurious election returns were simply noted (Gulane, 2004d; Rosario, 2004; Rosario & Panesa, 2004). Thus, in its final report, the NBC recommended to Congress the proclamation of Arroyo as President (Manila Bulletin, 2004b), a report that was approved by 11 of the 17 senators entitled to vote and by the majority of the house in voice voting (Maglalang & Rosario, 2004).
In her speech after being proclaimed by Congress, Arroyo appealed for reconciliation:

It is time to share peace with the people, regardless of their votes. To my detractors, I appeal for unity. To my supporters, I appeal for an open mind. This is the time for forgiveness and letting go of the past (Maglalang & Rosario, 2004).

In view of the actions taken by Arroyo to secure her electoral victory, specifically the misuse of government resources to attain such an end, her appeal would fall on deaf ears as she would be hounded by even bigger controversies across her subsequent six-year term in office up to June 30, 2010. To assure her political survival, Arroyo would continue to be very effective in employing the same forms of particularism: congressional pork, presidential pork, and quasi-pork.
Despite questions from the opposition on the results of the 2004 presidential elections, Arroyo went on with the business of governing. At her June 30 inauguration, she set out a 10-point program (Arroyo, 2004) and repeated her commitment to pursue revision of the Constitution (Valisno, 2004b). The 10-point program that Arroyo vowed to pursue in her six-year term included job creation; agri-business development; full access to electricity and potable water; the decongestion of Metro Manila through the creation of development hubs in other areas in the country; and the balancing of the budget through increased revenue collection and proper spending, among others. Despite such grandiose plans, however, Arroyo would—just one year later—confront the most serious challenge to her presidency. In June 2005, wire-tapped phone conversations between Arroyo and an election commissioner during the vote count for the 2004 election were leaked, leading to widespread public outrage. This resulted in calls for her resignation, and, given her rejection of such a call, several impeachment cases filed against her.

To survive until the end of her term, Arroyo turned towards even greater levels of particularistic spending. Unlike Estrada before her, who primarily employed belated releases of congressional pork in his attempt to quash an impeachment case against him in late 2000, Arroyo proved far more skilful in her use of various forms of particularism to ensure her political survival. She remained in office until the end of her term, in 2010, saved to a large extent by pork: congressional pork, presidential pork, and quasi-pork. The latter came from the clever exercise of budget powers that were
greatly amplified by regular delays in the passage or the re-enactment of the annual budget, two situations (frequently manipulated into existence) that created enormous opportunities for what I call the impoundment and augmentation pork and blank check particularism.

Another delayed budget

Arroyo submitted the first budget of her new term on August 25, 2004, yet again (as in 2001, 2002, and 2003) beating the constitutionally prescribed deadline for the Executive to submit a proposed spending program to Congress (Kabiling, 2004). Similar to the proposed 2004 budget that was not enacted into law (as discussed in Chapter 7), the proposed PHP 907.5 billion 2005 measure introduced a cut in the congressional slush fund allocation, the Priority Development Assistance Fund (PDAF) (Gulane, 2004c). In the face of the continuing fiscal deficit, leaders of both chambers expressed support for the slashed PDAF allocation, with House Speaker Jose de Venecia optimistic that he could build a consensus in support of the belt-tightening measure (Kabiling, 2004). De Venecia’s assurance was expected, inasmuch as the PDAF was not the only source of pork for legislators. For their part, eight senators in the majority bloc passed a resolution to reduce their pork allocation by half with one Senator, Ralph Recto, proposing a “pork for tax swap,” or the Executive dropping a number of tax measures in exchange for a significant reduction in the PHP 200 million allocation for each Senator (Maragay, Evangelista, & Requejo, 2004). Among the tax measures proposed by the Palace were an indexation of the excise tax on “sin” (alcohol and cigarettes) products, an increase in taxes for corporations and the self-employed, and a two-step increase in value-added taxes (Manila Standard, 2004).
Despite the initial shared position on a reduction of the congressional slush fund, the two chambers of Congress would subsequently differ on their stance regarding the 2005 proposed budget. On the part of the lower house, Speaker de Venecia proposed a line-item approach that he claimed would eliminate slush funds or lump-sum appropriations (Panesa, 2004). De Venecia’s claim that pork would be abolished through a line-item budget was duplicitous. His proposal in reality called for the conversion of pork from a slush fund to earmarks. Immediately, senators expressed disbelief that the House would carry through its line-item budgeting approach. Maverick Senator Joker Arroyo (no relation to the President) noted that the House proposal would be “an interesting game of power play,” while Senate Minority Leader Aquilino Pimentel simply retorted “to see is to believe” (Roncesvalles & Gulane, 2004). Malacañang also expressed concern about potential delays in the passage of the budget if the House adopts the line-item budget review (Valisno, 2004c). This concern was shared by Appropriations Committee Chair Rep. Rolando Andaya, Jr., who hinted that the tedious work of line-item budgeting may lead not only to a delay but a re-enactment of an already re-enacted budget (Gulane, 2004a). The scepticism about the House’s commitment to proceed with a line-item budget was proven when its leadership dropped the approach in early November 2004, favouring instead what Andaya, Jr. referred to as an “itemization…the setting of parameters by which congressional allocations can be used” (Gulane, 2004b). As I discuss below, while the itemization was to be reflected in the final approved project, the reality remains that the House backed out of its earlier pledge to do away with lump-sum slush fund allocations.
Beyond retreating from their commitment to adopt a line-item budget, the House also went back on its earlier vow to reduce their slush fund. In the deliberations on the second reading of the proposed 2005 budget, Andaya’s sponsorship speech was clearly meant to rationalize the retention of the PHP 70 million per legislator pork allocation. He stressed that while:

legislative districts’ spending was blamed for the fiscal problems of the country….Congress had spent only one-half of 1% of the budget of each district, as the other 99% was not to their call…the truth is, half a century of Priority Development Assistance Fund (PDAF) was worth [would be equal in value to] 1,000 days of losses incurred by the National Power Corporation (NPC) while the debts of government-owned and/or controlled corporations had left little impact of the lives of the people….[By contrast,] the PDAF projects have continued to make a big difference on their welfare” (Plenary Affairs Bureau, 2004a, p. 258, emphasis added)

After the sponsorship speech, the following exchange between Andaya and a representative, Douglas Cagas of Davao del Sur, captures the unabashed particularistic orientation among lower house legislators:

Cagas: My question is: Next 2005, will we have the same pork barrel development projects for our districts which we have now at P 70 million? Your answer will hasten the approval of this budget or delay it. I cannot pretend that it will make me happy if you answer positively. I cannot pretend that it will make many of us unhappy if the answer is otherwise.

Andaya Jr.: Mr. Speaker, after doing several consultations with members of the Committee on Appropriations and the members of Congress for the past two months regarding the allocations on a per district level, which I admitted in my sponsorship speech as part and parcel of governance, it is not something which is extra or special or something we have to beg for. It is part of our duty to make sure that the taxes which our constituents pay come back to them. After due consultation with them, a vast majority have directed and requested the committee on appropriations, through the chairman, to retain the same level.

Cagas: Thank you. You are a hero. (Pablo, 2004a)

Senators and Malacañang reacted negatively to the decision of the House to increase the per capita pork allocation from PHP 40 million to PHP 70 million. Senator
Panfilo Lacson, the upper chamber legislator who had consistently given up his pork barrel share in previous years, labelled the House’s decision as callous, given the crisis the country was facing and the issues of graft and corruption in high places of government (Pablo, Cabacungan, & Avendano, 2004). For the executive, Budget Secretary Emilia Boncodin stressed that the Palace was definitely against the increased pork allocation and that unless there were to be a re-alignment of funds, the House’s decision was unconstitutional as it did not have the authority to increase the budget (Maragay & Herrera, 2004). President Arroyo herself, though in a guarded tone, criticized the House’s decision to increase their pork allocation:

I do not negotiate through the media. When you start to be a hero at the expense of the other side, that's the best way for you to collapse. That's why I don't want to talk about that issue to the media. Let me just say that I'm thankful to the senators who agreed to cut their [pork] allocation by 50 percent (Javellana & Cabacungan, 2004).

Given the Palace’s position, Speaker De Venecia offered a possible solution: accept the PHP 40 million allotment and restore it to PHP 70 million once Congress would pass revenue measures sought by the Palace. The Speaker urged his colleagues not to “freak out for one moment” as he assured them that he would see “how we can upgrade our entitlements” (Pablo, 2004b). However, with clear pressure from the Palace, the House eventually decided to favour the proposed lower pork allocation of PHP 40 million as a majority decisively approved the proposed 2005 budget (by a vote of 156 in favour and 25 against with no abstentions) (Plenary Affairs Bureau, 2004b). Prior to the House’s decision on the budget, the Palace agreed to release half of their pork entitlement for the previous year (2004), amounting to PHP 35 million, as soon as the chamber passed the proposed budget (Pablo, 2004c). Thus, the promise of gaining
access to their previous pork allocation tempered legislators’ desire to increase the pork appropriation for 2005.

While the House attempted to increase its pork allocation, a number of Senators stood pat on their commitment to cut their share of pork, specifically PDAF, by 50 percent (Mabutas, 2004). Given that the House passed the proposed budget close to the adjournment of Congress for the Christmas holiday break in 2004, the Senate did not start its deliberations of the budget until early January 2005.

To facilitate the passage of the budget, Arroyo called for a special session of Congress for the first three working days of January (Valisno, Roncesvalles, & Gulane, 2005) but the session proved too short relative to the task. The Senate approved the budget on February 11, 2004, with a slight reduction of PHP 232 million, essentially adopting the Palace’s proposal including the trimming of the pork barrel allocation (Roncesvalles, 2005). Despite the Senate’s assent, the House took time in organizing its contingent to the Bicameral Conference Committee (BCC). The House’s Appropriations Chair, Rolando Andaya, Jr., questioned the Senate’s decision to slash what they already thought to be a “bare-bones budget” and expressed the hope that the reduced pork could still be increased, arguing:

We’ve to realize that a lot of things had happened since we talked about this so-called pork barrel. We approved a number of tax measures and we are already out of a fiscal crisis. I think there’s a chance, or shall I say, I am keeping an open mind on that matter. (Ager, 2005a)

Andaya’s statement reflects the quid pro quo orientation of the members of the House. Given the delay in the convening of the BCC, Senate Minority Leader Pimentel criticized the House as he echoed that this may be another attempt at re-enacting a budget that allows the President to dispense pork to whomever she chooses (Esteves,
2005b). To avoid a re-enacted budget, the Senate committed an unprecedented act, approving the House-approved version of the 2005 budget *in toto* (Casayuran, 2005). Another reason for the Senate’s surprising decision was to block the House from proposing an increase in their pork barrel allotment. While members of the House denied such intention (Maglalang, 2005), it would nonetheless have been the case especially in the light of Andaya’s statement quoted above. In view of the Senate’s assent of to the House-approved budget, Arroyo signed the measure without exercising her veto power (General Appropriations Act, 2005).

The final 2005 budget allotted PHP 6.1 billion for PDAF, an amount lower than that found in the last enacted budget appropriation (PHP 8.327 billion, in 2003). The PDAF included a special provision that required legislators to provide an itemized list of projects to which their PDAF could be allotted, with the additional specification that the funds would be used for those that are aligned with the ten-point agenda of the national government mentioned at the start of this chapter. Included among the items were a range of programs/projects both meso-particularistic (i.e., purchase of Information Technology equipment for schools; barangay/rural electrification; and construction/repair/rehabilitation of irrigation facilities) and micro-particularistic (e.g., scholarships, small and medium enterprise/livelihood; and assistance to indigent patients). The total amount allocated corresponded to the earlier agreement that half of the pork of representatives and senators (PHP 20 million and PHP 60 million) would be financed by the PDAF. The remaining congressional pork was funded by the retained Various Infrastructure and Local Projects (VILP) under the Department of Public Works and Highways (DPWH), with an allocation of PHP 6.964 billion (also lower than the
2003 allocation of PHP 8.755 billion). Under the VILP, lump-sum allocations, ranging from PHP 20 to PHP 140 million, were allocated for each of the 17 component LGUs in the National Capital Region and all of the provinces. As in previous years, these lump-sum allocations were bound to be disbursed to each of the congressional districts in these cities and provinces—thus ensuring that each congressperson would get a slice of the pie. The VILP had a separate allocation for nationwide projects, PHP 2.7 billion of the total allocation, which, again based on practices in previous years (as discussed in Chapter 6) corresponds to the infrastructure slush fund allocated for senators. In the absence of a specific stipulation on the per capita allocation and working with the total funds allocated for PDAF and the VILP, representatives received roughly PHP 40 million of congressional pork allocation\textsuperscript{121} but the per capita congressional pork allocation for Senators exceeded the PHP 120 million ceiling earlier agreed upon.\textsuperscript{122}

Regardless of the purported per capita allocation of legislators, however, the reality is, as discussed in previous chapters, that legislators who got more pork were those who would remain supportive of the President. This reality was revealed after Arroyo confronted a major scandal that would continually put into question her trustworthiness and legitimacy as President.

\textsuperscript{121} The exact figure is just above PHP 38 million and derived by extracting PHP 20 million per capita for each of the 233 representatives in the 13\textsuperscript{th} Congress and by dividing the total VILP allotted for the regions by the total number legislators (PHP 4.221 billion/233).

\textsuperscript{122} As discussed above, Senators were to get PHP 120 million, with half of their pork source from PDAF funds. However, the total allocation for nationwide VILP projects, divided by the 24 senators (though one Senator, Panfilo Lacson, consistently gave up his share) amounted to PHP 113 million. Thus, the per capita pork allocation for senators totalled PHP 173 million.
2006: A re-enacted budget amidst a major scandal

At the end of the first quarter of 2005, the public was split on its assessment of Arroyo, with 38 percent approving of her performance, 28 percent undecided, and 34 percent disapproving (Pulse Asia Research, Inc., 2017). To one analyst, the ratings indicated that her electoral mandate in May 2004 “did not seem to help her” (Doronila, 2005). What Arroyo did not expect, however, was that the public’s appreciation of her work and their trust towards her would continue to decline in subsequent surveys. Despite a steady improvement in the economy, Arroyo would be continually embroiled in an imbroglio throughout the remainder of her term—leading her to be dubbed the “great compromiser” (Hutchcroft, 2008).

The Hello Garci scandal

Arroyo’s heightened particularism is an offshoot of a major scandal that emerged in early June 2005 when wire-tapped phone conversations, allegedly between Arroyo and an election commissioner, were leaked to the public. The leak came soon after Arroyo faced a different controversy—allegations that her administration failed to curb illegal gambling (Esguerra, 2005) and that her husband, Jose Miguel or “Mike,” and son, Juan Miguel or “Mikey,” received pay-offs from illegal gambling syndicates (Avendano, Javellana, & Ubac, 2005).

The leaked conversations between Arroyo and election Commissioner Virgilio “Garci” Garcillano were part of series of conversations involving several government officials after the May 2004 elections, covering the period from May 17, 2004 to June 18, 2004. The conversations were recorded by the Intelligence Service of the Armed Forces of the Philippines (ISAFP), the agency that was said to be the most favoured by
Arroyo (Newsbreak, 2005a) given its role in gathering information against Arroyo’s critics (Coronel, 2005a). A key figure in many of the wiretapped conversations was Virgilio “Garci” Garcillano, a 40-year veteran of the Commission on Elections (COMELEC) who was brought back from retirement when Arroyo appointed him Commissioner in February 2004, just three months prior to the May 2004 elections (Coronel, 2005b). The timing of Garcillano’s appointment as an election commissioner bolstered the allegations that Arroyo tapped him to secure her electoral victory.

The most damaging parts of the wiretapped conversation were the alleged exchanges between Arroyo and Garcillano that occurred on nine different dates, all of which involved Arroyo checking on developments related to the election. Three conversations in particular stood out among the 11 recorded exchanges between Arroyo and Garcillano: those of May 28, May 29, and June 10, 2004.123

The exchange on May 29, 2004 is the most publicized among the wiretapped conversations between Arroyo and Garcillano. In the exchange, Arroyo expressed concern that her lead against Poe should be significant, or at least a million votes. In the conversation Arroyo stressed that her lead “cannot be less than One M”, to which Garcillano replied “pipilitin ho natin yan. Pero as of the other day 982” (“we will make

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123The exchange on May 28, 2004 indicates how Arroyo may have used the military to influence the outcome of the elections. In the conversation between Arroyo and Garcillano on this date, Arroyo asked Garcillano whether it was true that a case was being filed by the camp of opposing presidential candidate Fernando Poe, Jr. against the Board of Canvassers and the military of Marawi. Garcillano expressed his doubts that a case would be filed but named a military commander, Francisco Gudani, as partial to the Poe camp. He also said that he had worked with two generals, Hermogenes Esperon and Roy Kyamko, to replace Gudani (Philippine Center for Investigative Journalism, 2005, p. 15). A newspaper report soon after the May 2004 elections confirmed that Marine Brig. General Gudani, the commander of the 3rd Marine Brigade in Northern Mindanao, was indeed relieved of his command for refusing to “redraw the political landscape in his area of jurisdiction where Fernando Poe, Jr. is leading President Arroyo in the vote count” (Laude, 2004). The other generals named may indeed have played a role in Gudani’s relief as then Lt. Gen. Esperon, the head of the Army’s special operations command, was known to be close to Arroyo, having served as commander of the Presidential Security Group (GMA News, 2006).
that happen. But as of the other day 982") (Philippine Center for Investigative Journalism, 2005, p. 16). Garcillano’s reply suggests that as a Commissioner, he was capable of pushing Arroyo’s lead to the gap that the President wanted, at least a million votes.

The final exchange, on June 10, 2004, demonstrates Arroyo’s anxiety on the impact of local election protests on the outcome of the national races, specifically the presidency. In this exchange, Arroyo, for the first time, greets the election commissioner with what would become the popular name for the entire scandal, “Hello, Garci.” In the conversation, Arroyo asked Garcillano whether he had conversed with the Chair of the COMELEC, Benjamin Abalos. Garcillano replied positively and told Arroyo that he was allowed by Abalos to travel around Mindanao. Arroyo then relayed to Garcillano a local election problem in Mindanao, with Garcillano inquiring whether there was someone on their side in the proclamation dispute presumably eager to tip the balance in favour of an administration ally. Arroyo replied in a rather exasperated tone “ay naku, ang importante na hindi madamay yung taas” (my goodness, what is important is that this would not affect the top), “taas” (top) plausibly referring to the presidential race. Arroyo’s statement elicited an assuring reply from Garcillano “hindi ho, ako ang may hawak nun” (no Ma’am, I am the one handling that). At the end of this exchange, Arroyo remarked, “O sige. So hindi maaapektuhan sa taas ha. Kasi sabi nga nila eh kung maging explosive baka si Fernando Poe gumagapang na naman daw doon eh” (Okay then. So the top won’t be affected. Because some people say that should the conflict become explosive Fernando Poe might start operating again in that area). Once again,
Garcillano assured Arroyo, “Ah hindi ho, nasa akin ho yan” (Don't worry Ma'am, that is within my control) (Philippine Center for Investigative Journalism, 2005, pp. 57-58).

While Malacañang initially denied the conversations between Arroyo and Garcillano, labelling it as part of the plot to destabilize the administration (Maragay, 2005), Arroyo would subsequently confirm the conversations with Garcillano in a speech broadcast on nationwide TV on June 27, 2005. In her speech Arroyo emphasized that her conversation with the election official was the result of her desire to protect her votes from the cheating of others and was not intended to influence the outcome of the elections. She eventually apologized for what she claimed was a “lapse in judgment” (Inquirer, 2005). On the day of Arroyo’s admission that she conversed with Garcillano, a lawyer filed an impeachment complaint against Arroyo before the House of Representatives.

The first impeachment

Oliver Lozano, a lawyer associated with the camp of former President Ferdinand Marcos, filed the first impeachment complaint against Arroyo. In his complaint, endorsed by a party-list representative allied with the administration, Rodante Marcoleta, and oppositionist District Representative Rolex Suplico, Lozano accused Arroyo of betrayal of public trust given the alleged fraud in the 2004 elections. He presented, as his evidence, the “Hello Garci” tapes (Committee on Justice, 2005, p. 2). Lozano’s complaint was endorsed to the House Committee on Justice on the first day of Congress’ Second Regular Session, July 25, 2005. Two other impeachment complaints were filed against Arroyo. A second complaint was filed by a private lawyer with the same charges as the Lozano complaint and endorsed by an ally of Arroyo, Palawan
Representative Antonio Alvarez (Committee on Justice, 2005, pp. 5-6). The third complaint was filed by 29 opposition legislators, joined by various civil society personalities and organizations. This last complaint amended the original Lozano complaint but the endorsement of Rep. Marcoleta was not secured for it (Committee on Justice, 2005, p. 6). The third complaint added charges of culpable violation of the Constitution, bribery, and graft and corruption (Committee on Justice, 2005, p. 7).

From the outset, the impeachment complaints against Arroyo were bound to fail. First, the first and second complaints were endorsed by legislators belonging to the majority allied with Arroyo. These affirmed the allegation that Arroyo’s allies endorsed the flawed complaints to pre-empt the substantive complaint filed by the opposition. Under the 1987 Philippine Constitution, no impeachment proceedings can be initiated against the same official more than once a year (Article XI, Section 3.5). Given this provision, legislators allied with Arroyo in the House Committee on Justice failed to raise technical and procedural issues that subsequently led to rejection of the second and third impeachment complaint.124 Second, the number of legislators who endorsed the third impeachment complaint, 29, was far short of the required number to facilitate the President’s impeachment: one-third of the members of the House or 79 votes. The most important underlying reason for the failure of the opposition to secure the

124 In the deliberations of the House Committee on Justice, two related prejudicial questions were raised by Rep. Edcel Lagman: Is the amended complaint filed on 25 July 2005 a separate and new complaint instead of amendatory to the Lozano complaint filed on 27 June 2005?; and, did the Lozano complaint bar the Lopez Complaint and the amended complaint pursuant to Art. XI, Section 3 (5) of the 1987 Constitution? Eventually, the Committee, with 49 of the 52 members present in its last meeting, voted not to recognize the Lopez and amended Complaint in view of the constitutional provision that prohibits the filing of more than one impeachment complaint against the same official within a year. The Committee also dismissed the first complaint filed by Lozano, given their belief that it was lacking in substance (Committee on Justice, 2005). The Committee’s recommendation to dismiss the impeachment complaints against Arroyo was affirmed by 158 members of the House in an extended plenary session (Plenary Affairs Bureau, 2005a).
impeachment of Arroyo at the height of the “Hello Garci” scandal was the use of pork, as well as other incentives, to entice legislators to reject the complaint. Several members of the opposition known to favour the impeachment complaint were reported to have received phone calls from the Palace requesting them to desist from supporting the complaint and dangling offers of pork releases or a threat that funding for their projects would not be released (Cruz & De Leon, 2005; Tubeza, Ubac, & Javellana, 2005). A week before the House deliberated on the Justice Committee Report on the impeachment cases, the new Budget Secretary, Romulo Neri, announced that the Department was set to release PHP 5.75 billion of VILP funds for each of the country’s engineering districts (Remo, 2005). The immediate release of pork prior to the plenary discussions in the House was confirmed by Executive Secretary Eduardo Ermita:

I can't give any ballpark figure (on the political cost). It's just people saying there were concessions made. But members of Congress already have their PDAF (Priority Development Assistance Fund) and the most that the President could have done was to maybe hasten the releases. Whether they would get additional funding, I have no knowledge. (Bordadora, Tubeza, & Cabacungan, 2005)

At least two representatives admitted being induced to withhold support from the impeachment complaint. A couple of days before Congress resumed its session, a party-list lawmaker, Eulogio Magsaysay of the Alliance of Volunteer Educators (AVE), revealed that he was offered PHP 500,000 in cash and PHP 4.5 million worth of pork barrel projects, and an additional seat for his party in the House, all in exchange for not supporting the impeachment complaint (Herrera & Evangelista, 2005). On the other hand, a member of former President Estrada’s Puwersa ng Masang Pilipino (PMP) party, Bulacan Representative Pedro Pancho, admitted he was offered PHP 321 million worth of projects for his district, but denied that the administration’s grant of his request
influenced his decision on the impeachment complaint (Bordadora et al., 2005). AVE’s Magsaysay would eventually vote in favour of the Committee’s recommendation to dismiss the impeachment complaint, while PMP’s Pancho did not participate in the plenary vote on the Committee’s report (Plenary Affairs Bureau, 2005a).

In addition to the release of their usual congressional slush fund, the Palace also used other funds to facilitate the implementation of projects in certain congressional districts. One of these funds is the Road User’s Tax (RUT), with a report that PHP 5.1 billion of RUT funds were being released after the filing of the first impeachment complaint. The Road Board, the agency in charge of the disbursement of the RUT, denied that the funds were being converted into a form of congressional pork barrel (Barcelo, 2005). A minority legislator, however, released a document from the DPWH showing that the districts of legislators who are part of the administration and who did not support the impeachment complaint secured funding for their road maintenance projects in amounts that were in excess of their usual congressional pork allocation, ranging from PHP 50 to PHP 90 million (Rosario, 2005; Tubeza, 2005). However, in response to the criticism that the RUT was disbursed only to those who rejected the impeachment, House Majority Leader Prospero Nograles identified 12 members of the opposition whose districts got a share of the RUT, ten of whom subsequently voted for Arroyo’s impeachment (Maragay et al., 2005).125 The re-alignment of the RUT for congressional projects indicates how Arroyo employed impoundment and augmentation of pork to disburse resources from an ostensibly programmatic

125 Of the 12 representatives whose districts received RUT funding for road improvement, the two who abstained were Rep. Rodolfo Agbayani of Nueva Vizcaya and Rep. Joseph Santiago of Catanduanes. The 10 other oppositionists who secured the RUT voted to reject the Committee report dismissing the impeachment charges against Arroyo (Maragay et al., 2005).
expenditure to provide additional particularistic benefits to allied legislators. Beyond the release of their pork and the additional projects sourced from other funds, Senate Minority leader Aquilino Pimentel claimed that undecided legislators were also enticed to reject the impeachment complaints with offers of government positions for their relatives (Burgonio & Tubeza, 2005). Such exchange of favours, of course, is another tool employed by Philippine presidents to sustain their legislative coalitions.

Thus, Arroyo weaponised pork to quash the first set of impeachment complaints filed against her. Aside from releasing the congressional slush fund, Arroyo provided legislators with additional funds from the Road Users' Tax, a fund that was meant for the programmed maintenance of roads but which was, like the fertilizer fund in 2004, disbursed in particularistic fashion.

A third re-enacted budget

The deliberations on the impeachment complaints against Arroyo delayed the House’s action on the proposed 2006 budget, submitted by Arroyo to Congress on August 24, 2005. Consideration of the budget was further pushed back by a re-organization of the leadership and membership of House committees when Congress resumed session in mid-September 2005. The re-organization was described by a member of the majority as a “cleansing process” that was meant to weed out “spurious allies” in the majority, legislators who defied the ruling coalition’s line on the impeachment complaints against Arroyo (Manila Standard, 2005b).

When the initial committee consideration of the proposed 2006 budget in the House began in late September, it was a portent of things to come. The Executive and legislators became locked on questions of particularistic spending, with the minority in
the House pointing out that the proposed budget was infused with pork while the Executive denied the charge. For their part, majority House legislators, having quashed the first impeachment attempt against Arroyo, sought more funds to carry out their parochial projects.

In an extended meeting of the Appropriations Committee on September 26, 2005, House Minority Leader Ronaldo Zamora questioned the large amounts of what he described as presidential pork barrel relative to the total amount of congressional pork (Requejo, 2005a). Zamora was comparing the amounts allotted for new proposals from the Executive that included a PHP 5 billion Kilos Asenso Support Fund (KASF or Action for Progress Support Fund) and a PHP 3 billion Kalayaan Barangay Program Fund (KBPF or Village Freedom Program Fund), the total of which exceeded the proposed PDAF allotment of PHP 6.2 billion in the proposed 2006 budget. Zamora’s questions reflected that the real concern for legislators was not about whether the budget included particularistic programs, but rather about who would get to disburse the funds for such programs.

In the 2006 National Expenditure Program (NEP), the KASF was meant to provide a national government counterpart to LGU projects that included the construction of farm-to-market roads, small bridges, and day care centres. The KASF was similar to a program implemented by the Estrada administration—the Local Government Service Equalization Fund (LGSEF), as discussed in Chapter 6. As a program, the KASF could have served as a means for Arroyo to draw support from local politicians at a time when she needed to fortify her political base. The KASF could have been regarded then as presidential project-based appropriated pork (PPAP). The KBPF,
on the other hand, targeted support for barangays in conflict areas that were identified by the Department of National Defence and the Office of the Presidential Adviser on the Peace Process. The KBPF could have also been regarded as PPAP as it targeted specific areas as beneficiaries of the funds to be disbursed by the President.

Reviewing the National Expenditure Program (NEP) for 2006, Zamora’s contention was partly correct. This is because the aggregate amount (PHP 10.97 billion for PDAF and VILP) for congressional slush funds in the 2006 NEP was lower than that appropriated in the 2005 budget (PHP 13 billion). While the PDAF component nominally increased from PHP 6.1 billion in 2005 to PHP 6.22 billion in the proposed 2006 budget, the proposed appropriation for VILP was reduced from PHP 6.96B in 2005 to PHP 4.75 billion for 2006. The reduction in the VILP was puzzling if put in the context of a President faced with the most critical challenge in her term, where lesser spoils to legislators could lead them to defect and side with the opposition. It should be noted, however, that the proposed 2006 budget did not scale down total infrastructure spending. Rather, it actually endowed the President with more funds that she could employ to curry favour with sub-national politicians.

An analysis of the proposed 2006 budget shows that the economic services sector posted the highest year-on-year increase of 24.8 percent, while the proposed spending for communications, roads, and transport projects (CRTP) increased by 33 percent, from PHP 53.8 billion to PHP 71.8 billion (Congressional Planning and Budget

126 The NEP is one of three documents submitted by the President to Congress as part of the proposed budget, the other two being the Budget of Expenditure and Sources of Financing and the President’s Budget Message. The NEP provides a detailed listing of expenditures slated for the forthcoming fiscal year.
What occurred in the proposed 2006 budget was a shift towards higher impact infrastructure projects. As indicated in Arroyo’s budget message to Congress, the government planned to spend more in 2006 for highways, irrigation, flood control, bridges and airports (Arroyo, 2005). With more money proposed for CRTP, Arroyo essentially concentrated control of more resources in her hands—resources that she could effectively disburse to favoured politicians. What was missed out on in the change in appropriations for congressional pork was that in disbursing funds for programmed infrastructure expenditures, Arroyo—like Ramos in his time—would readily share the credit for the implemented projects on ubiquitous tarpaulin streamers emblazoned with the President’s image alongside a favoured politician, a practice called *epal* (short for *mapapel*, or boasting one’s accomplishment).

Despite repeated commitments on the part of the House and Senate leadership that the budget would be passed on time (*Business World*, 2005; Cruz, 2005b; Danao, 2005), congressional deliberations on the 2006 budget would face constant delays as the House and the Senate disagreed on key provisions.

In the lower house, one cause of delays in the deliberations of the budget was the lack of quorum in hearings of the House Appropriations Committee (Cruz, 2005a; Maragay, 2006b). Another cause was the prioritization of the deliberations on constitutional change. With a commitment from Speaker Jose de Venecia that “there is no going back on this campaign,” referring to the move to change the charter and shift to a unicameral parliamentary government, the House Committee on Constitutional

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127 Compared to a 15.6 percent increase in social services and an 18.7 percent increase in defence.
128 Ramos had his own way of claiming credit for programs. In a 1993 Department of Health program that aimed to reduce the iron deficiency among Filipinos, the program was referred to as “Fortified Vitamin Rice” or FVR, the initials of the former President.
Amendments completed public hearings in early October 2005 on the proposed Charter change and was poised to submit the proposal for plenary discussions (Panesa, 2005).

In their budget deliberations, the members of the lower house would raise the need to revert to the higher per capita allocation of the PDAF, back to the previous amount of PHP 70 million from the Malacañang-proposed amount of PHP 40 million. Representatives felt that since the government’s fiscal position had improved, with the passage of the revised expanded value added tax law in late May 2005, it was time to restore the higher per capita pork allocation of PHP 70 million (Ubac, 2005). To Majority Leader Prospero Nograles, the increase in congressional pork was not only due to improvements in collected revenues, but was also a means to “give back what is due to the [congressional] districts” (How & Capistrano, 2006). Eventually, the House members settled for the PHP 40 million per capita allocation to prevent anyone, in the words of outgoing Appropriations Committee Chair Rolando Andaya Jr., from accusing “Congress of beating plowshares into pork barrels” (Plenary Affairs Bureau, 2006c, p. 129).

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129 Charter change, as mentioned earlier, was articulated as a priority of the Arroyo administration from her inauguration in 2004. Arroyo herself, just a few days after De Venecia vowed to continue the charter amendment campaign, called on officials to gather support for the initiative to replace a “degenerated political system” (Gulane, 2005a). On November 29, 2005, the House majority, in a *viva voce* vote, adopted the resolution proposed by the Constitutional Amendments Committee to convene Congress to propose amendments to the 1987 Constitution (Plenary Affairs Bureau, 2005b).

130 The expanded Value Added Tax law, Republic Act 9337, was enacted into law on May 24, 2005, after a long process in Congress. On the day of its implementation, the Supreme Court, given the petition of several groups filed soon after the enactment of the law, issued a temporary restraining order that prevented government from implementing the law. The specific issue raised before the Court by a number of the petitioners was that the law unduly delegates to the President what is exclusively a power of legislators, the authority to tax. The particular provision questioned by the petitioning groups was Section 4, 5 and 6 of the law that allows the President to raise the value added tax to 12 percent after certain conditions are met, as certified by the Secretary of Finance. The Court ruled that the Republic Act is “constitutionally permissible” inasmuch as the Secretary of Finance and the President function as “agents of the legislative department” (Austria-Martinez, 2005).
54). Notwithstanding this, the new Appropriations Committee Chair, Jose Salceda, was instructed by Majority Leader Nograles to explore possible realignments to raise funds to increase the PDAF allocation (How, 2006).

While the House was deliberating on the proposed budget, the Senate was criticized by lower house legislators for spending its time on probes at the expense of acting on the budget proposal as well as other bills pending in their chamber (Evangelista, 2005). President Arroyo echoed the same criticism when she pointed to “certain senators” to stop their “mindless preoccupation with things political and do something: pass our national budget, create jobs, build up stockpiles of rice, bring health insurance…Stop your wrangling and get to work. Time is wasting as the people suffer” (Gulane, 2005a). In a speech before local politicians to celebrate the 14th anniversary of the Local Government Code, Arroyo again assailed the Senate as she asked: “wouldn’t it be a miracle if the Senate focused as much time on passing anti-terrorism legislation as it does on promoting one investigation after another based on half-truths and speculations masquerading as facts?” (Mediavilla, 2005a). Indeed, the Senate investigated various issues from late September 2005 until mid-2006, including the fertilizer fund scandal and the wire-tapping cases discussed above. What is clear, however, is that from the time the Hello Garci scandal broke out, the relations between the Senate and the Executive grew antagonistic.

Despite the investigations, the Senate ended up reviewing the budget earlier than the House. In early November 2005, the Senate decided to tackle the budget as a Committee of the Whole, pending receipt of the House version (Capistrano, 2005). As discussed in Chapters 1 and 3, the 1987 Constitution prescribed that all tax and
spending measures originate from the House, a provision that barred the Senate from formally deliberating on measures until the House transmits its version of a bill. Thus, the Senate could only hear out explanations of the parameters that led the government’s economic managers to formulate the proposed 2006 budget, and clarify with the other department secretaries the items in their own budgets.

In its subsequent budget deliberations, the Senate was further criticised for using the budget hearings as a means to evade a controversial executive order issued by Arroyo. Given the Senate’s investigations on alleged anomalies under her administration, Arroyo, in late September 2005, issued an executive order (Executive Order No. 464 or EO 464) that invoked the separation of powers and executive privilege. Through EO 464, Arroyo’s prior consent was required before any public official could appear in congressional investigations. To evade the order, senators used the budget hearings as a means to question select public officials. This led maverick Senator Joker Arroyo (again, no relation to President Arroyo) to describe the acts of his peers as a “very excellent parliamentary manoeuvre of the minority” to question cabinet members summoned to defend their proposed budget (Requejo, 2005b). Executive Secretary Eduardo Ermita reminded the Senate that the rules on executive privilege stipulated in EO 464 cannot be violated (Manila Standard, 2005a). Lower house legislators allied with Arroyo also urged the Senate not to use the budgetary hearings as a means to vilify the President (Evangelista, 2005). The criticisms of Senator Arroyo, Ermita, and the members of the House reflect the hostile relationship between the majority in the Senate and the President, as well as the eventual disputes between the
House and the Senate. These disputes also involved congressional and presidential pork.

From the start of its review of the budget, members of the Senate started to question items that were believed to be presidential pork barrel funds including the KASF and the KBPF discussed earlier. Senate Finance Committee Chair Manuel Villar questioned a PHP 47 billion allotment in what Malacañang referred to as “healing funds,” claiming that the amount was bigger than the proposed expenditure for health in 2006 (Esteves, 2005a). Reservations on the “healing funds” subsequently led the Senate to trim the budget from the House-approved PHP 1.053 trillion to PHP 1.027 trillion, with the cut reflecting the deletion of the KASF, the KBPF, and other funds that were believed to be presidential pork (Capistrano, 2006b).

In reaction to the Senate’s budget version, the President vowed to veto the budget if the Senate refused to restore the slashed allocation (Pelovello, Araneta, & Egco, 2006). Senate Minority Leader Pimentel regarded Arroyo’s threat as an indication of her dictatorial tendencies and issued his own warning that “if the President wants to play hardball, she will get hardball from us because we are not peons that she can tell us to follow what she wants” (Calumpita, 2006).

With the Senate’s decision to cut a significant amount compared to the House version of the proposed 2006 budget, attempts to reconcile the versions of the two chambers in the Bicameral Conference Committee (BCC) failed. In the first BCC meeting held on June 6, 2006, House Appropriations Committee chair Salceda recounted that the Senate wanted the BCC to agree on specifics—what he referred to as a “scrap-and-build” approach—before arriving at an aggregate amount (Burgonio,
After the meeting, hopes of reconciling the Senate and House Budget remained, with a member of the Senate proposing that the cuts be restored, provided that these were re-channelled to education, health, and agriculture (Burgonio, 2006a). With no agreement in sight, Malacañang virtually gave up on the passage of the 2006 budget and instead submitted a supplemental budget of PHP 47 billion for 2006.

Unlike the proposed 2006 budget, the supplemental budget submitted by Malacañang in late July 2006 received immediate support from the leaders of Congress given the detailed distribution of the proposed fund augmentation measure, a repeat of Congress’ action on the proposed 2004 supplemental budget (as discussed in Chapter 7). The Senate, under the leadership of new Senate President Manuel Villar, expressed support for the enactment of a supplemental budget (Burgonio, 2006b). While the House and Senate versions of the supplemental budget differed, the two houses were able to pass the measure relatively swiftly, with Arroyo signing the supplemental budget for 2006 in the middle of October 2006 (Bills and Index Service, 2006).131 Thus, for the first three quarters of 2006, a pre-election year, Arroyo operated with a re-enacted budget, exercising the prerogatives that come from blank check particularism.

While the Senate and the House deliberated on the supplemental budget, a set of impeachment cases were filed against Arroyo in the House of Representatives. On the side of the Senate, the body started its formal probe on yet another alleged

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131 The House approved their version of the Supplemental Budget by the end of August 2006; the Senate approved their version on the 13th of September 2006; and a reconciled version was agreed to by the BCC on the 25th of September 2006.
anomaly, the use of Overseas Workers Welfare Administration funds in the 2004 elections (as mentioned in Chapter 7).

The second impeachment: A larger majority supports Arroyo

Anticipating that the one-year constitutional prohibition in filing a new impeachment complaint would lapse soon after Congress resumed its third regular session on July 26, 2006, a number of individuals and groups filed new impeachment complaints before the House of Representatives. A total of eight complaints were received within a period of one month (June 26 to July 27, 2006). All eight complaints were referred to the Committee on Justice in the first session days of the House in late July 2006 (Plenary Affairs Bureau, 2006a). The impeachment complaints essentially covered the same basic charges, accusing Arroyo of having:

- Exercised dictatorial powers to silence, if not stifle, political dissent arising from her illegitimate presidency;
- committed crimes against humanity. She abetted, if not encouraged, the systematic and widespread killings of political dissidents and journalists to silence criticisms lodged against her and to continue her illegitimate hold on power; and,
- criminally concealed her conjugal assets, engaged in graft and corruption, and entered into illegal government contracts. (Philippine Center for Investigative Journalism, 2006)

Despite endorsing the first impeachment complaint filed on June 26, 2006, House Minority Leader Francis Escudero expressed the fear that the allies of Arroyo in the House would employ every legal and political manoeuvre to kill the impeachment in two weeks (Ubac, 2006b). Escudero’s counterpart in the Senate, Minority Leader Aquilino Pimentel, believed that the second impeachment would spur another round of vote buying, echoing the apprehension that “malice will trounce virtue in the impeachment try. The President’s access to oodles and oodles of money will rout the truth”
(Capistrano, 2006a). Pimentel’s fear was affirmed. Arroyo, in view of the re-enacted 2005 budget, had PHP 48 billion in funds, PHP 21 billion from non-repeating budgets and PHP 27 billion in interest savings, that could be used to quash the second impeachment complaint (Manila Standard, 2006a). These funds allowed the President leeway in providing additional spoils for supportive legislators, as well as local politicians in the form of a resurrected KASF and KBPF. An example of funds dispersed exclusively to pro-Arroyo legislators is the PHP 1 million allotment for each representative under the Commission on Higher Education’s Emergency Financial Assistance for Students (Panesa, 2006). Legislators were also warned by Presidential Chief of Staff Michael Defensor that supporting the impeachment cases would lead to a delay in the release their pork entitlement, or even to an outright suspension (Manila Standard, 2006b).

In the first Committee on Justice hearing on the 2006 impeachment complaints, two members of the House nearly came to blows when another member of the Committee moved that the recipients of the Ginintuang Masaganang Ani-Fertilizer Fund (GMA-FF) Fertilizer Fund), the controversial fund discussed in Chapter 7, inhibit themselves from participating in the deliberation (Cruz, 2006a). Of the 78 members attending the Justice Committee meeting, 28 representatives were listed as recipients of the controversial GMA-FF with only one member, the oppositionist Rodolfo Plaza, offering to inhibit himself from participating in the hearing (Rosario, 2006). With a vote of 54 to 24, the majority in the Committee discarded the first seven complaints in support of Deputy Majority Leader Edcel Lagman’s view that these seven complaints were filed before the constitutional ban on filing new impeachment cases lapsed on July 26, 2006.
(Maragay, 2006a). Once again, the majority used a technical argument to dismiss the initial complaints. The Committee unanimously decided that while one of the complaints was sufficient in form (Tubeza & Ubac, 2006), they declared this complaint insufficient in substance on August 16, 2006. With 56 members in favour of dismissing the complaint and 24 against, the majority in the Committee supported the position of Deputy Majority Leader Lagman that the complaint was “not killed by the committee for it was dead on arrival” (Reyes, 2006b). Lagman’s statement clearly showed the pre-disposition to dismiss the complaints without scrutinizing the evidence offered.

The final nail in the coffin of the second impeachment complaint against Arroyo came after an extended session of the House on August 23 and 24, 2006. With a copy of the Committee report sent to the members, 173 in the lower house affirmed the Committee on Justice’s recommendation to dismiss the impeachment complaints against Arroyo, with 32 voting against the Committee report and a single abstention (Plenary Affairs Bureau, 2006b). What is striking about the vote on the second set of impeachment complaints is an increase in the number of representatives that quashed the complaints, from 153 in 2005 to 173 in 2006, and a corresponding decline in those who support the impeachment complaints, from 51 to 32. Of the 51 who voted for the impeachment in 2005, 31 maintained their support for the impeachment, 12 failed to register a vote due to their absence in the 2006 session, and eight shifted from their support for impeachment in 2005 to the rejection of the 2006 impeachment complaints. One may speculate that the timing of the second impeachment vote could explain the increase in the number of representatives who voted to reject the complaints. Coming in a pre-election year, the representatives would have heeded the warning from the
President’s Chief of Staff that favouring the impeachment may delay the release of their pork—a particularly grave warning at this crucial stage when they needed to deliver goods to their constituents. After the House’s decision on the second impeachment, with opposition legislators grousing about the non-release of their pork, House Majority Leader Nograles replied that “if you keep attacking the administration, you have to suffer the consequences for your action” (Cruz, 2006b).

Securing the base: Local politicians’ support for Arroyo

Aside from her allies in the House, Arroyo drew constant support from local politicians after the *Hello Garci* scandal broke out. While civil society groups, Church leaders, and other sectors called on Arroyo to resign in mid-2005, the umbrella organization of local politicians, the Union of Local Authorities of the Philippines (ULAP), asked the nation to veer “away from the brink of anarchy” as its members accepted Arroyo’s apology as an “act of humility” (Cunan, 2005). Before Congress decided on the first impeachment, the ULAP President, Bohol Governor Erico Aumentado, remarked that “the people are tired of the opposition’s political drama” and that “local government units are willing to set the tone of unity and reconciliation” (Aben, 2005). After the House rejected the first set of impeachment complaints, ULAP once more exhibited its support for Arroyo with the launch of a signature drive in early October 2005 to “manifest the people’s support for Arroyo” (Pilapil, 2005). ULAP’s support even extended to the proposed change in the Constitution when it signed a pact for charter change with leaders of the House of Representatives in October 2005 (Gulane, 2005b) and joined the campaign for a people’s initiative to push for amendments (Aben, 2006b). Finally, ULAP reiterated its support for Arroyo after the filing of the second set
of impeachment complaints, claiming that the complaints “received anaemic support not only among members of the House of Representatives, but among the Filipino people in general” (Aben, 2006a).

The backing of ULAP was expected, as Arroyo’s support from local politicians was cemented even earlier (as discussed in Chapter 7) and further strengthened when she campaigned for the presidency in 2004. Prior to the presidential campaign, Arroyo extended funding support to allied local politicians via a national program that local politicians played a role in implementing. One such program, implemented from January 2004, was the Philippine Charity Sweepstakes Office Greater Medicare Access (PCSO-GMA) program (note the use of Arroyo’s initials for this program, similar to the fertilizer fund program, the Ginintuang Masaganang Ani discussed in Chapter 7, another case of epal) (Office of the President of the Philippines, 2004). Under this program, the LGUs were provided funding to enrol their indigent families in the government’s health insurance service administered by the Philippine Health Insurance Corporation (PhilHealth). With the PCSO-GMA program, local politicians were allowed to distribute the family health cards to their constituents, thereby sharing the credit with Arroyo in providing a micro-particularistic benefit to support their election bids. The PCSO-GMA program is a case of presidential project-based appropriated pork. Aside from the PCSO-GMA, a number of local politicians were also recipients of the fertilizer fund support under the controversial Ginintuang Masaganang Ani program (discussed in Chapter 7).

Moreover, the distribution of the health cards was at the discretion of the politicians—and thus easily exploited for political purposes.
Through the adept handling of state funds, Arroyo was able to maintain the support of local politicians (Abinales, 2008). As discussed in Chapter 7, Arroyo consistently released the most important resource for local government units, their annual Internal Revenue Allotment (IRA). In October 2005, after the *Hello Garci* scandal in mid-2005, Arroyo even ordered the release of PHP 17.5 billion in IRA that had been withheld all the way back from 2000 to 2001 (*Manila Bulletin*, 2005).

On the same occasion that Arroyo ordered the release of such funds, namely the 14th anniversary of the Local Government Code that had created the IRA in the first place, ULAP members launched the Kilos Asenso Movement (KAM or Action for Progress Movement). They declared it to be a “nationwide, community-based people’s movement led by local government executives that would build prosperity by increasing productivity from community to community” (Gulane, 2006). The KAM was to get part of its funding from the KASF in the proposed 2006 budget, as discussed earlier. The KAM initiative is akin to the programs of prior administrations, including the (Office of the) Presidential Assistant for Community Development (PACD) under Magsaysay and Marcos (as elaborated in Chapter 3) and the Kabisig movement under Cory Aquino (as discussed in Chapter 4). It is essentially presidential project-based off-budget pork (PPOP), though its eventual source of funding came by way of Arroyo’s exercise of *blank check particularism* (BCP) given the re-enactment of the 2005 budget for 2006.

Employing BCP, Arroyo also ordered in early January 2006 the release of PHP 35 billion in savings for rolling stores that sold subsidized food items and also supported livelihood projects in various local governments in the country (Cabacungan & Caluza, 2006). With respect to livelihood projects, DILG Secretary Angelo Reyes announced
that the government established more than 24,000 *Gabay sa Mamamayan Action* Centers (Guide for Citizens Action Center or GMA-AC, again using Arroyo’s initials) in the country’s barangays to provide assistance to residents seeking employment, livelihood and medical assistance (Reyes, 2006a). Finally, the full implementation of the expanded Value Added Tax endowed LGUs with their share of the tax, giving them an additional allocation of PHP 3.54 billion for 2006.

**The 2007 budget: More pork for an election year**

The proposed 2007 budget, amounting to PHP 1.126 trillion, was submitted by Arroyo to Congress on August 23, 2006. At that time, the chambers of Congress were pre-occupied with a scrutiny of the proposed 2006 supplemental budget, the second set of impeachment complaints against Arroyo, the Senate investigation of the administration’s alleged anomalies surrounding the 2004 elections (e.g., the fertilizer fund scam, “Hello Garci,” the use of the Overseas Workers' Welfare Fund), and lower house deliberations on constitutional change. Given these competing activities, Congress did not deliberate on the budget until late September 2006.

Despite the initial delays in budget deliberations, the lower house passed their version of the budget relatively earlier than previous years, on October 13, 2006, and did so with an overwhelming majority (198 members voting in favour, 7 voting against) (Publication and Editorial Service, 2006a). Aside from increasing the funding for education and the Ombudsman (Ubac, 2006a), the House version of the 2007 budget increased the per capita congressional slush fund allocation for representatives from PHP 40 million to PHP 70 million (Kabiling, 2006).
For their part, senators scrutinized the budget for items that were possibly presidential pork. This included a PHP 5 billion budget for scholarships under the Technical Education and Skills Development Authority (TESDA) (Tan, 2006) and a PHP 4 billion nutrition program for School Children in the Department of Education’s (DepEd) budget (Casayuran, 2006). The latter program was to become the subject of a dispute between the House and the Senate as they tried to reconcile their versions of the budget after the Senate approved its measure in early December 2006 (Tan, Romero, & Cagoco, 2006). Eventually though, the Senate would agree to pass the budget as they tried to avoid a re-enactment a second straight year. A re-enacted budget would have given Arroyo greater leeway in disbursing resources, as midterm elections were soon approaching in May 2007.

Despite congressional agreement at the end of January, however, Arroyo did not sign the budget into law until March 22, 2007. The delayed enactment allowed Arroyo to spend monies prior to the budget’s approval on projects or programs that were not authorized by the 2007 budget. Having exercised BCP in the re-enacted budgets of 2004 and 2006, Arroyo was possibly mindful of this prerogative, as evidenced by her veto message where she rejected again the provision that set the effectivity date of the 2007 budget to the start of the fiscal year. She stressed that since the budget was passed after the start of 2007, the “budget shall take effect fifteen days from its publication” (General Appropriations Act of 2007, 2007, p. 1156).

Another reason for the smooth passage of the 2007 budget was the increased allocation for congressional pork. From the proposed appropriation of PHP 6.24 billion, the final amount appropriated for PDAF in the 2007 budget was PHP 11.445 billion. The
VILP, the variant of congressional slush funds that financed local infrastructure projects was allocated PHP 12.04 billion. Thus, relative to the congressional slush funds allocated in the last enacted 2005 budget, the aggregate congressional slush fund allocation nearly doubled, from PHP 13 billion in 2005 to PHP 23.4 billion in 2007. Arroyo did not veto the increased appropriation for PDAF and VILP.  

Challenges continue

In the 2007 midterm national and local elections, Arroyo would get a national level electoral rebuke. Of the 12 seats in the Senate, the slate of the Genuine Opposition (GO) would grab eight, with Arroyo’s Team Unity garnering only three.  

Aside from her slate losing out in the Senate race, Arroyo would face additional challenges in 2007. Though she secured majority support from the House of Representatives, with the re-election of Jose de Venecia as Speaker (Rosario, 2007), Arroyo would continually wrestle with a relatively independent Senate despite the commitment of Senate President Villar to an “urgent need to rise above political differences that get in the way of progress” (Manila Standard, 2007a). The Senate

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133 Aside from the continuing stipulation that PDAF funds shall be used to fund the administration’s priority programs listed in the 2005 budget (as discussed above), the 2007 PDAF further segregated PHP 300 million as seed money for the House proposed Kalinga Pilipinas Congressional District Housing Program (Care Philippines Congressional District Housing Program, at PHP 5 million per chosen congressional district.

134 Of the three successful Team Unity candidates, the win of Jose Miguel Zubiri, who landed in 12th place, was questioned by the 13th placer, Aquilino Pimentel III. Pimentel III contested the election results from the provinces in the Autonomous Region of Muslim Mindanao (ARMM). The areas pinpointed by Pimentel III were the same areas where former COMELEC Commissioner Garcillano was alleged to have padded votes to favour Arroyo in the 2004 presidential elections. The results of an early count in one ARMM province, Maguindanao, where all twelve TU candidates led the GO contenders, propelled suspicion of a repeat of the electoral count manipulation that occurred in 2004 (Maulana & Rosauro, 2007). The Senate Electoral Tribunal (SET) eventually declared Pimentel III as the 12th placer in the 2007 senatorial elections after it found numerous cases of tampering of the election returns from various precincts in the contested areas (Senate Electoral Tribunal, 2011).
would continue to investigate alleged anomalies involving the Arroyo administration (now also including a controversial national broadband deal discussed below) and these investigations caused a delay in the passage of the 2008 budget. In the lower house, a new set of impeachment complaints would deflect attention from deliberating on the budget.

**A new controversy and impeachment complaints**

Arroyo confronted another scandal after a newspaper columnist, Jarius Bondoc, exposed in a series of articles an alleged over-priced National Broadband Network project entered into by Arroyo with China’s ZTE Corporation (Bondoc, 2012). The controversial US$260 million contract was investigated by the Senate Blue Ribbon Committee, which found that a number of officials and their associates were liable for violations of the Anti-Graft and Corrupt Practices Act (Gordon, 2009). In its report, the Senate Committee also established that President Arroyo “condoned the corruption” and “if not for the public uproar brought about by the National Broadband Network-ZTE (NBN-ZTE) investigations she would not have cancelled that contract” (Gordon, 2009).

Among the witnesses in the Senate Committee’s hearings, the testimony of Rodolfo “Jun” Lozada, a confidant of Secretary Neri, would capture the alleged predation that went on during the Arroyo administration. In his testimony, Lozada claimed that he was asked by Neri to communicate to the other parties, Abalos specifically, on the need to “moderate their greed.” This pertained to the US$130 million commission that Abalos

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135 The officials named in the report were the chair of the Commission on Elections (COMELEC), Benjamin Abalos; Economic Planning Secretary Romulo Neri; and House Speaker Jose de Venecia. In addition, the report also identified de Venecia’s son, Joey, and the President’s husband, Mike Arroyo, as accomplices.
had requested, which doubled the original cost (US$ 130 million) of the broadband project. Lozada further relayed that “bubukol po ito” (this will swell up and be obvious) (Calica, 2008).

To avert the scandal from being further inflamed, Arroyo cancelled the contract in early October 2007 during an unscheduled meeting with Chinese President Hu Jintao in Shanghai (Samonte, 2007). Despite Arroyo’s act, the Senate Committee recommended that the Ombudsman investigate Arroyo and submit its recommendations to the House which, based on the Constitution, could proceed with an impeachment case if deemed warranted (Gordon, 2009, p. 116).\(^{136}\) The NBN-ZTE scandal would serve as the basis for a new impeachment complaint filed against Arroyo.

On October 5, 2007, a private law practitioner, Roel Pulido, filed a new impeachment complaint against Arroyo, charging her with betrayal of public trust in view of the NBN-ZTE scandal (Ager, 2007). The complaint was believed to be another ploy of Malacañang as it was endorsed, like the first impeachment in 2005, by a known ally of the President in the House (Esguerra, 2007b). A number of members of the lower house claimed to have been approached by the Secretary-General of Arroyo’s Kabalikat ng Mamamayang Pilipino (KAMPI) party and offered bribe money or millions worth of projects in exchange for their endorsement of the weak impeachment case. This lent credence to the charge that the new impeachment complaint was manufactured by Malacañang (Bordadora & Avendano, 2007a). Senator Miriam Defensor-Santiago, an ally of Arroyo in the upper house, agreed that the complaint was a Palace-initiated

\(^{136}\)With respect to Abalos, the COMELEC Chair resigned in early October 2007, before an impeachment case filed against him at the lower house could be decided (Pedrosa, Romero, Austria, & Francisco, 2007).
means to shield Arroyo from substantive impeachment complaints, believing that “Malacañang will have a timetable every year where someone will file an impeachment complaint which will preclude the partisan complaint of the opposition” (Cabacungan & Esguerra, 2007). A key ally of Arroyo in Congress, Cebu Representative Pablo Garcia, confirmed the moves of Arroyo’s KAMPI party and tagged Interior Secretary Ronaldo Puno, also Chair of KAMPI, as the mastermind in the filing of the impeachment complaint (Esguerra, 2007a). For his part, Speaker Jose de Venecia, while dismissing the culpability of Arroyo whom he labelled as “a righteous President,” believed that the impeachment case was filed by underlings of Malacañang who wanted to remove him to punish him and his son for the latter’s incriminating testimony in the Senate’s NBN-ZTE hearings (Bordadora & Esguerra, 2007).

To ensure that the impeachment complaint would not progress, Arroyo summoned the majority legislators to a breakfast meeting in Malacañang. In this meeting, Arroyo made a commitment to allow a larger slice of their congressional slush fund, from 30 percent to 50 percent, to be spent for “soft” expenses (Esguerra, Bordadora, & Ubac, 2007). As discussed in previous chapters, soft expenses refer to micro-particularistic programs such as livelihood assistance, health assistance, and scholarships, among others. Unlike “hard” projects that benefit larger areas or constituencies (e.g., meso-particularistic), the disbursement of congressional slush

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137 As discussed earlier, the 1987 Philippine Constitution sets a limit of a single impeachment complaint filed against an impeachable official within a year.

138 The second complaint was filed by UNO spokesman Adel Tamano on November 5, 2007, with the same charge as the initial complaint but with additional evidence (Austria, 2007). The third impeachment complaint was filed on November 12, 2007 by several leftist groups joined by a group supportive of 2004 presidential candidate Fernando Poe, with additional charges of human rights violations, bribery, and fraud related to the 2004 elections (Bordadora & Avendano, 2007b).
funds is for “soft” projects that benefit individuals and households. This enables legislators to deepen clientelistic ties with their constituents. This may be the reason why legislators pushed for the use of a larger proportion of their slush fund for “soft” projects. In the same meeting, Arroyo was reported to have distributed PHP 200,000-500,000 in cash to legislators (Esguerra et al., 2007). A few hours later, she also reportedly disbursed cash gifts of PHP 500,000 each to local government officials (Orejas, 2007a, 2007b).

As in 2005 and 2006, additional complaints were filed against Arroyo after the initial impeachment complaint. Similar to the disposition of the House on the impeachment complaints filed in 2005 and 2006, the members of the Justice Committee declared the first complaint of Pulido sufficient in form but insufficient in substance and regarded the subsequent complaints as violative of the constitutional prohibition on additional impeachment complaints within a one-year period (Cruz, 2007b). In view of the decision on the additional complaints, the members of the minority walked out of the Committee meeting and vowed to boycott any further impeachment proceedings (Austria, 2007). The Justice Committee’s report on the impeachment complaints was presented to the plenary on November 26, 2007, and with the minority refusing to register their vote, the report that recommended the dismissal of all impeachment complaints was approved nearly unanimously (with 184 votes in favour, a single vote against, and a single abstention) (Publication and Editorial Service, 2007b, p. 133). Arroyo was, for the third time, saved from impeachment through the effective use of congressional pork—further sweetened by cash gifts disbursed to supportive legislators. To secure her reign, Arroyo would take steps, remunerative and punitive, to maintain
support from her erstwhile allies. She would also gather support from the least likely source, the former President, Joseph Estrada.

The pardoned and the punished

With her back against the wall as a result of the NBN-ZTE scandal and the reported bribery of legislators and local politicians, Arroyo issued a presidential pardon for Joseph Estrada on October 25, 2007 (Arroyo, 2007). The pardon was issued just a month and half after Estrada was convicted of plunder and sentenced to life in prison and was vigorously opposed by groups that had pushed for the conviction of her predecessor. In reaction to the pardon, Estrada vowed to support Arroyo, specifically her programs that were meant to address prolonged poverty (Cueto, Samonte, Lontayao, Hicap, & Martin, 2007). For those who took years to convict Estrada of plunder, the clemency issued to the former President offered yet further demonstration of Arroyo’s transactional politics (Philippine Center for Investigative Journalism, 2007).

While Estrada was pardoned by Arroyo, her long standing ally, Speaker Jose de Venecia, would see his relations with the President continually strained from the time the NBN-ZTE scandal broke out until he was replaced as Speaker in February 2008. The House Speaker faced a series of challenges after his son provided damning testimony against the Arroyo administration before a Senate investigation into the NBN-ZTE project. De Venecia himself revealed that Arroyo knew about the involvement of COMELEC Chair Abalos in the anomalous transaction (Danao, 2007). The most critical was a move to oust him as Speaker, with Arroyo’s sons in the House, Diosdado “Dato”
Arroyo and Juan Miguel “Mikey” Arroyo, reportedly behind the initiative (Burgonio & Ubac, 2008).

De Venecia’s fate was sealed on February 4, 2008. As soon as the House started its session, Representative Baham Mitra of Palawan moved to declare the position of the Speaker vacant, a motion that was subsequently seconded by a fellow KAMPI legislator, Representative Jose Solis of Sorsogon (Publication and Editorial Service, 2008c, pp. 591-596). After entertaining motions from several legislators, with members of the opposition clearly siding with the incumbent Speaker, de Venecia was allowed to deliver his extended privilege speech where he revealed his dealings with Arroyo and his peers, and of particular relevance to this dissertation, his critical dissection of the pork barrel system:

I came down from the rostrum, Mr. Speaker, where I was presiding a while ago in order that I can stand here before you, before the Filipino people to tell them the story of how this came about. To give them the background of the corruption and perfidy and the double-cross, and the triple-cross that you and I, Members of the House of Representatives, entitled to what they called the “pork barrel” system as they call it in America, in Europe or in Japan, where we have to beg the President of the Philippines for our own share of public works in order that we could build our irrigation systems, some clinics[,] airports, mass housing and little hospitals and provide medicines for our people. We have to beg the President of the Philippines and you have to go through her two sons to ask for your share of the pork barrel system, taking advantage of the innocence of the first-termers who are led to believe that these things cannot be done without the President of the Philippines acting through her sons. This is painful because the godmother in the weddings of Congressmen Mikey and Datu is my wife Gina, twice they asked that she be their godmother. It pains me to cast aspersions on my friend, Boy Nograles [Rep. Prospero Nograles], because when his two children got married, their

139 An ethics complaint was filed against de Venecia by the same lawyer who submitted an impeachment complaint against Arroyo (Cruz, 2007a). De Venecia was also the subject of a Senate investigation on his alleged role in another anomalous project, the North Rail project linking Metro Manila to the Clark area in Central Luzon. Like the NBN-ZTE deal, it was also contracted out to a Chinese firm and was alleged to be overpriced (Manila Standard, 2007b). An old case against de Venecia was revived, a case involving an alleged US$120 million behest loan obtained by his firm from the Marcos administration in the 1970s.
godmother was also my wife. *But my friends, ladies and gentlemen, this “pork barrel system” now is controlled by the Palace. Before the road users’ tax which allows us to build and repair our highways can be released, you must now go to certain agents of the Palace and they already provide the contractors in advance…* (Publication and Editorial Service, 2008c, p. 603, emphasis added)

Aside from a clear expression of the immense pain that he felt for being punished after years of being the consummate insider steering Arroyo’s legislative coalition, the privilege speech of de Venecia confirmed the extraordinary discretion that Philippine presidents regularly enjoy in distributing congressional spoils. After his speech, the members of the House voted on the motion to declare the position of Speaker vacant, with a number explaining their vote. With a vote of 174 for, 35 against, and 16 abstentions, the position of Speaker was declared vacant by the House (Publication and Editorial Service, 2008c, p. 647). Davao City Representative Prospero “Boy” Nograles, the incumbent Majority Leader closely allied to Arroyo, was elected to be the new speaker, with de Venecia himself nominating Nograles. De Venecia’s fate validates the observation that “the power of the pork barrel enables presidents to make or break the Speaker” (Hutchcroft, 2008, p. 146). He would join the ranks of other heads of the legislature unceremoniously removed after having crossed the Patron-in-Chief. Prior cases include Jose Avelino who was ousted as Senate President by President Elpidio Quirino in 1949 (as discussed in Chapter 3), and Manuel Villar who was replaced as Speaker after endorsing the House-approved impeachment complaint against President Estrada (as discussed in Chapter 6).
Budgetary re-alignments for higher pork in 2008

Despite the internal dynamics within the House, the proposed PHP 1.227 trillion budget was approved by an overwhelming majority (174 in favour, 8 against) of the House members in mid-November 2007 (Publication and Editorial Service, 2007a). One of the eight who opposed the House budget version noted that the measure provided Arroyo funds that she could use to secure the support of the politicians. In voting no to the proposed measure, Rep. Liza Maza—a party-list member from the leftist Makabayan bloc—identified alleged huge allocations within the control of Arroyo:

[The] allocation for infrastructure projects is a whopping P379.67 billion which political allies of the Arroyo government could feast on. The hefty intelligence fund under the discretion of the President is a big source of payback to its allied military and intelligence personnel. The P21 billion increase in the IRA of the LGUs, while this is a welcome move, reeks of patronage politics especially for those who threw all-out support [to] the Arroyo administration. (Publication and Editorial Service, 2007a, p. 828)

Maza essentially summarized the largesse that Arroyo, even in prior years, employed to mobilize and sustain support from national and sub-national politicians (as discussed above as well as in Chapter 7).

Senators were equally wary about budgetary items that could be used by the Executive as her pork, with Senate President Villar vowing to scrutinize the Palace and House-approved measure to eliminate these appropriations, such as the resurrected KASF and KBPF (Maragay, 2007). In addition to this, concern was raised about the decision of House members to reduce debt servicing by the sum of PHP 17.8 billion in favour of funding their own projects—specifically through increased 2008 appropriations for PDAF and VILP.
Notwithstanding their initial opposition to what has been described as presidential pork, the Senate approved the inclusion of the KASF in the 2008 budget, albeit with a lower allocation of PHP 2 billion compared to the Executive-proposed PHP 3 billion. The reduction in the KASF funds, alongside other re-alignments in the Congress approved budget, allowed legislators to allot bigger amounts to congressional slush funds, as well as to their own projects. With respect to one congressional slush fund, the PDAF, the allocation for 2008 was increased from the Malacañang-proposed PHP 6.24 billion to PHP 7.892 billion. While this amount is lower than the 2007 PDAF allocation of PHP 11.445 billion, the fact remains that Congress was able to hike up the PDAF appropriation relative to the Executive’s proposal. Moreover, Congress also added a number of provisions in the budget bill they submitted to Arroyo. These were:

a. Under Health, the payment of professional fees to medical professionals shall be covered on a case-to-case basis upon the recommendation of the members of Congress concerned.
b. That the PDAF amount authorized cannot be impounded and shall be released within the budget year; and,
c. That the appropriation shall have a validity of two (2) years.

While Arroyo did not veto the increased PDAF appropriation, she rejected the first two provisions stated above that were inserted by Congress. The veto of the special provision that bars an impoundment of PDAF funds departs from Arroyo’s 2002 decision to exempt such funds from impoundment. The change in Arroyo’s disposition may have been a function of her need to control releases of such funds to secure the loyalty of members of Congress at a time when she was continually besieged by challenges, specifically in the form of impeachment complaints. Notwithstanding the veto, Arroyo allowed the retention of the last provision that carried over unreleased PDAF allocations to the subsequent fiscal year, a provision beneficial to legislators inasmuch as it
enabled them to disburse resources for a longer period. It was also advantageous to Arroyo, as there would be a longer period in which she could exercise her powers of discretion over the release of appropriated funds (based, of course, on a legislator’s behaviour).

On the other variant of congressional slush fund, the VILP, the proposed appropriation of PHP 6.3 billion was increased to PHP 15.63 billion. In the breakdown of lump-sum appropriations, the amount allotted for nationwide projects was PHP 6.9 billion of the total VILP appropriation. Nationwide projects under the VILP are, as discussed in Chapter 6, determined by senators. The increase in the VILP brought the total amount for congressional pork in 2008 to the same level allocated in the 2007 budget (PHP 23 billion). Thus, for the 2008 budget, Arroyo and the legislators got what they wanted: for the former, a retention of the patronage resources necessary to secure her political survival in a politically turbulent time, and, for the latter, the retention of the amount appropriated to their slush funds.

Beyond the increases in PDAF and VILP, Senator Panfilo Lacson, the upper house legislator who consistently waived his congressional slush fund entitlement, revealed that almost all of the congressional insertions in the 2008 budget were the handiwork of his colleagues in the Senate (Danao, 2008). Senate Finance Committee Chair Juan Ponce Enrile confirmed that all but six of the 23 senators inserted additional appropriations in the final budget proposal during the Bicameral Conference Committee (BCC) deliberations, an admission that prompted a colleague, Senator Miriam Defensor-Santiago, to call for a more transparent proceeding of the BCC (Ager, 2005b). One insertion, a double entry, involved a major road project in the southern part of
Metro Manila. Known as Circumferential Road 5 (C5), this proposed artery aimed to connect an existing highway to the neighbouring province of Cavite. The insertion, amounting to PHP 200 million, was introduced by no less than Senate President Manuel Villar. He quickly defended the additional outlay and claimed that the accusation that he was to benefit from the insertion was politically motivated, meant to embarrass him soon after he expressed his intention to run for the presidency in 2010 (Manila Standard, 2008c). Lacson persisted with his accusation, and a Senate investigation proceeded on the alleged budgetary insertion. The report of the investigation, released just as the campaign for the 2010 presidential race started, was clearly detrimental to Villar’s pre-election support.140

Lacson’s allegation reflects the discretion that the BCC, specifically the heads of delegations from each chamber, had in crafting the final draft of the budget. As discussed in previous chapters, while the BCC output is eventually submitted to each

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140 The full Senate Committee report can be accessed at [http://www.senate.gov.ph/lisdata/1341811858!.pdf](http://www.senate.gov.ph/lisdata/1341811858!.pdf). Villar was charged of inserting an additional allocation in the 2008 budget for the C5 project to benefit properties owned and controlled by him and his family. The complaint filed by Senator Maria Ana Consuelo “Jamby” Madrigal also alleged that Villar took earlier steps, including an insertion in the 2004 budget, to allow government to pay his corporation for rights of way to complete the C5 extension project. Despite the Committee’s findings that Villar was liable for violation of the Code of Conduct and Ethical Standards for Public Officials and Employees (Republic Act No. 6713) and unethical and improper conduct as a Senator, the Committee report was not adopted by the Plenary after a separate resolution (P.S. Res. No 1472) was submitted dismissing the original complaint against Villar. The last resolution was signed by 12 Senators, including Villar and a senator who initially concurred with the Committee’s recommendation, Jinggoy Estrada. Estrada signified his intent to withdraw his signature from the Committee Report. Ironically, Estrada, along with Committee Chair Juan Ponce Enrile, would be the ones to resurrect the issue against Villar in a heated plenary session in the Senate in late January 2010 (Calica & Mendez, 2010). Estrada’s second reversal was possibly prompted by the fact that his father, former President Estrada, was a candidate, like Villar, for the 2010 elections. In view of the resurrected C5 investigation, Villar’s pre-election support in Pulse Asia’s pre-election surveys dropped from 35 percent in January 2010 to 29 percent in February 2010. Finally, in the course of the investigation, Senate President Manuel Villar resigned as Senate President on November 18, 2008 and was replaced by Finance Committee Chair Juan Ponce Enrile.
chamber for ratification before it is transmitted to the President for signing, the reality is that no legislator could thoroughly review the specific items in the BCC-approved budget, given its volume. As has been the case in previous budgets, it is in the BCC where the wheeling-and-dealing between members of the two chambers occurs.

Despite the initial differences between the House and the Senate on the proposed 2008 budget, the spending bill was approved by both houses of Congress close to a month after the start of the fiscal year. Thus, for the eighth straight year under Arroyo, the government would be operating on a re-enacted budget for the first months of the fiscal year, especially since Arroyo did not enact the measure into law until March 11, 2008.

**More pork in the midst of a global and continuing political crisis**

In her July 2008 State of the Nation Address (SONA), Arroyo recognized the uncertainties that came with the global financial crisis as she promised to take every step necessary to assist ordinary Filipinos that would be affected by the crisis, including increasing spending on pro-poor programs and infrastructure (Arroyo, 2008). Before the SONA, Arroyo had already started a program called *Katas ng Vat* (Proceeds from Value Added Tax [VAT]), which was purportedly deployed as assistance for those affected by the crisis, e.g., electricity consumers who use less than 100 kilowatts per month, poor students, and public utility vehicle owners (Romero, 2008a). The funding for the *Katas ng Vat* program was increased to PHP 4 billion in late August 2008 (Romero, 2008c). This program was seemingly intended as a means for Arroyo to shore up her popularity, essentially converting unprogrammed funds in the budget into presidential project-based appropriated pork (PPAP). This once again demonstrated the
President’s substantial prerogative in budget execution, as first discussed in Chapter 2. The annual budget included a section on unprogrammed funds with a stipulation that such funds may be released only when the revenue collections exceed the original revenue targets submitted by the President to Congress. In the case of the *Katas ng Vat*, as explained, the funds came from the VAT that had been put in place by the Arroyo administration in 2005.

In the third week of August 2008, following through on her SONA vow to spend more to assist those severely affected by the global economic crisis, Arroyo directed the Budget Department to accelerate PDAF releases claiming that such funds “should be harnessed in boosting growth, jobs, and welfare” (*Manila Bulletin*, 2008). The order further enabled Arroyo to secure continuous congressional support.

With the palliative measures adopted, Arroyo’s proposed 2009 budget was 15 percent higher than the appropriations in 2008, with a total amount of PHP 1.4 trillion. Upon submission of the budget, Budget Secretary Rolando Andaya Jr. pleaded with legislators not to pad their pork, noting that Congress increased the allocation in 2007 relative to the proposal from the Palace (Romero, 2008b). Andaya’s advice is ironic as he, in his previous capacity as Chair of the House Appropriations Committee (as discussed in an earlier section in this chapter), led his peers in increasing their pork allocation relative to the Palace’s proposals. With regard to the promised higher infrastructure spending, the proposed 2009 budget contained what Andaya referred to as an “infrastructure war chest” of PHP 230 billion (Samonte, 2008). Given the increased spending and the sizeable amount of infrastructure spending, the minority in
the House labelled the proposed 2009 budget as a “political war chest” for the 2010 elections (Esguerra, 2008).

To court congressional support in the early deliberations of the budget in the House, the Director-General of the Technical Education and Skills Development Authority (TESDA), Augusto Syjuco, Jr.—himself a former member of the lower house, promised to allot PHP 2 million worth of scholarships for technical and vocational training of constituents in each congressional district (Diaz, 2008a). In the proposed 2009 budget, PHP 1 billion was allotted for TESDA’s Training for Work Scholarship Program (Department of Budget and Management, 2008). Syjuco further suggested that legislators use their regular pork barrel funds to build vocational training centres, and if needed, source additional funds through congressional insertions (with the recommendation to the legislators to “ask your chairman, who knows these things”, referring to the new Appropriations Committee Chair, Rep. Junie Cua) (Diaz, 2008a). Given Syjuco’s advice, Cua was reported to have set up a “confessional” to discuss with his peers in the House their “parochial” concerns (Diaz, 2008b). Thus proceeded the routine of re-aligning funds and securing congressional insertions.

The proposed 2009 budget was passed by the House on second reading on October 11, 2008, with the minority expressing their intent to submit proposed amendments to the budget and requesting a detailed list of lump sum funds in the proposed budget—both of which were adopted by the plenary (Publication and Editorial Service, 2008a). This agreement notwithstanding, the minority was not provided an explanation of the lump-sum funds in the budget and neither were their proposed
amendments incorporated. Despite this, the House approved the budget on November 11, 2008.\footnote{When the House convened on November 11, 2008 to consider the budget on third and final reading, legislators from the minority inquired about the status of the amendments they submitted after the second reading (Publication and Editorial Service, 2008b, pp. 44-45). To these queries, the Majority Floor Leader, Representative Arthur Defensor, replied that “it might be too late to go over the amendments”, followed by suggestions from the presiding speaker, Deputy Speaker Simeon Datumanong, that those with queries may just “confer with” Appropriations Committee Chair Representative Junie Cua who was present in the session hall (Publication and Editorial Service, 2008b, p. 44). With 161 votes in favour (16 against, with a single abstention), the House approved the 2009 budget in swift fashion compared to prior budgets, less than two hours after the plenary session was convened. In the explanations provided by those who rejected the budget, it is clear that none of the amendments submitted by them, as part of the minority, were included in the final House budget version (Publication and Editorial Service, 2008b, pp. 47-52).}

On the part of the Senate, a concern raised by opposition senators in the first briefing conducted on the budget was the longstanding non-release of their PDAF. Several of these senators revealed that they had yet to receive their PDAF from 2005, the year when \textit{Hello Garci} broke out, with Senate President Villar confirming that there was an indefinite freeze on pork barrel projects of opposition senators (\textit{Manila Standard}, 2008b). After the budget briefing, however, the Senate was embroiled in an internal dispute related to the accusation of Senator Lacson and Senator Madrigal that Senate President Villar inserted in the 2008 budget a major infrastructure allocation that was beneficial to his family’s corporate interest, as briefly discussed in the last section. In mid-November 2008, given the investigation by his peers of charges of conflict of interest, Senator Villar was compelled to resign as President of the Senate and was replaced by veteran politician Senator Juan Ponce Enrile, who moved up from his previous position as Finance Committee Chair (Avendano & Quismundo, 2008). After the re-organization in the Senate, its members raised concerns that pertained to the budget prerogative of the President.
The first issue was with respect to the effectivity of the budget, or more specifically the prerogative of the President in setting a different date when the budget takes effect. Senator Benigno S. Aquino III pointed out that in the 2007 budget, Arroyo’s veto message fixed the date of effectivity of the 2007 budget on April 8, 2007, derogating the rule established in the Administrative Code of 1987 setting the budget’s effectivity from January 1 to December 31 of each year (Senate Publications Bureau, 2008a, p. 978). On this point, Senator Edgardo Angara, the new Finance Committee Chair, replied that the Philippines is the “only country in the world that has a carry-over provision in the Constitution, so there is no gap even when there is no appropriation, which explains why the appropriation of the previous year was carried over and the one applied for the period of January 1, 2007 to April 1, 2007” (Senate Publications Bureau, 2008a, p. 978). Aquino III clarified that his query came forth after noting an increase in the total appropriation (net of continuing and automatic appropriations) for fiscal year 2007: The budget enacted into law stood at PHP 635 billion, while the actual 2007 appropriation as reflected in the National Expenditure Program (NEP) for the proposed 2009 budget was a greatly augmented PHP 830 billion (Senate Publications Bureau, 2008a). The exchange between Aquino III and Angara illustrates how the President could pad the total spending in a fiscal year as the result of a delay in the enactment of the budget. As discussed earlier, in the case of Arroyo, the delays or re-enactment of budgets in the previous years were caused not only by inter-chamber haggling over different versions of the spending measure, but also by Arroyo’s late submission of the proposed budget to Congress and her consistent practice of deferring the signing of the measure into law well after receiving the Congress-approved bill.
The second issue raised in the Senate was with respect to the discretion the President had on the release of unprogrammed funds. As discussed earlier, from June 2007, Arroyo allotted proceeds from the expanded value added tax to a program labelled as *Katas ng Vat*. Aquino III questioned the release of more than PHP 4 billion for this program, inasmuch as the government had failed, by its own admission, to surpass its revenue collection target. He asserted that the release therefore violates the provision in the 2007 budget law requiring that unprogrammed funds could only be released once there is an excess in revenue collections vis-à-vis revenue collection targets (Senate Publications Bureau, 2008a, p. 980). Senate Finance Committee Chair Angara defended Arroyo’s decision by pointing out that the unprogrammed fund release was allowed, given a “revenue windfall”, and that the specific program was “spent for a good reason since it was used to help the poor”. Nonetheless, Aquino III argued that by allowing the Executive to use unprogrammed funds that came from a revenue windfall caused by a temporary spike in oil prices, Congress assented to “dilute its powers, making it a mere rubber stamp of the Executive” (Senate Publications Bureau, 2008a).

The remaining issue deliberated in the Senate pertained to the President’s power to impound appropriated funds. On the second day of the Senate’s deliberation of the 2009 budget, Senator Panfilo Lacson asked the Senate President whether he considers it a “waste of time to defend” the budget, “considering that after its approval by Congress, the President of the Republic would still do what she pleases with the…budget” (Senate Publications Bureau, 2008a, p. 980). He recounted that he, as tasked by other senators, introduced a special provision under PDAF that prohibited the impoundment of such funds, a provision vetoed by Arroyo (Senate Publications Bureau,
In sum, Lacson was concerned about the lack of clarity on the bases for impounding funds, and the possible subjectivity in such impoundment since the specific guidelines would be issued by a Department of Budget and Management always known, quite naturally, for being highly responsive to presidential wishes (Senate Publications Bureau, 2008a, pp. 999-1000).

With these issues raised, the Senate continued with the second and third and final reading of the proposed 2009 budget in mid-December 2008 (Senate Publications Bureau, 2008b). A major change in the budget was the inclusion of a PHP 10 billion economic stimulus fund with a commensurate reduction in the House-proposed debt servicing by PHP 10 billion. Despite the concern about the impoundment of their slush fund, an additional PHP 960 million was appropriated for PDAF (Senate Publications Bureau, 2008b, p. 1220).

Given the House-Senate differences in their versions of the proposed 2009 budget, a deadlock occurred in the first Bicameral Conference Committee (BCC) meeting between members of the two chambers. Lower house legislators criticized the senators, specifically Senate President Enrile and Finance Committee Chair Angara, for the additional funding for projects in their home provinces: PHP 250 million additional funding for Angara’s Aurora Special Economic Zone Authority and a PHP 329 million increase in the funding of Enrile’s Cagayan Economic Zone Authority (Diaz, 2008c). With the deadlock and Arroyo’s refusal to convene a special session (Samonte & Bauzon, 2008), Congress did not pass the budget until after the start of the fiscal year. This provided Arroyo yet another opportunity to use available resources to finance programs without the restrictions of a new budget.
Before the BCC met again in mid-January 2009, two Senators—Lacson and Manuel “Mar” Roxas—revealed re-alignments in the House version that were allegedly meant to increase the lower house’s share of pork in preparation for the 2010 elections: an additional PHP 8 billion for regional infrastructure projects, and PHP 1.5 billion for PDAF (Cabacungan, 2009). Despite accusations from each chamber on re-alignments favouring their particularistic interests, the BCC finally reconciled the proposed 2009 budget on January 21, 2009, with the chair of the Senate Finance Committee announcing that the parties agreed to the inclusion of a PHP 50 billion “economic stimulus” package (Calica & Diaz, 2009). The BCC report was immediately presented in the House and approved by the majority on the same day. House Minority Leader Ronaldo Zamora voiced the minority’s collective rejection of the BCC recommendation, with Bayan Muna Representative Teodoro Casino criticizing the lack of transparency in the BCC deliberations (Publication and Editorial Service, 2009b). The BCC report was ratified in the Senate the day after the House concurred with the measure. Despite the agreement between the Senate and the House, the 2009 budget would not be signed by Arroyo until a month and half later, in the middle of March 2009.

Similar to previous years, the final 2009 budget saw a hefty increase in both PDAF and VILP appropriations based on a comparison of the amounts indicated in the administration’s initial National Expenditure Program (NEP) versus that provided by the final 2009 General Appropriations Act. From the proposed PHP 6.24 billion for PDAF, the enacted 2009 budget allocated PHP 9.665 billion. As regards the VILP, the NEP-proposed PHP 6.59 billion almost quadrupled in the 2009 GAA with an appropriation of PHP 23.203 billion. The increases in the PDAF and the VILP could be traced to the
discussions within and between each chamber to augment the funds for their own programs and projects.

In Senate deliberations on the 2009 budget law, the Economic Stimulus Fund (ESF)—a new lump-sum program with an additional congressional slush fund—was introduced alongside the PDAF and VILP. The largest allocation in the ESF was for the construction of school buildings, with a total allocation of PHP 3 billion and with a provision giving legislators a role in the determining whether local government units have the capability to undertake the construction of these buildings themselves. This ESF school building item is in addition to the retained School Building Program (SBP) in the 2009 budget, with an allocation of PHP 2 billion. As discussed in previous chapters, this SBP was a congressional slush fund owing to the provision that legislators are to be consulted in the post-budget determination of school buildings/classrooms to be constructed.

While Arroyo had not in previous years vetoed provisions that required the prior concurrence, consultation, or coordination with legislators in the implementation of projects, she asserted her authority in the 2009 budget by vetoing this requirement in a number of projects. The veto on congressional consultation pertained to the construction of school buildings under the Department of Education and the ESF budgets and the implementation of agriculture modernization programs. In vetoing the role of legislators in identifying projects under these programs, Arroyo signalled that she
had singular authority in executing the budget on programs that are beyond the traditional congressional slush funds.\textsuperscript{142}

The increased allotments for congressional pork, the higher infrastructure spending, and the introduction of the new ESF slush fund were rationalized as a means to respond to the needs of Filipinos who may be affected by the global financial crisis. Without clear conditions in the disbursement of these lump-sum funds, however, it is obvious that these appropriations were meant for the President to bolster her legitimacy amidst the continuing challenges posed against her. With huge funds under her control, she could effectively disburse these to legislators hankering to deliver the goods to their constituents and thereby boost their re-election bids in the forthcoming 2010 elections.

A final impeachment challenge

For the fourth straight year, impeachment complaints were filed against Arroyo in the House in the last quarter of 2008. But this time, there was an attempt to prevent the pattern of previous impeachment complaints, where the first complaint is weak and known to be a ploy of Malacañang and subsequent impeachment complaints were dismissed on the mere technicality that they were submitted before the one-year ban on the filing of impeachment complaints has lapsed. Jose de Venecia III, the former Speaker’s son who revealed Arroyo’s complicity in the NBN-ZTE deal, joined with lawyer Harry Roque to file an impeachment complaint just after the one-year ban on the

\textsuperscript{142} However, a textual analysis of Arroyo’s veto message, relative to Estrada’s 2000 veto, indicates a relatively softer tone as Arroyo claims to “strive for Executive-Legislative” partnership before emphasizing that the constitution requires the Executive branch to be “essentially responsible and accountable for the enforcement” of the budget (“General Appropriations Act of 2009,” 2009, pp. 1251-1252)
new impeachment complaint lapsed on October 13, 2008. The complaint accused Arroyo of betrayal of public trust; culpable violation of the Constitution; bribery, graft, and corruption; and other high crimes (Cabacungan, 2008). The complaint was endorsed by three party-list representatives and was received by the House just a few hours before a second complaint was filed by Oliver Lozano, the Marcos loyalist lawyer who had filed the first impeachment complaint dismissed by the House in 2005 (Panesa, 2008). Two other impeachment complaints were received by the House after the de Venecia and Lozano complaints (Porcalla, 2008).

After the filing of the complaints, a spokesperson of the House minority, Representative Roilo Golez, believed that the impeachment would be doomed unless one of its endorsers, former Speaker de Venecia, could convince those who voted against his ouster as Speaker in early 2008 to endorse the impeachment complaint (Manila Standard, 2008a). Golez was hoping that the 38 representatives who voted against de Venecia’s ouster as Speaker in February 2008 would increase the number of impeachment endorsers. Golez’ fear materialized when the House Committee on Justice junked the impeachment complaint with a 42 to 8 vote (Cabacungan & Salaverria, 2008). In a plenary session in early December 2008, the committee report that recommended the dismissal of the impeachment complaints against Arroyo garnered an even higher level of support, 183 representatives favouring the dismissal, 18 against and three abstentions. The vote on the final impeachment case filed against Arroyo proved that she was well on her way to survive until the end of her term.

A perfect record of delays
Arroyo submitted the proposed 2010 budget to Congress in what has already become her habit, to beat the constitutionally prescribed deadline of a month after delivering her July State of the Nation Address. Amounting to PHP 1.54 trillion, the proposed budget was just 8% higher than the previous year’s budget, a modest increase compared to the double digit increases of the budget in the previous two fiscal years. Unlike the delayed passage of all the budgets in Arroyo’s second term, Congress was able to pass the proposed 2010 budget before the start of the fiscal year. Despite Congress’ timely approval of the proposed 2010 budget, Arroyo did not sign the budget into law until February 8, 2010, thus giving her several weeks—just ahead of the May 2010 elections—to spend the automatically re-appropriated funds from the previous fiscal year.

Relative to the administration’s proposed budget, the budget passed by Congress once again showed significant increases in the amounts allocated for the two major variants of congressional slush funds—the PDAF and VILP. For the PDAF, the proposed 6.94 billion appropriation was increased to PHP 10.8 billion. On the other hand, the VILP ballooned from PHP 7.1 billion to PHP 25.97 billion, repeating the almost quadruple increase in the VILP posted in the 2009 budget (as discussed earlier). Taken together, the PDAF and VILP allocation was the largest appropriation for congressional slush funds in the Arroyo years. The increases indicate that Congress did not heed the plea of the Budget Secretary for the legislature to desist from increasing their pork allocation (Esguerra, 2009), a request that appeared to be mere lip service as Arroyo herself did not veto the increased allocations for PDAF and the VILP.
The enacted 2010 budget also re-introduced the ESF, an item that was not included in Arroyo’s proposed budget. Repeating the 2009 allocation in the amount of PHP 10.07 billion, the ESF contained a special provision that required congressional consultation in the implementation of school building projects. While this provision for prior congressional consultation was vetoed by Arroyo in 2009, she did not express any objection to the inclusion of this provision in the 2010 budget.

In presenting the final budget of her administration, Arroyo promised to “lay the groundwork for the next generation” (Arroyo, 2009). In fact, it amounted to nothing less than an election-year budget. Congress rushed its passage after inserting chunks of its own pork, and Arroyo assented, knowing full well that she retained the discretion to release all appropriations within the remainder of her term. These budgetary powers could provide behind-the-scenes assistance to her anointed presidential candidate in the 2010 elections. Any public anointment would have been a kiss of death, given her continued dismal performance and trust ratings as well as the scandals that she and her cohorts spawned during her administration.¹⁴³

Grave misuse of pork

Though there were no scandals surrounding the use of the congressional slush fund that erupted during the Arroyo administration, a Commission on Audit (COA) report that was released in 2013—three years after Arroyo left the presidency—uncovered a

¹⁴³ As an example of an expenditure of the President to boost the chances of her anointed, the Office of the President transferred funds to the Philippine Information Agency to produce advertisements that dwelt on the administration’s achievements and at the same time brandied the initials and campaign colours of Arroyo’s anointed, presidential candidate Gilberto Teodoro (Salaverria, 2010)
number of anomalies in the release of these funds from fiscal year 2007 to 2009. The COA report identified these anomalies as follows:

1. The Department of Budget and Management (DBM) failed to provide COA a complete schedule of releases of PDAF and VILP funds per legislator.
2. The total releases for VILP projects for the period covered by the audit, PHP 101.608 billion, greatly exceed the appropriated amount, PHP 69.21 billion, for the same period.
3. Seventy-four legislators utilized more than the PDAF and VILP funds that were appropriated to them for the period covered.
4. Funds were released to government implementing agencies that had no administrative or technical capabilities to implement the projects.
5. Funds were released to non-governmental organizations without any appropriation law or ordinance allowing such transfer.
6. All of the recipient NGOs had questionable records or transactions. A number of the NGOs had inexistent or unknown addresses. Many of the NGOs did not have business permits or were not registered with the Securities and Exchange Committee. Several NGOs submitted fabricated lists of recipients. Finally, a number of the NGOs were incorporated by the legislators or their relatives.
7. A number of infrastructure projects were found to be overpriced, under-utilized and deficient in terms of quality.
8. Releases to local government units totalling PHP 1.3 billion were not compliant with guidelines for PDAF disbursement and/or were supported with questionable documents.

(Commission on Audit, 2012)

In the conduct of my field research, I encountered the first concern identified by the COA report. Records of releases of congressional slush funds (from the Countrywide Development Fund, PDAF, and VILP) are handled by different bureaus in the DBM. To obtain these records, one needs to make requests to the separate bureaus. While there is a digitized and catalogued version of some of these documents, the records, based on my own experience, have been mislabelled in the process of digitisation. Given these discrepancies, one has to scour through all of the hard copies of the release orders which, by one DBM staff’s estimate, would total more than a
million documents for each fiscal year. Such is the sorry state of document and data management in the Philippine government.

On a more important point, however, the COA report on the use of the PDAF and the VILP disprove the repeated assertions of officials of the Arroyo administration that they secured, through guidelines provided by the DBM, the appropriate disbursement of congressional pork funds. That a number of releases went to government agencies not technically nor administratively qualified to undertake the pork-financed projects testifies either to the ambiguity of the existing guidelines or the loose or haphazard manner of releasing congressional slush funds to government implementing agencies. More than this, the lack of competence and the submission of these administrative agencies to the whims of legislators testify to the weakness of the bureaucracy.

The COA report also validates the complaint of the opposition on the selective release of congressional slush funds. Absent in the list of legislators who received their share of pork from 2007 to 2009 were the consistent endorsers of impeachment complaints against Arroyo: Representatives Teodoro Casino, Liza Maza, and Satur Ocampo of the leftist Makabayan (Nationalist) bloc (Commission On Audit, 2012, pp. 6-13). On the other hand, allies of Arroyo were favoured with pork releases that went beyond the annual limit of PHP 70 million for representatives and PHP 200 million for senators. Among the representatives who obtained larger than their annual per capita slush fund allocations were Speaker Prospero Nograles and Representative Edcel Lagman, the latter being the most vocal defender of Arroyo in the Committee on Justice as well as in plenary deliberations on the impeachment cases filed against the
President. For the years 2008 and 2009, Nograles received PHP 540 million of the PDAF and VILP funds while Lagman obtained a total of PHP 297 million (Commission On Audit, 2012, p. 37), both above the per capita ceiling of PHP 140 million for the two-year period. In the Senate, Finance Committee Chair Angara and Senate President Enrile received PHP 584 million and 542 million of their VILP and PDAF in 2009, respectively—more than PHP 300 million in excess of a senator’s annual allocation (Commission on Audit, 2012, p. 38). To be fair to Arroyo, the selective distribution of pork was a consistent practice across all previous administrations (as discussed from Chapter 3 to Chapter 6).

Finally, the COA report suggests a significant fund leakage from 2007 to 2009, evidenced by the release of pork funds, specifically to spurious NGOs. The COA report found that all 82 NGOs that implemented livelihood projects, totalling PHP 6.156 billion, had non-existent, non-traceable or inappropriate addresses, as well as engaged in other dubious practices such as the submission of a list of beneficiaries drawn from the names of professional board examination passers (Commission On Audit, 2012, pp. 49-61).

For an administration that was mired in several anomalous transactions, with a President that weaponised pork as a means to secure her survival, it is not surprising that COA found irregularities in the disbursement of congressional pork from 2007 to

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144 Four other senators, all members of the majority in the Senate, obtained larger than their annual pork allocation in 2008 and/or 2009: Senate President pro Tempore Jinggoy Estrada (PHP 336 million in 2008; PHP 465.3 million in 2009); Manuel Lapid, Arroyo’s party mate (PHP 213.6 million in 2008); another Arroyo party-mate, Ramon “Bong” Revilla, Jr. (PHP 265 million in 2008; PHP 404 million in 2009); and, Miriam Defensor-Santiago (PHP 226.51 million in 2008).
2009. As discussed in the next chapter, the scale of this scandal shocked the country when details emerged in 2013.

Arroyo, the survivor

For nine and a half years, Arroyo’s presidency was constantly challenged. To hurdle the numerous challenges discussed in Chapter 7 and the present chapter, Arroyo’s most potent tool was her budgetary power. Faced with a series of impeachment complaints between 2005 and the end of her term in 2010 she effectively used her budgetary power to create what Perez Linan (2007, 2014) called a legislative shield (as discussed in Chapter 1). In building this shield, Arroyo distinguished herself by employing all six forms of particularism in the typology discussed in Chapter 1: congressional pork (slush funds and earmarks); presidential pork (appropriated and off-budget); and quasi-pork (impoundment/augmentation and blank check particularism).

With respect to congressional pork, Arroyo, not only allowed a retention of the two variants of congressional slush funds—PDAF and VILP—; she even tolerated the penchant of Congress to increase the final allocation for these programs in each of the budgets enacted under her administration. Like Ramos, Arroyo also allowed the legislators to re-align items in the budget to finance their pet projects.

To broaden her base of support, Arroyo also pleased local politicians by religiously releasing their IRA despite the tight fiscal position of government. In addition, she incorporated presidential pork items in the budget that provided additional funding for local government development projects, allowing her to exchange favours with local politicians.
Beyond securing the share of legislators and local politicians of the budget, Arroyo enjoyed the privilege of disbursing government resources for programs and projects that are of her own choosing—unencumbered by the spending authority given by Congress. This came through the delayed enactment of seven budgets, providing her with ample quasi-pork, specifically blank check particularism, for at least a quarter of the year. On the other hand, the three fully re-enacted budgets (of 2001, 2004, and 2006) gave Arroyo the power to channel all of the monies previously appropriated to non-continuing programs to new programs designed to improve her image. Very importantly, this secured the loyalty of legislators and local politicians who could be tempted to defect given her sagging popularity and widely perceived illegitimacy, especially after the Hello Garci scandal emerged in 2005. As former Speaker Jose de Venecia remarked in a Justice Committee meeting, “everybody is for sale in this country” (Philippine Daily Inquirer, 2008).

In sum, Arroyo survived a trying nine and a half years of the presidency. She did everything possible to retain the presidency, and was in the end ultimately saved by pork.
Benigno S. Aquino III, the only son of Marcos’ arch-critics, the assassinated Benigno S. Aquino, Jr. and the late President Corazon Cojuangco Aquino, was elected as President on May 10, 2010 with 42 percent of the votes, the largest plurality among post-Marcos chief executives. His entry into the presidential race came late, propelled by a clamour from supporters after the death of his mother on August 1, 2009. Following the good governance narrative of his parents, Aquino III campaigned on a reformist theme: *kung walang corrupt, walang mahirap* (if no one is corrupt, no one will be poor) (Thompson, 2014, p. 935). In view of this campaign slogan, as well as a commitment in his first State of the Nation Address to walk the straight path (*tuwid na daan*), much was expected of Aquino III (Aquino III, 2010b).

In his six years as President, Aquino III did succeed in distinguishing himself from his immediate predecessor, steering clear of any accusation that he personally enriched himself while in public office. Within his term, Aquino III initiated social policy reforms that included: the expansion of the conditional cash transfer; the extension of basic education from ten to 12 years; the passage of the reproductive health law; and the substantial enhancement of the “sin tax” on cigarettes and alcohol. Aside from these reforms and aligned with his vow of *tuwid na daan*, Aquino III pursued the so-called big fish—high-ranking government officials that he believed ransacked public coffers in the previous administration. He set the tone for this initiative through his first Executive Order, creating the Philippine Truth Commission of 2010 (Office of the President of the Philippines, 2010). Unfortunately, this Truth Commission failed get off the ground as the
Supreme Court declared its establishment as unconstitutional based on a majority interpretation of the equal protection clause of the Philippine Constitution (Supreme Court, 2010).

Frustrated by the Supreme Court decision on the Truth Commission and acts of the Court that he felt were hurdles to his campaign for reform, Aquino III trained his guns on two sitting Arroyo appointees whom he believed blocked his initiatives: the incumbent Ombudsman and the Supreme Court Chief Justice. With a supermajority in the lower house, formed through the maintenance of congressional pork, Aquino III succeeded in getting the two officials impeached. The first resigned soon after the House vote, and the second was convicted by the Senate.

Though Aquino III zealously hounded the corrupt big fish, his reform thrust was belied by the decision to maintain the congressional slush fund, which, as this dissertation demonstrates, involves profligate spending and regularly courts controversies in view of corruption attendant to its implementation. Two inter-related reasons are offered to explain Aquino III’s decision to retain congressional pork. The first is that Aquino, being a former legislator, recognized the importance of pork for district legislators. Second, as President, Aquino III knew that it takes pork to influence legislators to support the Executive’s initiatives. For him, this included the impeachment of two high officials, as well as the timely passage of the government’s annual budget. Even at the height of a new pork barrel scandal in mid-2013, Aquino III resisted pressure, especially from allies in civil society organizations, to abolish pork. While he eventually relented and did away with the major congressional slush fund (i.e., the Priority Development Assistance Fund or PDAF), the most important impetus for reform,
came not from a President keen to project the image of being a reformer. Rather, it came from a late 2013 Supreme Court decision that effectively banned the longstanding practice of dispensing pork through congressional slush funds. By proscribing congressional involvement in the execution of the budget, the decision effectively reversed the High Court’s earlier 1996 ruling which (as discussed in Chapter 5) upheld the role of members of Congress in determining where to allocate their congressional slush funds.

Aquino III, in consultation with his allies in Congress, found a way to maintain the congressional pork barrel by shifting from slush funds (i.e., the PDAF) to earmarks. His major virtue was to release congressional pork in a relatively less selective manner. Unlike his predecessor, who regularly withheld pork from her political opponents, Aquino III brought in a new policy of providing pork—in a generally timely fashion—to nearly all members of Congress. Aquino III was also able to distribute pork efficiently as he, unlike his predecessors, operated with a fiscal surplus from the start of his term, as revenue generation had improved under the preceding Arroyo administration, specifically from 2009. This is not to suggest an absence of favouritism, but rather to note far less favouritism than what prevailed throughout the nine-year tenure of Gloria Macapagal Arroyo. Given the regular and equitable release of congressional pork, Aquino III obtained congressional assent to every annual budget within his six-year term. In so doing, Aquino III did not enjoy blank check particularism, because he did not permit the underlying conditions for this type of pork to even exist.

Aquino III, however, actively employed the other form of quasi-pork, namely impoundment and augmentation. Through the budgetary powers provided to the
President by the 1987 Administrative Code (as discussed in previous chapters), Aquino III realigned unspent funds to a Disbursement Acceleration Program (DAP) established in 2011. Through the DAP, Aquino III disbursed these funds to finance projects of legislators who supported his bid to impeach and convict the Supreme Court Chief Justice, Renato Corona. Given the use of DAP funds to allegedly reward legislators that favoured Corona’s removal, several groups filed petitions before the Supreme Court (SC) to declare the President’s exercise of his budgetary realignment powers unconstitutional. For its part, the SC once again played a critical role in putting in place budget reform, as it ruled that the Executive exceeded its prerogative when it declared as savings unspent funds before the end of the fiscal year, and disbursed these funds to programs and projects beyond the Executive department.

This chapter elaborates on the utility of particularism for Aquino III. While Aquino III emphasized transparency and good governance, he had no desire to diminish the pork barrel. Absent strong parties and an effective bureaucracy, Aquino III like other presidents needed particularism to get things done. Thus we can surmise that he sustained the pork barrel since it would have been hard to govern without the power that it provides. Relative to his immediate predecessor, however, Aquino III did not employ the motherlode of Philippine pork, namely blank check particularism.

The chapter begins with a brief chronicle of Aquino III’s political career. It then proceeds with a discussion of the dynamics between the President and Congress within his term, and ends with an explanation as to why particularism endured.

Aquino III before the presidency
Compared to his father, Benigno “Ninoy” Aquino, Jr., Aquino III—nicknamed Noynoy—started his political career late. While his father commenced his elective political career at the age of 23, Aquino III did not get into politics until he was 38, when he was elected representative for the Second Congressional District of Tarlac, the home province of his mother’s clan, the Cojuangcos.

In his first foray in elective politics, Aquino III faced stiff competition from a few other contenders. The position of Second District representative had been held by a Corazon Aquino ally, Jose Yap, who had served the maximum number of terms allowed. Instead of passing on the baton to his benefactor’s son, Yap fielded his own son, Victor, for the seat he was vacating. The older Yap then ran for the governorship against Margarita Cojuangco, the wife of Corazon Aquino’s brother, Jose “Peping” Cojuangco. This ended the provincial alliance between the Aquino-Cojuangcos and the Yaps that had been forged in 1987. The break-up of the alliance was also caused by the involvement of another key figure in Tarlac province, Eduardo “Danding” Cojuangco, the first cousin and bitter family rival of the Corazon Aquino branch of the clan. Danding Cojuangco reportedly supported Jose Yap’s candidacy for governor and initially pushed for the candidacy of Susan Tañedo-Go for 2nd district representative (Bocobo, 1998). In view of the provincial dynamics, Aquino III won with only a slim margin over the second major contender, Victor Yap.\(^\text{145}\) Unlike in his first electoral contest, Aquino breezed through his congressional re-election bids in 2001 and 2004, with only token opposition.

\(^\text{145}\) Aquino won with just a little over a third of the votes (54,581; 34.71 percent) versus Victor Yap’s 46,318 (29.45 percent of the total votes). Electoral results for the 1998, 2001, and 2004 elections were provided by the Commission on Elections, Records and Statistics Division.
As a representative, Aquino III articulated his position on the pork barrel. In 2004, when the leadership of his party called for a special audit of pork-finance projects, Aquino argued that the pork barrel, while drawing controversy in media reports, was positively received by constituents, and observed that “to most officials in the grassroots level, like the barangay captains in my district, their pork barrel projects are the only sign of assistance from the national government” (Casayuran, 2004).

In his three terms as a lower house legislator, Aquino III was part of the majority until his party, the Liberal Party (LP), bolted out of the coalition with Arroyo in the wake of the Hello Garci scandal in 2005. As a neophyte legislator, Aquino III developed strong ties with some of his party-mates, one of whom was Florencio “Butch” Abad, later to become Budget Secretary under his presidency.

Prior to the split of the LP from the Arroyo coalition, Aquino III served as Deputy Speaker for Luzon, a position that allowed him to observe the realities of horse-trading in the lower house. Despite belonging to the majority for most of the nine years he served as a representative, none of the 21 bills filed by Aquino III were enacted into law (Medalla, 2009). Thus, as a lower house legislator, Aquino III’s record of achievement was not at all impressive.

Aquino III did not contribute remarks to the plenary session that deliberated the dismissal of impeachment complaints against Arroyo in 2005 (Publication and Editorial Service, 2005). It was only during the 2006 impeachment hearings, at the Justice Committee level, that Aquino III questioned the Chair on matters related to procedures and substance of the impeachment complaints, and subsequently explained his vote supporting the impeachment complaints (Publication and Editorial Service, 2006b, pp.
In spite of his undistinguished performance as a representative, Aquino III’s family name ensured that he was included on the senatorial slate of the “genuine opposition” in the 2007 elections.

Despite the illustrious lineage that presumably put him on the slate, Aquino III’s pre-election and final election standing in the 2007 senatorial elections was wanting. In pre-election polls, Aquino III was in the lower half of the winning circle, tied from 10th to 22nd place in the survey of July 2006 and from 5th to 12th place in the last pre-election survey of April 2007, both conducted by Pulse Asia (2007). In the final and official vote count, Aquino III placed 6th, eclipsed by two fellow representatives who were more prominent in the anti-Arroyo campaign in the lower house: Francis Escudero and Alan Peter Cayetano.

In his three years in the Senate, Aquino III was a co-author of 16 bills, eight of which were enacted into law. As principal author, Aquino III introduced nine measures, six of which languished at the Committee level, one was bound for second reading, and two were passed by the Senate but failed to pass the House of Representatives (Senate of the Philippines, 2017). Among the measures he principally authored, one is noteworthy as this tackled a concern that Aquino III confronted as President and is directly relevant to this dissertation—the proposed Budget Impoundment Control Act (Senate Bill 3121). In this proposed measure, Aquino III

146 Among these enacted measures were the Senior Citizens Act, the Climate Change Act, and the Philippine Disaster Risk Management Act (Senate of the Philippines, 2017).
147 The other bills filed by Aquino III as principal sponsor included government procurement reform (Senate Bill No. 2160); judicial independence, specifically the prohibition of the re-appointment of members of the Judicial and Bar Council (Senate Bill No. 1710); a limit to the number of reappointments of the President of members of the Cabinet that are unconfirmed by Congress’ Commission on Appointments (Senate Bill No. 1719); and, the accountability of officials of the police, stressing the
noted that while Congress possessed the power of the purse, the President, in practice, wielded considerable control over public spending through the exercise of budget impoundment. Arguing that power had been abused and misused by the President—referring, of course to the discretion that his predecessor, Arroyo, employed within her term—Aquino III proposed that any rescission, reservation or deferral in the release of appropriations of the President should be subject to prior congressional approval. As discussed in Chapter 4, the power of the President to put on reserve or defer the releases of appropriated amounts is stipulated in the 1987 Administrative Code, formulated and enforced by Aquino III’s mother. The bill he championed (without any success, as it did not go beyond first reading) would have amended the 1987 Code to curb the budgetary powers of the President.

Aquino III’s political standing changed when his mother, former President Corazon “Cory” Aquino, died on August 1, 2009. While Cory Aquino failed to initiate substantive reforms during her presidency, as discussed in Chapter 4, and is regarded as an elite restorationist (Hutchcroft & Rocamora, 2003, p. 281), the leadership she displayed in advocating reforms after her presidency allowed her to regain public admiration and trust. This included her vocal opposition to the self-serving charter change proposed by Ramos late in his term; her leading role in protests calling for Estrada to resign given jueteng-gate; and her televised entreaties to Arroyo to commit

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principle of command responsibility in the proposed Superior Responsibility Act of 2008 (Senate Bill No. 2159).

148 By rescission, the bill refers to the cancellation of all or part of an enacted appropriation that has not yet been spent or obligated. By reserve, the bill refers to the imposition of reserves on an appropriated sum. As practiced under previous administrations, a portion of authorized funds could be withheld given a shortfall in revenue collections. By deferral, the bill refers to the withholding or delay in the release of appropriated amounts.
the supreme sacrifice of leaving the presidency after the Hello Garci scandal. Her death then ignited calls for good governance, coupled with groups summoning her son, Aquino III, to carry the torch and vie for the presidency. At a time when his party already had a presumptive candidate—Senator Manuel “Mar” Roxas—, Aquino III initially demurred from calls to serve even as vice presidential running mate of Roxas (Calica & Porcalla, 2009). A week after Roxas pulled out of the presidential race, Aquino III formally declared his candidacy for the presidency (Burgonio, Tubeza, & Calleja, 2009).

In the 2010 presidential elections, Aquino III was up against eight other contenders that included former President Joseph Estrada, three fellow senators (i.e. Manuel Villar, Richard Gordon, and Maria Consuelo “Jamby” Madrigal), and Arroyo’s candidate, former Defence Secretary Gilbert Teodoro (a cousin of Aquino III on his mother’s side). In the final vote count, Aquino III’s significant plurality of 42 percent easily surpassed the runner-up, Estrada, who—despite his earlier conviction and then pardon for the crime of plunder—obtained roughly 26 percent of the votes (Presidential Communications Development and Strategic Planning Office, 2015, p. 160).

**The first year of the presidency**

In his first State of the Nation Address, Aquino III complained about the limited resources left by his predecessor, Arroyo, claiming that of the PHP 1.54 trillion 2010 budget, only 6.5 percent (PHP 100 billion) was left to his administration to spend for the remaining six months (Aquino III, 2010b). He identified supposedly anomalous Arroyo expenditures in the first six months of the fiscal year, and emphasized that the funds wasted could have financed the entire judiciary budget, or addressed a backlog of more than 100,000 classrooms, or supported the implementation of an expanded conditional
Aquino III’s claim that his administration had only PHP 100 billion would later be corrected by Budget Undersecretary Mario Relampagos, who revealed that close to PHP 600 billion remained of the 2010 budget (*Manila Standard*, 2010g). Relampagos clarified that the PHP 100 billion that Aquino referred to pertained only to savings that might be declared by the administration and used to augment other expenditure items. Part of the remaining budget for 2010 was PHP 62 billion of congressional pork that was impounded by Arroyo, based on her decision to withhold the release of congressional insertions in the 2010 budget until such time that Congress crafted new revenue measures (Odronia, 2010).

Aquino III pledged to retain congressional pork but ensured its “wise and equitable distribution” and even opposed a suggestion by a party-mate to slash the annual allocation (*Manila Bulletin*, 2010a). This stance is consistent with statements made by Aquino III during the presidential campaign, where he vowed to release the pork, subject to fund availability, even to legislators from opposing camps—specifically identifying Arroyo who was on her way to representing the second district of Pampanga (Odronia, Danao, & Antiporda, 2010). Aquino III’s promise to equitably distribute pork might have stemmed from his experience as a legislator who had been deprived of his own pork since 2005, the year when his party bolted out of the Arroyo coalition (Diaz, 2010b).

**Congressional alliance**

Despite Aquino III’s promise of equitable distribution of pork, his party-mate and LP spokesperson, Representative Lorenzo Tañada III, suggested that Aquino III withhold the release of the pork to representatives who would not support the candidacy
of Feliciano Belmonte as Speaker of the House (Manila Standard, 2010c). Belmonte, immediate past Executive Vice President (EVP) of the Lakas-KAMPI Christian-Muslim Democrats (Lakas-Kampi-CMD), shifted to the LP when Aquino III declared his candidacy for President (Manila Times, 2010). To Tañada, the threat to withhold the pork was effective, as it was a “trick the Arroyo administration used on opposition lawmakers” to get them to toe the line, as “lawmakers need to bring projects to their constituents if they want to show proof of service to their constituents” (Manila Standard, 2010c). The suggestion was logical as the LP did not have the numbers to elect a speaker, with only 44 of the 280 members belonging to the LP (Cabacungan, Ubac, Aurelio, & Burgonio, 2010), against more than a hundred members who were formally affiliated with the rival Lakas-KAMPI-CMD (Presidential Communications Development and Strategic Planning Office, 2015, p. 162).

While there is no evidence to validate whether Tañada’s suggestion was heeded by Aquino III or his lieutenants, Belmonte was eventually elected as Speaker of the House with 227 votes versus the Lakas-KAMPI-CMD candidate, Representative Edcel Lagman, who obtained just 29 votes (Publication and Editorial Service, 2010a). As in previous congresses, the endorsement of the President was sufficient for Belmonte to obtain support even from among those formally affiliated with Lakas-KAMPI-CMD. In his acceptance speech, Belmonte vowed to be transparent in the release of congressional pork funds, as he acknowledged the supposed benefit of these funds:

The use of our priority development assistance funds (PDAF) should engender no suspicion, but general agreement that they are used wisely to give each district a socio-economic lift through greater transparency and focus of our projects (Publication and Editorial Service, 2010a, p. 23)

149 KAMPI is short for Kabalikat ng Mamamayang Pilipino, or Partner of Filipino Citizens.
The election of six Deputy Speakers indicates the alliance that LP forged in the lower house. Aside from three LP members—Maria Isabelle Climaco, Raul Daza and Lorenzo Tañada III—, also elected as deputy speakers were Arnulfo Fuentebellos of the Nationalist People’s Coalition (NPC), Jesus Crispin Remulla of the Nacionalista Party (NP), and Pablo Garcia of KAMPI. As practiced in the past, the dominant party LP obtained the leadership of key committees: Cavite Representative Joseph Emilio “Jun’ Abaya became the appropriations committee chair, while Representative Henedina Abad—the wife of Budget Secretary Florencio Abad—was elected as one of the vice chairs (Cabacungan, 2010)

In the Senate, the leadership was initially contested by two LP senators, Franklin Drilon and Francis Pangilinan, with Aquino III reportedly endorsing Pangilinan (Esguerra, 2011). As the LP only had four senators, however, Senator Juan Ponce Enrile was re-elected as Senate President with 17 of the 20 votes cast (Senate Publications Bureau, 2010a). Enrile’s re-election mirrors the weakness of Aquino III’s hold on the Senate, a condition that prior presidents also faced (as discussed in previous chapters). Notwithstanding the election of a non-LP Senate President, as we shall see, the Senate would not be a hurdle for a number of Aquino III’s initiatives until much later in his administration.

Consolidated congressional pork in the 2011 budget

To take charge of managing the government’s budget, Aquino III appointed a long-time associate, Florencio “Butch” Abad. Among the cabinet members, Abad is one of the most trusted by Aquino III, who regarded the Budget secretary as his mentor (Elemia, 2016). Abad preceded Aquino III by a term in the lower house of Congress,
and also served as campaign manager for the senatorial and presidential campaign of Aquino III in 2007 and 2010.

Prior to the submission of the proposed 2011 budget, Budget Secretary Abad assured legislators that the congressional pork barrel would be retained, albeit with modifications. These included the formulation of a menu to ensure that funds are spent in priority programs and that all releases would be made public (Ubac, 2010). Abad’s statement mirrors the concern of the Aquino III administration for transparency. The first condition, on a prioritized list, was also observed under previous administrations (in discussions in Chapters 4 to 7), while the second, a publicized list, was imposed as a provision under the Ramos administration after the pork barrel scandal of 1996 (as discussed in Chapter 5). Asked why Aquino III retained pork despite prior controversies, Secretary Abad clarified that the President never intended to abolish pork (Elemia, 2016), knowing full well the value of such a resource to legislators, having been a legislator himself for more than a decade (Abad, 2014b).

Aquino III submitted the proposed PHP 1.645 trillion 2011 budget to Congress rather late, on August 24, 2011. The delay was due to the employment of a zero-based budgeting approach, purportedly to “ascertain the continued relevance of ongoing programs, prioritize key projects, and justify the need for funding”, among others (Aquino III, 2010a). However, the proposed budget omitted only a few programs of the former administration. Among the programs scrapped from the proposed 2011 budget were Kilos Asenso Support Fund (KASF) and the Kalayaan Barangay Program Fund (KBPF) programs of Arroyo that, as discussed in Chapter 7, were presidential project-
based pork appropriated pork (PPAP) aimed at eliciting support from local politicians (Diaz, 2010a).

Per his commitment, congressional pork was retained, although as a consolidated fund. This meant that the two previous variants of the congressional slush fund—the Priority Development Assistance Fund (PDAF) and the Various Infrastructure and Local Projects (VILP)—were merged into a single budgetary item. Still labelled as PDAF, the proposed 2011 budget appropriated PHP 24.820 billion for the fund. This aggregate amount is lower than the PDAF-VILP 2010 appropriation by almost PHP 37 billion (as discussed in Chapter 8).

The new PDAF was accompanied by a list of programs to which legislators could disburse their pork allocation. The list was shorter than the priority programs in the budgets of former President Arroyo. Another noteworthy change in the proposed 2011 PDAF was the specification of the annual allocation for each legislator—a formal stipulation that was last seen in the 1998 budget of the Ramos administration but was not clearly specified in any of the annual budgets under Estrada and Arroyo. The proposed 2011 PDAF set the maximum allocation for representatives at PHP 70 million and for senators, PHP 200 million, the same per capita allocation reportedly used (on a more informal basis) in the Arroyo years.

The proposed 2011 PDAF also set the limit for “hard” and “soft” expenses. “Hard” expenses refer to public infrastructure projects, i.e., those that had been financed by the Public Works Act from 1922 to the pre-martial law period, and by the VILP under Estrada and Arroyo (as discussed in Chapter 3, 6, 7, and 8). Soft expenses, on the other hand, included scholarships, medical assistance, and the payments of health
insurance premiums, all of which had been financed by the PDAF since the time of the Estrada administration (or by its earlier variant, the Countrywide Development Fund (CDF), during the time of the Ramos administration). While “hard” expenses could be labelled as meso-particularistic, “soft” expenses were generally micro-particularistic, except the Kapit Bisig Laban sa Kahirapan-Comprehensive Integrated Delivery of Social Services (Linked Arms Versus Poverty-CIDSS or KALAHI-CIDSS) community-driven development program of the Department of Social Welfare and Development (DSWD). Though some of the KALAHI-CIDSS programs involved livelihood projects that ultimately benefitted individuals and households, these programs were designed to be formulated and implemented by villages/communities and, as such, would fall between the micro-particularistic and meso-particularistic categories.

For representatives, the annual ceiling for soft expenses was set at PHP 30 million, with the remaining PHP 40 million set for hard projects. For senators, the proposed 2011 PDAF divided their maximum allocation equally for soft and hard expenses (PHP 100 million for each). A final change in the proposed 2011 PDAF was the inclusion of a specific provision that identified the documents required to secure the release of funds, and a separate provision that required the posting of all releases and re-alignments of the PDAF on the official websites of implementing agencies. This last requirement was again in line with the Aquino III administration’s thrust of transparency.

As the House tackled the proposed 2011 budget, the Justice Committee also started its deliberation of the impeachment complaint against incumbent Ombudsman Merceditas “Merci” Gutierrez. While the impeachment hearings did not cause a delay in the House’s passage of the proposed 2011 budget, it is important to note the centrality
of pork in each regard. Specifically, the release of the appropriated PDAF for 2010 induced legislators to work on both the 2011 proposed budget and the Gutierrez impeachment that had been endorsed, formally and informally, by Aquino III.

**Congressional assent on the 2011 budget**

The first issue raised in the lower house against the proposed 2011 budget was the ability of Congress to deliberate on automatic appropriations in the National Expenditure Program (NEP). Since the administration of Corazon Aquino, as discussed in Chapter 4, legislators had a penchant to reduce the proposed appropriation for debt servicing and re-align these funds for additional congressional pork allocations. Unlike previous administrations, which included both new and automatic appropriations in the NEP, the Aquino III administration’s NEP omitted the automatic allocation of PHP 711 billion for debt servicing. Budget Secretary Abad argued that the amount was omitted from the proposed budget as this was part of the automatic appropriation that had been given continuing authority by Congress—its exclusion was meant to avoid a repeat of the 2010 budget when Congress slashed what was automatically appropriated and re-aligned the funds to legislators’ favoured projects, a move that led Arroyo to issue a conditional veto (Dalangin-Fernandez, 2010). Minority Floor Leader Edcel Lagman questioned the non-inclusion of the amount slated for debt servicing, characterizing it as an attempt of the Aquino administration to demean Congress (*Manila Standard*, 2010e).

The second concern raised by representatives pertained to a number of lump-sum items in the budget, specifically the PHP 15 billion appropriation for the Public-Private Partnership and a PHP 21 billion allocation for the conditional cash transfer
program, the *Pantawid Pamilyang Pilipino* Program (Filipino Families Bridging Program or 4Ps). On the Public-Private Partnership, Minority Floor Leader Lagman initially questioned the appropriation, given Aquino III’s statement in his first State of the Nation Address (SONA) that government would not spend a single peso on these projects (Publication and Editorial Service, 2010b, p. 29). Lagman’s beef about the program, however, was for Congress to exercise its power of the purse, as he called on the body to “fully scrutinize such lump-sum appropriations because that is a possible area where allocations or realignments could be made” (Publication and Editorial Service, 2010b, p. 30). As a long-time member of the House majority, Lagman knew from whereof he spoke, having benefitted from former President Arroyo’s budget execution discretion from 2007 to 2009 (as discussed in Chapter 8). Nonetheless, Lagman’s concern was valid as the President, as elaborated in preceding chapters, possesses significant discretion in budget execution and, in so doing, produces *quasi-pork*.

With respect to the 4Ps, the doubling of the 2011 appropriation—to PHP 21 billion from PHP 10 billion in the previous year—indicated Aquino III’s desire to reduce poverty, one of two issues that he promised to address in his campaign for the presidency (the other being corruption). The proposed increased funding for the 4Ps led legislators to question the basis of such increase in view of the reduced funding for what they believed to be “developmental” programs, such as farm-to-market roads and tertiary education. Representative Carlos Padilla of Nueva Vizcaya referred to the 4Ps as “dole-outs” and criticized the re-direction of a US$ 400 million loan from the Asian Development Bank exclusively to support the 4Ps, claiming that such loan was originally
intended to support all budgetary requirements (Publication and Editorial Service, 2010c, pp. 8-9).

In responding to questions on these lump-sum items, Appropriations Committee Chair Joseph Emilio Abaya was quick to admit that the proposed 2011 budget was “half-baked,” as he called on his peers to “provide more stringent provisions” to ensure that the funds would be properly disbursed as promised in a transparent fashion (Publication and Editorial Service, 2010c, p. 16). Despite the concerns raised on the Public-Private Partnership and the 4Ps budget, the House retained the amounts proposed for these programs during the second reading.

The final concern raised by legislators plainly illustrated the logrolling between the Executive and the legislature. Despite the retention of the PHP 70 million maximum annual allocation for lower house legislators, representatives allied with the administration questioned the paltry share of Visayas and Mindanao in the budget (Publication and Editorial Service, 2010c, 2010d). As more than 100 district legislators from the two major regions threatened to block the passage of the budget unless they get a larger share of the budget pie, Budget Secretary Abad agreed to the insertion of an additional PHP 50 million worth of district infrastructure projects and a PHP 25 million share from the Road Users’ Tax for the various legislative districts (Manila Standard, 2010d). These insertions amounted to congressional earmarks. With the accommodation provided to representatives, the proposed 2011 budget was passed by the House on second reading in mid-October 2010 (Publication and Editorial Service, 2010e). For the legislators to secure the inclusion of their projects, the House agreed to form a small committee composed of five members, the Chair and two Vice Chairs of
the Appropriations Committee, and the Majority and Minority Leader, to entertain individual amendments to the budget before its third and final reading (Publication and Editorial Service, 2010e, p. 101). The formation of this small committee would be resorted to in the proposed budgets of subsequent years.

A week after the House passed the budget on second reading, Malacañang released half of the remaining 2010 congressional pork, with the Speaker of the House adding a bonus, a PHP 500,000 operational and travel allowance for each congressman (Manila Standard, 2010f). The release of half of the PDAF allocation for 2010 by Malacañang was supposedly meant to prevent the House from continually trying to slash the funding for Aquino III’s flagship program, the 4Ps (Manila Standard, 2010b). Given the releases of congressional slush funds to representatives and the concession on additional infrastructure outlays for congressional districts, it was not surprising that an overwhelming majority in the House approved the proposed 2011 budget on November 8, 2010 (175 votes in favour and 21 against). The approval was further facilitated by Aquino III’s endorsement of the measure as urgent. Under the rules of both houses of Congress, a measure certified as urgent by the President needed to be tabled for discussion in the plenary immediately. As mentioned in earlier chapters, the President’s certification of a bill as urgent is proof of the agenda-setting power that the Chief Executive possesses.

Members of the Senate similarly raised their reservations on the 4Ps budget with Finance Committee Vice Chair Edgardo Angara suggesting a cut that could be realigned to other social services, education and health (Esguerra, 2010). Despite these reservations, the Senate, in a 12-2 vote, approved the proposed 2011 budget in early
December 2010 without any significant cut or change, even on the budget for the contentious 4Ps program (Senate Publications Bureau, 2010b).

With both chambers assenting to budget by the middle of December, the 2011 budget was signed into law by Aquino III on December 27, 2010, the first budget enacted before the start of the fiscal year in more than a decade (the last being the 1999 budget of the Estrada administration, enacted into law on December 30, 1998). Despite the early passage of the budget, Aquino III vetoed a number of provisions inserted by Congress, most importantly the provision that required prior consultation with Congress in the release and implementation of all lump-sum appropriations except the PDAF. In vetoing this provision, Aquino III asserted his prerogative in distributing lump-sum funds aside from the congressional slush fund, a power that all his predecessors in the post-Marcos period invoked in their veto messages.

Aquino III did not veto the allotment for PDAF, which included the resurrected share of the congressional slush fund for the Vice President (VP), amounting to ₱200 million. The last budget that specifically included pork for the VP was under the Ramos administration (in 1998). A report notes that the VP’s pork was simply a transfer of the PHP 200 million that was allotted for Aquino III, had he remained a senator (Cabacungan & Burgonio, 2010).150

The final 2011 budget also reflected re-alignments in the public works appropriations that reveal the accommodation extended by the Executive on earlier demands of legislators for a higher share of the budget. As discussed earlier, representatives from the Visayas and Mindanao threatened to boycott the plenary

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150 Given Aquino III’s assumption of the presidency, the Senate was reduced to 23 members.
sessions to deliberate on the budget unless they were given what they believed to be their fair share. A comparison of the DPWH budget in the NEP, the Executive-proposed spending, with that of the General Appropriations Act (GAA), shows more detailed projects in the latter, essentially congressional earmarks for a host of public works projects across the country’s congressional districts. Thus, while Aquino III received congressional assent for an early enactment of the budget and secured fully intact the appropriations for his flagship 4Ps program, this achievement entailed submitting to the demands of legislators for congressional earmarks on top of the retained congressional slush fund (i.e., PDAF). Thus, like Ramos before him (as discussed in Chapter 5), Aquino III needed to grease the wheels of legislation with plenty of pork. With pork-satiated legislators, Aquino III would find it easy to gather support for the impeachment of the incumbent Ombudsman.

**Impeaching the Ombudsman**

While the House was deliberating on the proposed 2011 budget, the chamber’s Justice Committee also attended to an impeachment complaint against the Ombudsman, Merceditas “Mercy” Gutierrez. A week after assuming the presidency, Aquino III’s spokesperson, Edwin Lacierda, stated that the Palace was studying the option of removing Gutierrez as Ombudsman, given their “scepticism toward her past decisions” and claiming that Aquino III “wants an independent Ombudsman who will really investigate” (Burgonio, 2010b). Doubts on the independence of Gutierrez stemmed from her close relationship with Arroyo’s husband, the first gentleman who was her batchmate at Ateneo Law School (Mangahas & Ilagan, 2011b). Her alleged
closeness to the former first gentleman was supposed to have led to her successive appointments to various executive positions under the Arroyo administration.\footnote{Gutierrez’ first appointment under the Arroyo administration was as Undersecretary of Justice in 2001. Subsequently, she was appointed Acting Secretary of Justice (November 27, 2002-January 15, 2003; December 24, 2003-August 31, 2004) and Chief Presidential Legal Counsel, from September 2004 until she assumed the Ombudsman position in October 2005 (Ombudsman, 2017). As acting Justice Secretary, Gutierrez committed a few actions that courted criticism. In one instance, maverick Senator Sergio Osmeña III called Gutierrez “either stupid or shameless or both” for expressing unwillingness to assist Swiss authorities who started investigating an alleged payoff to her previous boss, Justice Secretary Hernani Perez, for a power plant project (Mabutas, 2003). In another instance, Gutierrez’s order to media to desist from broadcasting or publishing unofficial election results soon after the May 2004 presidential elections was criticized by the National Press Club as an act that “may compel people to believe that Gutierrez is doing the bidding of President Arroyo who is still unsure of getting the people’s mandate” (Manila Bulletin, 2004a). In assuming the post of Ombudsman, Gutierrez replaced Simeon Marcelo, a lawyer who acted as the primary private prosecutor in the Estrada impeachment. Marcelo allegedly resigned as Ombudsman as he refused to succumb to the pressure not to pursue the extortion case filed against Arroyo’s former Justice Secretary, Hernani Perez. To secure the post of Ombudsman, Gutierrez was reported to have taken advantage of her friendship with First Gentleman Arroyo (Mediavilla, 2005b). Gutierrez eventually won the endorsement of all the members of the Judicial and Bar Council (JBC). The JBC is the body established by the 1987 Constitution to screen applicants or nominees for judicial positions, including the position of the Ombudsman. Although designed to depoliticize appointments to the judiciary, the JBC has been criticized for its opaque process and a composition seen to be tilted in favour of those that could be influenced by the President (Mangahas, 2011a, 2011b).}

Despite her promise that she “will be merciless to the grafters,” Gutierrez’ performance as Ombudsman from late 2005 was found to be wanting in terms of cases filed, specifically against the so-called big fish (former President Gloria Macapagal Arroyo included) who were allegedly involved in a number of anomalies that were being investigated by Congress or revealed in media reports (Mangahas & Ilagan, 2011a). In March 2009, members of the opposition in the lower house filed an impeachment complaint against Gutierrez. With the majority of the lower house allied with then President Arroyo, this first impeachment complaint was dismissed by the House in early November 2009 (Publication and Editorial Service, 2009a, p. 18).
Under the administration of Aquino III, however, a new impeachment case was filed against the Ombudsman. In late July 2010, two weeks after Lacierda’s statement, Risa Hontiveros—a former representative of the soft-left Akbayan Citizens’ Action Party—filed the new impeachment complaint against Gutierrez, charging her of betrayal of public trust and culpable violation of the Constitution. This complaint was endorsed by the incumbent representatives of her party in the House, Kaka Bag-ao and Walden Bello (Romero, 2010). As a party, Akbayan supported Aquino III’s presidential campaign and was part of the legislative majority in Congress. The Hontiveros complaint was followed by a second impeachment case filed by militant groups and endorsed by the representatives of extreme left Bayan Muna (Nation First) in the House (Gonzales, 2010c).

The complaints were found sufficient in form and substance by the House Justice Committee (Burgonio, 2010a; Gonzales, 2010a). To prevent a progression of her impeachment case, Gutierrez filed a petition with the Supreme Court (SC) to prevent the House from continuing the impeachment proceedings, as she described the process as “arbitrary, capricious and whimsical” (Dizon, Ubac, & Salaverria, 2010). The SC restrained the House from continuing with the impeachment proceedings and required the lower chamber to respond to the petition of Gutierrez (Macairan, 2010). Reacting to the SC decision, Aquino III maintained that “the recent action of the Supreme Court tests the limits of its constitutional authority, and this latest order could precipitate a clash with another separate, coequal branch of government” (Roa & Melican, 2010). On behalf of the SC, Chief Justice Renato Corona, an Arroyo appointee, defended the Court from criticism, saying:
The Constitution and the rule of law will never bend to the ever-shifting political winds and passions of the moment because it is the anchor that keeps the ship of state from being tossed aimlessly and easily tipped over by the waves of passing political and social events (Manila Bulletin, 2010b)

The exchange between Aquino III and Corona was the first of a series of verbal jousting, culminating in Corona’s impeachment and conviction (as discussed below). On February 15, 2011, however, the SC lifted its order that prevented the continuance of impeachment hearings against Gutierrez, with Chief Justice Renato Corona as one of the dissenters ("Gutierrez versus House of Representatives et.al.," 2011). With this decision, the House resumed its hearings until the committee completed its report for submission to the plenary for deliberations and voting. Just before the House voted on the Gutierrez impeachment complaint, Malacañang ordered the release of the congressional slush funds of legislators for the preceding year 2010 (Manila Standard, 2011a). An alleged text message was also sent by the chair of the House Appropriations Committee to the members of the House, warning that those who would oppose or abstain on the impeachment would not receive their pork (Manila Standard, 2011d). In the plenary session held on March 21, 2011 to deliberate on the Justice Committee report, the Minority Leader, Edcel Lagman, revealed the details of the alleged text:

From Cong. Abaya: @Favor, kindly disseminate to all Reps-LP and non-LPs. This should be made clear to all. Those who will vote “no” or are absent/abstain on impeachment will get 0, as in zero. At least, walang sisihan [no finger-pointing] that there was no forewarning. Thank you. (Publication and Editorial Service, 2011i, p. 4)

With 212 members of the House voting to adopt the Justice Committee report, 46 opposing and 4 abstentions, Gutierrez was impeached by the House (Publication and
Gutierrez resigned as Ombudsman in late April, less than two weeks before her Senate trial was to start (Panares, Herrera, Salita, & Solmerin, 2011).\textsuperscript{152} With the former Ombudsman out of the way, Aquino III trained his sights on another person that he viewed as an obstacle to his pursuit of reform—SC Chief Justice Corona.

\textbf{Tussling with the Court of Corona}

From the outset, Aquino III’s relations with the Chief Justice of the SC, Renato Corona, were strained. Aquino III objected to Corona’s appointment as Chief Justice just two days after the May 10, 2010 elections. Arguing that this violated the constitutional prohibition on appointments prior to a presidential election, Aquino III declared that he would take his oath of office with the barangay captain (village head) of his hometown rather than be sworn in by the Chief Justice of the SC (\textit{Manila Standard}, 2010a). Despite his objections to Corona’s elevation as Chief Justice, Aquino III had to accede to the appointment in view of an earlier decision of the SC to allow Arroyo to appoint the chief magistrate within the constitutionally proscribed period (De Castro et.al. vs Judicial and Bar Council et al., 2010).

Relations between Aquino III and Corona, in particular, and between the Executive and the SC, in general, would continually worsen in the first two years of the

\textsuperscript{152} Aquino III appointed former Supreme Court Associate Justice Conchita Carpio-Morales to replace Gutierrez. Carpio-Morales penned the Supreme Court ruling that dismissed the former Ombudsman’s petition to prevent the House from proceeding with its impeachment case. Carpio-Morales also dissented from the majority decision that declared as unconstitutional Aquino III’s Executive Order No. 1 creating the Truth Commission. Moreover, she was also chosen by Aquino III to administer his oath of office in lieu of the Chief Justice Renato Corona whom Aquino III criticized for being a “midnight appointee” of Arroyo (Punay, 2011).
Aquino III administration. Aside from his refusal to be sworn in by the Chief Justice, actions taken by President (or his subordinates) as well as decisions of the Supreme Court on Executive Orders issued by Aquino III heightened the tension between the two branches. The first salvo came from the Executive itself, when it cut the proposed 2011 budget of the judiciary from PHP 27.1 billion to PHP 14.3 billion. The SC questioned this decision (Gonzales, 2010b) and warned that the significant reduction may cause the “judiciary to revolt” (Punay, 2010). Despite the SC’s plea and a protest of judges in early December 2010 (Punay & Araneta, 2010), the Executive stood pat on its proposed budget for the judiciary.

Three court decisions would exacerbate the strained relations between the SC and Aquino III within the second half of 2010. The first two decisions, handed down by the SC in mid-October 2010, led Aquino III to express bewilderment and discomfort (Calica, 2010). The SC handed down status quo ante decisions on two cases, the first on the application of Executive Order No. 2 that nullified “midnight appointments” of Arroyo and the second on the impeachment proceedings in the House against Ombudsman Gutierrez (as discussed earlier). A third case involved petitions against

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153 Executive Order No. 2 (EO 2) recalled, withdrew, and revoked appointments made by former President Arroyo during the constitutionally proscribed period, two months before the presidential elections. Known as midnight appointments, as the postings were decided before the prior administration bowed out, Arroyo was reported to have designated almost a thousand third level bureaucrats holding positions from directors to undersecretaries (Cheng, 2010). After the release of EO 2, four appointees of Arroyo questioned the directive, with one petitioner, a director for the Office of Muslim Affairs, requesting for and subsequently granted by the Court a status quo ante order (Ramos, 2010). While the Supreme Court did not nullify EO 2, and only retained the appointment of one of around a thousand midnight appointees, Aquino III nonetheless over-reacted. In a briefing with reporters, he argued that a potential result of the Supreme Court order would be “chaos and paralysis in the Executive branch of government” that would “derail, or even nullify...efforts to uncover and reverse midnight deals; streamline the bureaucracy; and, implement reforms to bring back good governance” (Roa & Melican, 2010).
Aquino III’s Executive Order No. 1 (EO 1), the directive that created the Philippine Truth Commission. The Commission was tasked to conduct a fact-finding investigation of reported cases of graft and corruption involving third-level public officers and higher under the previous administration (Office of the President of the Philippines, 2010).

Two cases were filed in the SC questioning the legality of EO 1, specifically whether the Executive usurped the constitutional authority of the legislature to create a public office and whether EO 1 violates the equal protection clause. In a 10-5 vote, the high court declared EO 1 as unconstitutional, as it was found violative of the equal protection clause of the Constitution (Supreme Court, 2010). From being perplexed with the two earlier decisions of the High Court, Aquino III was so furious that he expressed his displeasure in a nationally televised address the day after the SC decision (Bordadora, Ramos, & Dizon, 2010).

In late 2011, the enmity between Aquino III and the SC in general, and Chief Justice Corona in particular, reached a boiling point. Aquino III expressed his wrath against Corona in a speech he delivered at the National Criminal Justice Summit where the Chief Justice was also present. In his remarks, Aquino III recalled the “perplexing” decisions of the Court, from its assent to Arroyo’s midnight appointment of the Chief Justice, the declaration of EO 1 as unconstitutional, and a restraining order that the Court issued that barred the government from preventing former President Arroyo to leave the country to seek medical attention abroad (Aquino III, 2011). Aquino III proceeded to question Corona’s independence by asking:

*Ngayon, kung may isang lingkod-bayan na tumatanaw ng utang ng loob, hindi sa taumbayan na siyang dapat na bukal ng aming kapangyarihan, kundi sa isang padron na isiniksik siya sa puwesto, maaasahan po kaya natin siyang intindihin ang interes ng Pilipino?* (Now, if there is one public servant who has...)

...
a debt of gratitude, not to his countrymen who are the source of his authority, but to a patron who snuck him into position, can we expect him to look after the interests of our people?) (Aquino III, 2011)

Aquino III’s last remarks were a signal for his allies in the House to begin an impeachment against the Chief Justice. And his legislative confederates did so, quite swiftly, even more expeditiously than their counterparts in earlier administrations had in prompting the impeachment of former President Estrada and in the quashing of all impeachment complaints against former President Arroyo.

Exactly a week after Aquino III questioned Corona’s independence, the House of Representatives, in an unprecedented move, impeached Chief Justice Corona. With 188 of the 284 members of the House of Representatives endorsing the complaint filed by five representatives, the complaint was immediately transmitted to the Senate as the endorsers exceeded the required one-third vote of the House to impeach a constitutional official (Publication and Editorial Service, 2011g). Corona was charged with betrayal of public trust, culpable violation of the Constitution, and graft and corruption (Tupas, Abaya, Tanada III, Umali, & Bag-ao, 2011). House Appropriations Chair Joseph Emilio Abaya, one of the complainants, revealed that the process was hastened as Aquino III wanted a “fast” impeachment (Inquirer, 2011).

Weaponizing pork à la Aquino III

To ensure that Corona would be impeached from office, Aquino III released the congressional slush fund (i.e., PDAF) of representatives and augmented such releases with funds from a program he created, the Disbursement Acceleration Program (DAP). In disbursing these funds, Aquino III weaponized pork against someone he believed to
be an adversary, in much the same manner that his predecessor, Arroyo, weaponized pork to quash impeachment complaints against her.

In disbursing pork in 2011, in the form of congressional slush funds and through impoundment and augmentation pork, Aquino III was able to fast-track Corona’s impeachment. One of those who did not sign the impeachment complaint, Representative Toby Tiangco of Navotas, recalled the remarkable speed in the House decision on the Corona impeachment.\(^{154}\) In the all-majority caucus, Tiangco recalled that a proponent of the impeachment remarked that the complaint is “non-debatable and no questions will be entertained”, leading him to remark, “Pagkatapos nating i-rubber stamp ang dalawang budget, ngayon naman, ito namang impeachment” (After we rubber stamped two budgets, we are now doing the same with this impeachment) (Publication and Editorial Service, 2011h, p. 11). Given his dissent, Tiangco resigned from the majority and gave up his chairpersonship of a standing committee in Congress. While he initially feared that his dissent would deprive his constituency of his congressional pork, records from the Department of Budget and Management (DBM) indicate that his pork was released fully in 2011 and 2012, albeit with delays on the latter. Tiangco revealed that his 2011 PDAF was released after he threatened to question Budget Secretary Abad on delayed pork releases in the budget briefing of the

\(^{154}\) In a privilege speech the day after the House impeached Corona, Tiangco recounted that he received word of an impending impeachment complaint against Corona on December 11, 2011, initially dismissing this as gossip until he surmised that this might be the subject of an all-majority caucus that was to be convened the following day (Publication and Editorial Service, 2011h). Tiangco’s speech and the records of the session on December 12, 2011, when Corona was impeached, indicate that it took less than a day for the majority to assemble a large enough number of representatives to get Corona impeached. The all-majority caucus preceded the plenary session, a caucus where the complainants presented the case for an hour, after which members of the majority signed the complaint in the presence of the House Secretary General (Publication and Editorial Service, 2011g, 2011h).
proposed 2012 budget, a warning raised during a media interview (Tiangco, 2017). In view of the media reports, Tiangco recalled that Budget Secretary Abad sent the official paperwork for his PDAF even before the Appropriations Committee convened for the proposed 2012 budget briefing (Tiangco, 2017).

Tiangco’s experience of obtaining pork, even when in opposition, is instructive. Unlike his predecessors, Aquino III was quick to obtain congressional support on legislative measures or acts, such as Corona’s impeachment and the annual budget. This results from his consistent release of congressional pork, albeit with the regular delays, to all representatives regardless of party affiliation. Department of Budget and Management (DBM) records show that compared to the Arroyo administration, Aquino III released a higher proportion of PDAF funds. While only 71 percent of PDAF funds were released in the final full year of Arroyo in 2009, 88 percent of the PDAF was released in Aquino III’s first full year in 2011. Aside from releasing a greater proportion of the PDAF allocated for the year, the Budget Department report also shows that Aquino III was less selective in distributing pork, releasing the 2011 and 2012 funds to all but five representatives. The five legislators whose PDAF appropriations were not released in 2011 and 2012 included Zambales 1st District Representative Mitos Magsaysay, Iloilo Second District Representative Augusto Syjuco, Camarines Sur Second District Representative Diosdado “Dato” Macapagal-Arroyo, Negros Occidental Fifth District Representative Ignacio “Iggy” Arroyo, and Ang Galing Pinoy party-list representative Juan Miguel “Mikey” Arroyo. The first two were close allies of former President Arroyo and fierce critics of Aquino III, while the last three were Arroyo’s sons (Dato and Mikey) and brother-in-law (Iggy). To Budget Secretary Abad, the non-release
of the pork for these legislators was but a part of the “political realities” (*Philippine Daily Inquirer*, 2012b). Ironically, the PDAF for 2011 and 2012 of the former President, Gloria Macapagal Arroyo, was fully released. Arroyo was even able to share her pork with the five representatives who were continually deprived of their pork share (Diaz, 2012; *Philippine Star*, 2011). The relatively more efficient release of PDAF funds by Aquino III reflects how he bended over backwards to avoid perceptions of favouritism in the dispersal of pork.

Beyond these nearly full releases of the PDAF, Aquino III also obtained support for Corona’s impeachment by disbursing funds to legislators from the Disbursement Acceleration Program (DAP). Established in the third quarter of 2011, DAP funds were sourced from “savings” and aimed to serve as a stimulus package—in the wake of the Global Financial Crisis—“to speed up public expenditure and catalyse economic growth” (Department of Budget and Management, 2014a). However, as it was implemented, the DAP could be construed as quasi-pork, specifically impoundment and augmentation pork (IAP). In effect, Aquino III repeated what Ramos and Arroyo had earlier practiced (as discussed in Chapters 5, 7 and 8), with the additional advantage of operating in a budget environment characterized not by budget deficits but rather by widespread underspending. Aquino was able to invoke the power to re-align savings, funds that remained in store either because they had been put on reserve or merely due to underspending. The problem of underspending came both because of improved revenue generation and because of Aquino III’s review and reform of procurement processes that he felt were needed to prevent corruption (one side effect of which was to slow down the process of government expenditure).
A Department of Budget and Management (DBM) report on DAP disbursements shows that funds were disbursed to legislators in three tranches to support both soft and hard projects. Thus, the DAP funds added to the congressional slush fund enjoyed by legislators. Table 10 shows the amount distributed to each chamber of Congress across the three tranches.

*Table 10 Disbursement Acceleration Program: Funding for Legislator Supported Projects, 2011 October to 2012 December (in PHP)*

<table>
<thead>
<tr>
<th>Chamber</th>
<th>Month disbursed</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>October 2011</td>
<td>June 2012</td>
<td>December 2012</td>
</tr>
<tr>
<td>Senate</td>
<td>2,131,250,000</td>
<td>1,889,270,575</td>
<td>2,016,236,250</td>
</tr>
<tr>
<td>House</td>
<td>2,446,302,254</td>
<td>3,095,970,329</td>
<td>739,701,441</td>
</tr>
<tr>
<td>TOTAL</td>
<td>4,577,552,254</td>
<td>4,985,240,904</td>
<td>2,755,937,691</td>
</tr>
</tbody>
</table>

Source: Department of Budget and Management Report on DAP Status of Releases for Other Various Local Projects (Department of Budget and Management, 2014c)

The second tranche of DAP funds was released on June 27, 2012, about a month after the Senate convicted Chief Justice Corona, with 20 senators favouring the conviction (and three against). The DBM report shows that only the senators who voted for conviction received DAP funds.

The release of PDAF and additional DAP funds greatly facilitated the Corona impeachment. Compared to prior impeachment cases filed against former presidents Quirino, Estrada and Arroyo (as discussed in previous chapters) or Ombudsman Gutierrez (as discussed above), Corona was impeached in the most expeditious fashion. Almost 2/3 of the House members endorsed the impeachment complaint, considered in one session without the benefit of a Justice Committee meeting or extended plenary deliberation. Corona went down in Philippine history as the only official ever to be convicted after an impeachment. It was a victory for Aquino III and a testament to the power that pork has in swaying legislators to toe the President’s line.
Super-majority support in Congress ensured that the proposed budgets for 2012 and 2013 would also get passed before the start of the fiscal year.

Swift budget enactments

Like the 2011 budget, the proposed budgets for 2012 and 2013 were enacted before the start of the fiscal year over the concerns raised by the minority in both houses of Congress. Also similar to the 2011 budget, the timely passage of the 2012 and 2013 budgets came after the certification of the President of these measures as urgent.

However, before the 15th Congress convened for its second regular session in July 2011, a threat to boycott the President’s State of the Nation Address (Manila Standard, 2011e) put the fate of any measure proposed by the Executive in a relatively precarious situation. A number of representatives, from both the majority and the minority, complained that their congressional pork had yet to be released. As mentioned earlier, Representative Tiangco complained that his congressional pork was not released due to his negative vote on two measures endorsed by Aquino III—the impeachment of Ombudsman Gutierrez and the postponement of the elections for the Autonomous Region of Muslim Mindanao (Manila Standard, 2011c). In response to his complaint, Budget Secretary Abad sent a text message to Tiangco suggesting that he find “a way to talk to PNoy [President Aquino]. The Speaker can help you along this line” (Manila Standard, 2011c). Abad’s statement indicates the role of the Speaker as a conduit to win the President’s assent in the release of one’s congressional slush fund.

To prevent a boycott of the SONA, the Budget department rushed the release of the congressional slush funds of representatives (Manila Standard, 2011e).
Notwithstanding the releases, members of the minority decided to avoid subsequent meetings of the Appropriations Committee on the budget (Diaz, 2011), knowing full well that their manifestations in the Committee meetings would not be seriously considered.

Aquino III submitted the proposed 2012 budget to Congress on July 26, 2011, a day after his State of the Nation Address, replicating the feat set by former President Estrada in 1999. Amounting to PHP 1.86 trillion, the proposed 2012 budget allocated the largest chunk of new appropriations to social services, with funding for Aquino III’s flagship program the 4Ps increasing by 86 percent to cover more beneficiaries (from 2.3 million to 3 million families) (Manasan, 2011). With the minority boycotting its meetings, the Appropriations Committee presented the proposed budget for plenary deliberation in record time, on September 6, 2011, the earliest date that a post-Marcos Congress started full discussions on a proposed spending measure.

The plenary deliberations on the Appropriations Committee’s proposed 2012 proposed budget took nine session days, ending with the approval on second reading in mid-September 2017. This was a record, the earliest date that the lower house had passed the budget on second reading. In these sessions, members of the minority again raised what they believed to be an abdication by the majority of Congress’ power of the purse in favour of the Executive (Publication and Editorial Service, 2011a). The interpellations on the Department of Social Welfare and Development’s (DSWD) budget, specifically on the 4Ps, took the most time, spread over three session dates (Publication and Editorial Service, 2011b, 2011c, 2011d). In spite of the questions, the House approved the budget on third and final reading on October 11, 2011, with 198
affirmative votes, 26 against and a single abstention (Publication and Editorial Service, 2011e).

In the Senate deliberations on the proposed budget, the general concerns raised by less than a handful of the senators pertained to the same issue raised in the House: the power of the President vis-à-vis the budget. The first concern was on the Executive’s control of unprogrammed allotments for other branches of government (Manila Standard, 2011f). These funds, appropriated under the Miscellaneous Personnel Benefits Fund (MPBF), include allocations for unfilled positions in other branches of government: Congress, the judiciary, and other constitutional offices. In the proposed 2012 budget, MPBF funds amounted to around PHP 100 billion (Manila Standard, 2011b). Senate President Juan Ponce Enrile questioned the Executive’s control of such funds as he expressed the belief that Malacañang treated the fund as its own pork, while another senator, Joker Arroyo, claimed that the Executive’s disregard of the fiscal autonomy of the other branches of government may lead to a “constitutional crisis” (Manila Standard, 2011f).

Another issue raised in the Senate was on the underspending that occurred in the first half of 2011, combined with questions related to the DAP. Arguing that Aquino III failed to use the budget as a tool of national development because of underspending, Sen. Miriam Defensor-Santiago inquired as to how the Executive transferred PHP 72 billion to DAP without prior consultation with Congress (Publication and Editorial Service, 2011e, p. 553). In response, Finance Committee Chair Senator Frank Drilon said that the funds came from windfall dividends from government financial institutions and unused funds from the 2010 and 2011 budget (Publication and Editorial Service,
2011e, p. 553). Unlike in preceding administrations, as mentioned in the introduction to this chapter, Aquino III would benefit from a fiscal surplus as revenue generation improved from 2009. Nonetheless, Defensor-Santiago would reiterate the concern about underspending in the Senate deliberations of the proposed budget in subsequent years.

The final concern involved the Executive’s discretion on the release of PDAF funds. A member of the minority, Senator Pia Cayetano, lamented the denial by the Budget Department of a number of her PDAF proposed projects, despite the fact that these projects were aligned with the administration’s priorities (Senate Publications Bureau, 2011a, pp. 545-546). The final budget measure approved by the Senate on November 22 (with 18 voting for its passage and only a single negative vote) addressed only the issue of the MPBF. The Senate agreed to transfer the control of the fund to the respective branches and constitutional bodies (Senate Publications Bureau, 2011b).

The Bicameral Conference Committee (BCC) took less than a week to reconcile the House and Senate versions of the 2012 budget, and its report was ratified by each chamber on November 29, 2011. For the lower house, the BCC budget version was passed without any discussion (Publication and Editorial Service, 2011f). In the Senate, Senator Joker Arroyo manifested his objection to the budget, labelling the legislative measure as a case of “executive dictation, legislative abdication, and judicial submission” (Senate Publications Bureau, 2011c).

The 2012 budget was signed into law by Aquino III on December 15, 2011, the earliest date of enacting a budget among post-Marcos administrations. Specific to congressional pork, Aquino III vetoed a provision inserted by Congress that allowed
legislators to allot 10 percent of their PDAF for calamity assistance to their constituents. In his remarks, Aquino merely reiterated that PDAF is meant to “fund priority development projects of the legislative district not provided under the GAA” (“GAA 2012,” 2011). Similar to the 2011 budget, the public works section expanded with the identification of specific projects across the country’s legislative districts. This expansion suggests that legislators succeeded once more in including congressional earmarks in the public works allocation—yet another accommodation of particularistic concerns of legislators by the Executive.

As with the 2012 budget, the proposed 2013 budget sailed through Congress without much of a problem. Amounting to PHP 2.006 trillion, the 2013 proposed budget maintained the appropriation for PDAF at the 2012 level, or PHP 24.89 billion. As an election year budget, the lack of increase in the allocation for congressional pork may be puzzling, as legislators have in the past always demanded higher pork allocations to finance their projects in aid of re-election, as discussed in previous chapters. However, one should consider that under the Aquino III administration, as pointed out above, a larger proportion of congressional pork was released by the Executive (i.e., with relatively less favouritism) and additional accommodations were provided to legislators by way of the inclusion of their earmarked infrastructure projects in the public works line item budget—a practice that also obtained in prior administrations (as discussed in previous chapters). Owing to this, while the minority members of Congress would continue to raise questions on the proposed budget, the majority remained satisfied with the regular distribution of spoils. This helped carry the budget towards approval.
As in the first two budgets of the Aquino III administration, the largest allocation in the proposed 2013 budget was for social services, with a 53 percent share of proposed expenditures net of debt service (Manasan, 2013). The flagship program, the 4Ps, received a relatively smaller increase, an additional PHP 5 billion allocation from its 2012 budget. A new item, the Priority Social and Economic Projects Fund (PSEPF), was allocated PHP 22 billion for a range of expenditure items including local infrastructure, health facilities improvement, and “bottom-up budgeting” (BUB) projects.

The BuB had a total appropriation of PHP 8.647 billion in the proposed 2013 budget, the bulk of which were placed under various government departments, with close to a quarter (PHP 2.002 billion) put under the PSEPF. As a new program, the BuB aimed to involve ordinary citizens, civil society organizations, and local government officials in crafting local projects for national funding. It was viewed as an attempt to “sidestep clientelistic exchanges” between national and local politicians and “create ownership of proposed public policies among the local population” (Abad, 2014a, p. 53). In this regard, the BuB improves on prior presidential initiatives to disburse national government resources to local government units, such as the PACD under Magsaysay and Marcos, or the Kabisig under Corazon Aquino, by requiring the participation of local groups in the determination of projects to be financed by the national budget. Despite this change, however, the BuB was unfairly criticized as a “scheme for political consolidation” as the “biggest beneficiaries have been…favoured allies of the administration” (Diokno, 2014b, pp. 67; 72-75).

The proposed 2013 budget was overwhelmingly approved by the House on October 15, 2012, with 195 representatives voting in favour and six against. Like the
previous year, one of those who voted against the budget, Representative Orlando Fua, rationalized his vote as a protest against the “abdication of the prerogative and power of Congress to legislate,” objecting that in bottom-up budgeting the “Executive department” specifies “what projects are to be prioritized” (Publication and Editorial Service, 2012).

The Senate approved the budget on November 19, 2012 with a lone dissenter, Senator Joker Arroyo (Senate Publications Bureau, 2013a). In explaining his negative vote, Senator Arroyo criticized the budget as a mere photocopy of what was submitted by Malacañang and passed by the House, thereby giving the President the powers of budget-making rather than mere budget implementation. After the House and Senate versions were reconciled, Senator Arroyo would reiterate his objection, arguing that in view of the marginal changes introduced by Congress to the Executive-proposed budget, it would have been better if the “two Houses instead had a caucus with the Budget Department and agree on what the budget should be” (Senate Publications Bureau, 2012, 2013a).

With the nominal changes in the budget measure approved by Congress, relative to that proposed by the Palace, Aquino III signed the budget into law in late December 2012, transmitting to Congress an affirmation rather than the usual veto message as he did not veto any item in the budget. Thus, for three consecutive years, Aquino III would get his proposed spending measure passed by a continually supportive Congress. This latest budget came as members were gearing up for the forthcoming 2013 elections.

Aquino III retained majority legislative support after the 2013 elections. His coalition for the Senate race, Team PNoy (PNoy as an abbreviation of President Noynoy, the latter Aquino III’s nickname), composed of the LP, the Nationalist People’s
Coalition (NPC), the Nacionalista Party (NP), the *Laban ng Demokratikong Pilipino* (LDP), and the *Akbayan* Citizens’ Action Party, won 9 of the 12 seats in the Senate. In the elections to the House of Representatives, the coalition of parties comprising the House majority won close to 60 percent of the district seats (Presidential Communications Development and Strategic Planning Office, 2015, pp. 163-164). Sustaining majority support from Congress became a challenge, however, as Aquino III confronted a new pork barrel scandal beginning July 2013.

The 2013 scandal and pork’s retention

Scandals associated with pork barrelling are not new. In the post-Marcos period, the first major scandal occurred in 1996 (as discussed in Chapter 5) when a Congressman and a former Commission on Audit official revealed anomalies in the disbursement of congressional slush funds and earmarks. The 1996 scandal led then President Ramos to scale down the appropriations for congressional pork (then referred to as the Countrywide Development Fund) and require the publication of pork-supported projects before their implementation. The transparency requirement imposed from the 1997 budget was not, however, followed at all consistently in the disbursement of congressional pork in succeeding years.

The pork barrel scandal of 2013 related to abuses that dated back to the Arroyo years. It started when an employee of an NGO receiving PDAF funds exposed in mid-July 2013 how his organization had defrauded the government of some PHP 10 billion over the previous ten years (*Philippine Daily Inquirer*, 2013j). In his affidavit, employee Benhur Luy accused his boss, Janet Lim Napoles, of conspiring with government officials in rechannelling government funds into kickbacks for sponsoring legislators.
The officials ranged from legislators to heads of executive agencies, and the government monies were raided from the PDAF as well as from the fertilizer fund (as discussed in Chapter 7) and a substantial off-budget source known as the Malampaya fund (*Philippine Daily Inquirer*, 2013f).\(^{155}\)

Like whistle-blowers in previous scandals, Luis Chavit-Singson in the case of Estrada’s *jueteng-gate* and Jun Lozada on the NBN-ZTE anomaly during Arroyo’s term, Luy spilled the beans as a result of the harassment he received from his former boss. Luy claimed that he was detained by Napoles until he escaped in March 2013 (*Philippine Daily Inquirer*, 2013j). Moreover, Luy linked a number of incumbent senators to the scam, including former Senate President Juan Ponce Enrile, Ferdinand “Bongbong” Marcos, Ramon “Bong” Revilla, Gregorio “Gringo” Honasan, and acting Senate President Jinggoy Estrada (Requejo, 2013). Of these legislators, Enrile, Revilla and Estrada were subsequently charged with plunder and arrested.\(^{156}\)

This led to continuous media reports on the abuse and misuse of congressional pork, as well as demands aired by civil society groups, church leaders and even allied legislators to end pork barrelling (*Philippine Daily Inquirer*, 2013a). Despite all of this, Aquino III wavered. His initial response was to instruct the Department of Justice to conduct a full investigation of the allegations (*Philippine Daily Inquirer*, 2013d). This was followed by a statement from Aquino III’s Spokesperson, Edwin Lacierda, that only

\(^{155}\) The Malampaya fund, created in 1976 by former President Ferdinand Marcos, was an off-budget fund sourced from the government’s share of royalties, rentals and payments on the exploration, development, and exploitation of energy resources (Bureau of Treasury, 2013)

\(^{156}\) Revilla and Estrada were incarcerated in the Custodial Center of the Philippine National Police from late June 2014. Enrile was initially placed under hospital arrest in early July 2014 but was granted bail by the Supreme Court in mid-August 2015. The cases against the three remained pending until the end of the Aquino III administration.
Congress could end pork, stating that “the Executive proposes, the legislative disposes” and that “it's up to the legislature to decide on that because they hold the power of the purse” (Philippine Daily Inquirer, 2013h). Lacierda was clearly skirting the issue. The PDAF, after all, is an item included in the President’s proposed budget, and for this reason the President had every opportunity to take the lead in urging Congress to scrap the congressional slush fund. Instead, the Palace retained the PDAF in the proposed 2014 budget that was due for submission to Congress, with an allocation of PHP 25 billion (Diaz, 2013). At the same time, in the third week of July 2013, the Executive issued new guidelines to prevent future abuses in the disbursement of PDAF. The guidelines include the accreditation of non-governmental organizations by the DSWD, a more restrictive menu of items for which PDAF funds could be used, and limiting the number of implementing agencies (Philippine Daily Inquirer, 2013i). A number of these stricter measures were incorporated as special provisions in the PDAF in the proposed 2014 budget.

In his July 22, 2013 State of the Nation Address, delivered two weeks into the new scandal, Aquino III did not talk about the matter nor his stance on pork’s abolition. Instead, he defended himself from allegations that he was not taking resolute action on the issue:

On...PDAF.... Just because the critics are not aware of what we are doing, they assume that we are doing nothing about these issues. If government possesses no data and yet announces who it will investigate, does that not send a message to the suspects to just hide the evidence? This is why we go where the truth takes us. The evidence decides our path. (Aquino III, 2013a)
The latter statement is in stark contrast to the penchant of Aquino III to talk lengthily about alleged anomalies committed during his predecessor’s time in prior SONAs and in his other speeches.

More than a month after Luy exposed the alleged scheme between Napoles and legislators, the Commission on Audit (COA) released its special report on the disbursement of PDAF and VILP funds from 2007-2009 (as detailed in Chapter 8). The report confirmed the anomalous transactions in the release of congressional pork within the covered period. As discussed in Chapter 7, these anomalies include the participation of spurious NGOs in the implementation of PDAF projects and the fact that a number of the NGOs were selected on the sole basis of an endorsement by a sponsoring legislator. Despite the evidence included in the COA report, Aquino III remained silent on whether PDAF should be suspended or abolished.

Outraged by the findings of the COA and the indecisiveness of Aquino III on the call for an abolition of pork, citizens vented their frustration in social media, with one post calling for a #Millionpeoplemarch to be held on August 26, 2013 (Philippine Daily Inquirer, 2013b). The post went viral and the call for a million-people march drew support from a cross-section of people in social media: from private individuals to members of civil society groups supportive of Aquino to leaders of the Catholic Church to politicians allied with or opposed to the President covering the entire political spectrum. One of those who supported the million people march, former Environment Secretary Fulgencio “Jun” Factoran, a cabinet member in Corazon Aquino’s cabinet, explained Aquino’s III continuous resistance to the calls for the abolition of pork as driven by the need to have “carrots to dangle before uncooperative lawmakers”
To be fair to Aquino III, however, his wanting to retain pork is largely “rooted in the fact that there are no long-lived organizations (read: political parties) capable of formulating national agendas and defining national priorities” (De dios, 2014). Within the context of weak institutions, this dissertation argues, pork is necessary if presidents are to achieve their goals.

With additional pressure exerted on him, Aquino III decided on August 20, 2013 to suspend the release of PDAF funds until the official investigations on the irregularities of prior years was completed (Luci, Quismorio, Rosario, & Kabiling, 2013). Asked whether the planned #Millionpeoplemarch would change his position on the abolition of the pork, Aquino III remained non-committal and his statement reflected a disposition to keep PDAF in place:

> Will it [the anti-pork barrel protest] change [my position]? I listen to various opinions. Of course, we want to perfect the system. Let’s just be reminded that all this [misuse of PDAF] happened during the previous administration, which, compared to us, had a different policy” (Philippine Daily Inquirer, 2013c)

The day after giving this response, Aquino III declared in a nationwide broadcast (with the leaders of both houses of Congress stoically standing on his side) that “it is time to abolish PDAF” (Aquino III, 2013b). In lieu of PDAF, Aquino III boasted about the creation of a “new mechanism to address the needs” of constituents and sectors “in a manner that is transparent, methodical, and rational, and not susceptible to abuse or corruption” (Aquino III, 2013b). This mechanism that Aquino III referred to did abolish PDAF, the congressional slush fund. However, it did not end the practice of pork barrelling. In lieu of a slush fund, Aquino III allowed legislators to include earmarks in the proposed 2014 budget, a practice that dates back to administrations from the
American colonial to the post-Marcos period (as discussed in previous chapters). The belated decision to do away with PDAF and the inclusion of earmarks in the 2014 budget indicates Aquino III’s unwillingness to give up what was the primary tool to sustain legislative support for his initiatives—congressional pork.

On August 26, 2013, the #Millionpeoplemarch was held at the grandstand of the historic Rizal Park in Manila. With an estimated attendance ranging from 75,000 to 400,000, the protest that called for the abolition of the pork barrel was replicated in other places in the Philippines and abroad and continued to be waged online (Corrales, 2013; Go, 2013). Though the expected turnout of a million people was not met, the event was the biggest anti-pork protest that drew participants of varied political persuasions. While the protest against the pork barrel continued in the succeeding weeks, three petitions that sought to declare the pork barrel unconstitutional were filed from late August 2013.

New jurisprudence on congressional pork

On September 10, 2013, the Supreme Court decided to consolidate the three petitions submitted and issued a temporary restraining order that prohibited any further release of the congressional pork by the Executive. Less than three months after the SC received the petitions, the Court decided, on November 19, 2013, to declare the congressional pork, PDAF, as unconstitutional. In its decision, the SC provided a definition of the pork barrel system as involving:

two (2) kinds of lump-sum discretionary funds: First, there is the Congressional Pork Barrel which is herein defined as a kind of lump-sum, discretionary fund wherein legislators, either individually or collectively organized into committees, are able to effectively control certain aspects of the fund’s utilization through various post-enactment measures and/or practices. In particular, petitioners consider the PDAF, as it appears under the 2013 GAA, as Congressional Pork Barrel since it is, inter alia, a post-enactment measure that allows individual legislators to wield a collective
Second, there is the Presidential Pork Barrel which is herein defined as a kind of lump-sum, discretionary fund which allows the President to determine the manner of its utilization. For reasons earlier stated the Court shall delimit the use of such term to refer only to the Malampaya Funds and the Presidential Social Fund (Perlas-Bernabe, 2013, p. 35).

In its ruling, the SC abandoned its decision on an earlier case, a 1994 ruling (as discussed in Chapter 5) wherein the Court declared that the congressional pork, then known as the Countrywide Development Fund (CDF), was constitutional. In declaring PDAF unconstitutional, the SC emphasized that there is an inherent defect in the argument that congressional pork “makes equal the unequal” by way of bestowing the legislators who are purported to be knowledgeable about the needs of their respective constituents the power to prioritize projects that are overlooked by central government agencies (Perlas-Bernabe, 2013, p. 55). Instead, the SC underscored that:

the gauge of PDAF and CDF allocation/division is based solely on the fact of office, without taking into account the specific interests and peculiarities of the district the legislator represents…As a result, a district representative of a highly-urbanized metropolis gets the same amount of funding as a district of a far-flung rural province which would be relatively underdeveloped compared to the former….what rouses greater scrutiny is that even Senators and Party-List representatives—and in some years, even the Vice-President—who do not represent any locality, receive funding from the Congressional pork barrel as well (Perlas-Bernabe, 2013, p. 55).

While Aquino III wavered on the retention of the PDAF and later assented to the transformation of the slush fund into earmarks, the members of the SC were unanimous in ruling that the slush fund violated the principle of separation of powers as it allowed legislators to be involved in budget execution (Perlas-Bernabe, 2013). In his concurring opinion, Associate Justice Mario Victor Leonen emphasized that “nowhere is public trust so important than in the management and use of the finances of government” (Leonen, 2013, p. 22).
Post-PDAF pork in the 2014 budget

In reaction to the earlier step taken by Aquino III to strengthen controls in the disbursement of PDAF, for the remainder of 2013 and in the proposed 2014 budget, several members of the lower house threatened to re-organize the House leadership as the 16th Congress was convened on July 22, 2013. The move was unsuccessful as Speaker Belmonte retained the leadership of the House with 224 of its members re-electing him. Nonetheless, the new minority leader, Representative Ronaldo Zamora of San Juan, echoed the concerns of members of the minority, and even those belonging to the majority (Publication and Editorial Service, 2013a). Zamora, together with more than 60 other new and returning representatives, warned the President in late July 2013 that unless modifications are made on the new guidelines for PDAF release, the representatives would scrutinize every line-item in the budget (Manila Standard, 2013b).

With Aquino III emphasizing that the new mechanism would ensure responsiveness to the needs of constituents and sectors, the Palace and Congress developed a plan to redistribute the PHP 25.24 billion that had been allocated for PDAF in the proposed 2014 budget.

The so-called new mechanism essentially meant that the total amount initially proposed for PDAF would be distributed to the different line departments—with each legislator retaining their annual allotment. To ensure that legislators would obtain the

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157 Zamora edged out Leyte Congressman Ferdinand Martin Romualdez for the minority post by a margin of 19 to 16 votes (Publication and Editorial Service, 2013a, p. 27). One of the reasons reported for Zamora’s election as minority leader was that he was supported by Aquino III and Belmonte, leading critics to call the new minority as a “minoirity” (Manila Standard, 2013a).
same allocation, the heads of the Appropriations and Finance committee of the House and Senate, respectively, requested legislators to submit a list of projects that they wanted to include in the budgets of the line departments. Senate Finance Committee Chair Francis “Chiz” Escudero recalled that senators were asked to submit their proposed projects sometime in mid-November 2013, during the period of committee deliberations of the 2014 budget, with the ceiling set at PHP 200 million, the annual allocation for senators in the abolished PDAF (Escudero, 2014). House Appropriations Committee Chair Isidro Ungab summarized the House redistribution of the PDAF allocation to various line departments as follows:

- For higher education scholarships under the Commission on Higher Education (CHED): PHP 2.669 billion
- For basic education assistance under the Department of Education (DepEd): PHP 1.022 billion
- For health care assistance under the Department of Health (DOH): PHP 3.69 billion
- For social welfare assistance under DSWD: PHP 4.713 billion
- For employment services under the Department of Labor and Employment (DOLE): PHP 3.691 billion
- For public infrastructure under DPWH: PHP 9.64 billion (Publication and Editorial Service, 2013b, p. 8)

Reacting to Representative Ungab’s presentation, ACT party-list representative Antonio Tinio pointed out that rechannelled allotments, while indeed abolishing PDAF, still constituted a retention of congressional pork as earmarks (Publication and Editorial Service, 2013b, p. 15). In the ensuing exchange between the two legislators, Tinio’s assertion would be validated as Ungab admitted that the specific items to be included in the final budget of the line agencies, funded by the re-channelled allotments, were based on individual amendments submitted by members of Congress (Publication and Editorial Service, 2013b, pp. 16-18).
In the sessions devoted to reviewing the proposed budget of the agencies that received the re-channelled PDAF funds, there were specific queries on the manner of disbursement of the funds that were previously allotted for soft projects under the PDAF. Questions were raised with respect to the PDAF funds rechannelled to CHED (Publication and Editorial Service, 2013c, pp. 62-63) and the Department of Health (Publication and Editorial Service, 2013e). In the case of CHED, its final budget of PHP 6.941 billion was more than double the amount initially proposed by the President for the agency. This increase largely reflected the re-alignment of a portion of PDAF funds to the CHED budget, for scholarships as well as support for capital outlays of state universities and colleges. The sponsoring legislators insisted that the guidelines would ensure that their constituents could avail of the funds that have been re-aligned. Rep. Amado Bagatsing of Manila echoed the particularistic demands on legislators:

Ang tanong po sa akin ng aking mga constituents (The question of my constituents) and I think, I speak for all, most of the Members of this House: “Papaano na kami ngayon, Congressman? Nasanay kami na mga mahihirap, na pumupunta sa mga hangganan ng mga Congressmen sapagkat sila’y nasa aming distrito lamang. Papaano na kami ngayon na nagda-dialysis, nagkichemotherapy, humihingi ng maintenance ng gamot? Biglang may mga emergency. Saan kami, Congressman, pupunta ngayon? Wala na kayong PDAF. Hindi ba ang tawag sa inyo ay Representante?”
Kako tama. “Di ba kayo’y dapat kumatawan sa amin, sa ating distrito?” Iyan po ang tanong sa akin. Tama po kayo (What will happen to us now, Congressman? We who are poor have become accustomed to going to the offices of our Congressmen because they are just in our district. How will we now get support for our dialysis, chemotherapy, maintenance medicines? In case of emergencies, where will we now go, Congressman? You have no more PDAF. Are you not called our Representative? That is correct. Are you not supposed to represent us, in our district? Those are the questions to me. They are right). In other words, we are called Representatives and we represent a respective district. We should see to it that our individual district will get its share of the national wealth or of the budget. So, since wala na kaming PDAF (we don’t have PDAF), we really have to see to it that in this budget for 2014, hindi naman na-aagrabyado ang aming distrito sa hatian ng kaban ng bayan (our district would not be disadvantaged in the

While there were questions raised on the disbursement of re-aligned PDAF funds previously allocated for soft projects, the discussion on the re-aligned funds for hard projects, mainly to the DPWH, was extremely short. The period of interpellation was quickly ended when the minority leader did not raise any questions and moved for the termination of the period of debate (Publication and Editorial Service, 2013d, pp. 45-46). The swift assent to the DPWH budget signifies that legislators were satisfied with the inclusion of their projects in the new PHP 7.3 billion item under the DPWH budget, the Regional and Local Infrastructure Program (RLIP). The RLIP was not included in the executive-proposed budget, but was later inserted as a program after the re-alignment of the funds from the abolished PDAF. In essence, congressional pork previously coursed through a slush fund was redeployed through earmarks in the regular budget.

More specifically, the RLIP resurrected the variant of congressional slush funds in the previous Estrada and Arroyo administration, the VILP, which had under Aquino been merged into the PDAF program. In a Senate hearing on the budget, Budget Secretary Abad confirmed that each congressional district was allocated PHP 24.5 million for local infrastructure projects. With their old PDAF now redeployed as earmarks, the proposed 2014 budget was passed by the House on third and final reading on October 22, 2013, with 223 votes in favour and 24 votes against (Publication and Editorial Service, 2013f).

On the part of the Senate, in its plenary deliberations in mid-November 2013, Finance Committee Chair Francis “Chiz” Escudero explained that PHP 3.2 billion was
cut from the proposed budget and this “represents the foregone pork barrel of a total of 15 senators and the Vice President who have decided to heed the clamour of the people on the abolition of their PHP 200 million PDAF allocation in the 2014 General Appropriations Act” (Senate Publications Bureau, 2013b, p. 603). In the final plenary session to discuss the proposed 2014 budget, all the senators agreed to cut their PDAF (Senate Publications Bureau, 2013c).

However, the record of this session shows in fact that only twelve completely gave up their prior PDAF share. The remaining twelve senators submitted amendments to the proposed 2014 budget—amendments that involved allocations for projects that were previously covered by PDAF funds. In the case of Senator Nancy Binay, her approved amendments involved a total appropriation of PHP 300 million—all for housing programs, an appropriation exceeding her prior PDAF annual ceiling by PHP 100 million. Senators Alan Peter Cayetano’s and Pia Cayetano’s proposed amendments also surpassed the previous PDAF ceiling inasmuch as they had already committed to transfer their PDAF to the calamity fund but added PHP 200 million and PHP 56.4 million appropriations, respectively, for expenditure items that were allotted for projects previously rostered in the abolished PDAF. The amendments of five senators (Jinggoy Estrada, Ramon “Bong” Revilla, Manuel Lapid, Antonio Trillanes, and Manuel Villar) covered appropriations that were either exactly PHP 200 million or proximate to this limit of prior PDAF allocation.

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158 These senators are: Aquino, Drilon, Defensor Santiago, Enrile, Ejercito, Escudero, Honasan, Legarda, Marcos, Osmeña, Poe, and Recto.

159 Alan Cayetano inserted PHP 100 million for the upgrade the national police crime laboratory and PHP 100 million for small enterprise financing. His sister Pia Cayetano added PHP 56.4 million for various capital outlays of her alma mater, the University of the Philippines.
With the individual amendments approved, the 2014 budget was passed unanimously by the 16 members of the Senate present in the last plenary session held on November 26, 2013. With only minor changes introduced by the House contingent in the BCC, the Senate ratified the reconciled budget on December 11, 2013. The lower house overwhelmingly ratified the BCC report on the same date. The approval by a majority of the house members was expected as they were able to retain the re-distributed PDAF as earmarks with the allotments for soft components going to five departments (DOH, DSWD, DoLE, CHED and DepEd) and the hard projects included in the congressionally initiated Regional and Local Infrastructure Program (RLIP) inserted into the budget of the DPWH. The 2014 budget was signed into law by Aquino III on December 27, 2013. Even as he possessed extensive line-item veto authority, Aquino III did not veto any of the items that Congress introduced to secure their share of the pork.

This demonstrates that Aquino III accepted the “new mechanism” that legislators crafted to retain their share of pork, the necessity of which had already been mandated by the landmark November 19, 2013 decision of the Supreme Court discussed above. This required further refinement in the following year’s budget deliberations, as we shall see. And by the middle of 2014, fundamental budget reform was again advanced by a second landmark Supreme Court decision striking down the DAP.

The Court’s decision on impoundment and augmentation

As discussed in previous chapters, the President, based on the 1987 Constitution and the 1987 Administrative Code, has the power to put funds on reserve and subsequently deploy these funds to finance other projects in the authorized budget.
While prior post-Marcos presidents employed these powers without being questioned in the Supreme Court (SC), Aquino III had to defend his exercise of such prerogative when the constitutionality of the program he established in 2011, the Disbursement Acceleration Program (DAP), was raised to the High Court.

The DAP became controversial when a senator, Jinggoy Ejercito Estrada, revealed in a privilege speech on September 25, 2013, that he, along with other senators, received an additional PHP 50 million as an “incentive” for voting in favour of the conviction of impeached Chief Justice Renato Corona. Estrada’s privilege speech was his attempt at defending himself from charges of having misused and pocketed his congressional pork allocation from 2007 to 2009.

Nine petitions questioning the constitutionality of DAP were filed from October 7, 2013 to November 8, 2013. On July 1, 2014, the SC ruled on the petitions and unanimously declared as unconstitutional the Executive’s practice of treating unutilized appropriations as “savings” even before the end of the fiscal year, and then transferring these funds across branches of government. In the wake of the ruling, therefore, any “savings” from appropriations for Executive programs could no longer be used to fund programs of the judiciary, Congress and other constitutional offices (Bersamin, 2014). In his separate concurring opinion, Senior Associate Justice Antonio Carpio captured the Court’s decision more dramatically:

> the President under the DAP…*usurps the power of the purse of Congress, making Congress inutile and a surplusage*. It is surprising that the majority in the Senate and the House of Representatives support the DAP…when these Executive acts actually castrate the power of the purse of Congress. *This Court cannot allow a castration of a vital part of the checks-and-balances enshrined in the Constitution*, even if the branch adversely affected suicidally consents to it (Carpio, 2014, p. 27, emphasis added)
Though Carpio is correct in pointing out the extra-ordinary budgetary power of the President, he fails to recognize the reality that members of Congress actually care little about their institutional prerogatives as long as they have access to patronage and pork for their districts. Nonetheless, in declaring the DAP as partly unconstitutional, the SC effectively limited the power of the President in budget execution, restricting the decisions of the Chief Executive to the parameters set forth by Congress, providing due recognition to the latter’s power of the purse. In essence, the SC performed what the President and legislators did not succeed in pushing through, namely a basic reform in the country’s public financial management system. Ironically, the SC decision censured Aquino III, who as a senator in 2009 pushed back against the over-reach of the prior President in budget execution when he unsuccessfully proposed a Budget Impoundment Control Act. Finally, the SC’s decision re-affirms a precedent laid down by the high court in 1953 (as discussed in Chapter 3). In that decision, the Supreme Court underscored the separation of powers doctrine by striking down President Quirino’s effort to invoke emergency powers to disburse public works funds without congressional assent.

The adverse high court decisions led some groups to call for Aquino III’s impeachment, a call that was immediately quashed by Speaker Belmonte who asserted that Aquino III acted in “good faith” and “with sincere intentions” (Romero & Diaz, 2014). Belmonte’s view immediately drew support from others in the lower house, and the combined pro-Aquino blocs were readily able to ward off any attempt to impeach the President (Philippine Daily Inquirer, 2014). Despite the support from Belmonte and leaders of House blocs, three impeachment complaints were filed against Aquino on
alleged culpable violation of the Constitution via the DAP (de la Cruz & Fernandez, 2014; Diaz, 2014a; Manila Standard, 2014b). These impeachment complaints against Aquino, though found sufficient in form (Diaz, 2014b), were subsequently dismissed by 54 of the 58 members of the Justice Committee present in its second meeting (De la Cruz, 2014). The proponents of the third impeachment complaint denounced the Justice Committee’s decision and questioned the propriety of a number of members of the Committee who did not desist from participating in the meetings, despite being recipients of DAP funds (Manila Standard, 2014a). The quick dismissal of the impeachment complaints against Aquino III is reminiscent of the actions taken by the majority during Arroyo’s time to prevent any impeachment case from proceeding, as discussed in Chapter 7. Though the charges against Aquino III do not come close to the grave offenses allegedly committed by Arroyo (e.g., electoral fraud in 2004 and misuse of government funds for electoral purposes in the fertilizer fund scam), he was nonetheless relieved from being impeached by pork-satiated legislators.

The SC decision nonetheless affected the Aquino III administration. Budget Secretary Butch Abad was pilloried by Aquino III’s critics, some of whom conflated the PDAF scandal that involved transactions prior to his administration with the DAP controversy. The two adverse SC decisions, on PDAF and DAP, seriously questioned Aquino III’s zeal to free the budgetary process from the particularism of congressional pork and quasi-pork.

While Aquino III would later file a motion for the Supreme Court to reconsider its decision on the DAP, the immediate step taken by the Palace was to include in the proposed PHP 2.6 trillion 2015 budget a re-definition of savings that would enable the
Executive, if need be, to re-align funds from projects that have not been implemented. The specific provision inserted by Aquino III’s economic managers in the proposed 2015 budget was an expanded definition of savings and augmentation that they believed would be in consonance with the SC’s decision. Compared to the counterpart provision in budgets of earlier years, the proposed provision (Section 67) on savings and augmentation in the 2015 budget included two other sources of savings, namely: programs, activities, or projects (PAP) discontinued or abandoned for justifiable causes at any time during the validity of the appropriations; and, PAP that do not commence within the first semester of the fiscal year unless the implementing agency obligates an allotment within the first semester or shows that the PAP could be implemented within the fiscal year. As explained in his budget message, Aquino III claims that this definition of savings is in keeping with the proposal to limit the validity of appropriations for one year only and to compel departments to spend their budgets or “lose it” (Department of Budget and Management, 2014b, p. 14). The inclusion of these new sources of savings provided the President an additional legal basis to re-align funds within his control without violating the SC’s decision on DAP. More importantly, this new definition of savings retained the President’s impoundment and augmentation pork.

Aside from the new provision on savings, the proposed 2015 budget expanded the BuB program—renamed as the Grassroots Participatory Budgeting Process (GPBP)—to cover more local government units (1,633 in 2015 from 595 in 2014) and

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160 The Supreme Court would reaffirm its decision on the DAP in a final ruling promulgated on February 1, 2015.
with a budget exceeding PHP 20 billion (from PHP 8 billion in 2014). For the fifth straight budget, the proposed funding for Aquino III’s flagship program, 4Ps, also increased, albeit marginally with an allocation of PHP 64 billion compared to the 2014 appropriation of PHP 62 billion. Both the BuB/GPBP and the 4Ps have been repeatedly, though incorrectly, labelled as presidential dole-out by critics of Aquino III.

With respect to congressional pork, the proposed 2015 budget followed the practice in 2014 wherein funds that were initially allotted for PDAF were incorporated as earmarks in the budgets of various implementing agencies (e.g., DoH, DSWD, DoLE, CHED). What is striking in the proposed 2015 budget as compared to the previous year’s budget is the roughly 250 percent increase in the budget for the Local Infrastructure Program (LIP), previously labelled as Regional and Local Infrastructure Program (RLIP). As mentioned earlier, PDAF appropriations for hard projects were transferred to the RLIP in the 2014 budget. While the RLIP had a total allocation of just PHP 7.3 billion in 2014, the proposed LIP appropriation for 2015 was PHP 18.639 billion. Given the difficulty that legislators had in ensuring that they get a fair share of the funds distributed to departments that were to implement their erstwhile “soft projects” (e.g. DoH, DoLE, CHED), the increased appropriation in the LIP suggests a shift in preference in the distribution of congressional pork, from soft to hard projects. A member of the minority, ACT party-list Representative Tinio, claimed that each representative had a PHP 95 million congressional pork allocation in the proposed 2015 budget, more than two thirds (PHP 63 million) of which was under the DPWH LIP (Publication and Editorial Service, 2014a, p. 46).
With regard to the proposed definition of savings, questions were raised by legislators in both chambers on the leeway extended to the President in the new definition, inasmuch as the proposal allows the Chief Executive to declare as savings funds initially allotted for any project that is “discontinued or abandoned for justifiable cause at any time” (Publication and Editorial Service, 2014a, pp. 19-22). The final definition of savings in the House-approved version of the 2015 budget still provided very substantial elbow room for the President.\textsuperscript{161} Despite this, however, 198 members of the House, content that their pork had been secured, approved the House version of the 2015 budget on October 29, 2015, with only 19 negative votes. A dissenter, Bayan Muna party-list Representative Carlos Zarate, echoed the view of the minority that Congress once again had abdicated its power of the purse to the President as he pointed out:

\begin{quote}
\textit{hindi demokrasya ang pinapairal natin dito kundi isang fiscal dictatorship. Ang masama pa, ang Kongreso mismo ang nagbibigay ng kapangyarihan sa Pangulo upang palawigin ang kanyang fiscal dictatorship (it is fiscal dictatorship and not democracy that governs us. Worse, Congress itself is the one that gives the President more powers to sustain this fiscal dictatorship).}
\end{quote}

\cite{Publication and Editorial Service, 2014b, p. 24}

The points raised in the House against the proposed 2015 budget were also raised in the Senate. In a privilege speech, Senator Miriam Defensor-Santiago argued that the proposed 2015 budget retained unconstitutional provisions. In particular, she cited two key issues: the special provision on savings and the maintenance of congressional pork, albeit via earmarks (Senate Publications Bureau, 2014a, pp. 589-

\textsuperscript{161} While the House qualified that abandonment or discontinuance of PAPs can only be done as a result of natural or man-made calamities, it maintained the provision that savings could come from PAPs that do not commence, given that the implementing agencies failed to obligate funds within the first semester of the year.
As regards the former, Defensor-Santiago urged her colleagues in the upper house to change the special provision defining savings as she asserted that unless Congress prevents the President from exercising the power to arbitrarily declare savings, then legislators would be left holding the “power of the coin purse” (Senate Publications Bureau, 2014a, p. 592). To address the concern raised by Defensor-Santiago and other senators, the Senate agreed to a stricter definition of savings that limited the discretion of executive agencies in declaring such. The Senate’s amendment to the special provision in savings was subsequently adopted, *in toto*, in the final budget act.\(^{162}\)

With respect to congressional pork, Defensor-Santiago claimed that the proposed 2015 budget had PHP 37.3 billion worth of congressional pork, and revealed that such amount came as a result of priority projects proposed by legislators who were requested to provide their list of projects prior to the finalization of the proposed budget (Senate Publications Bureau, 2014a, p. 591). In reply to Defensor-Santiago’s query as regards the significant increase in the LIP, the DPWH budget item that accommodates the “hard projects” of legislators, Finance Committee Chair Escudero stated that this was due to the ceiling given by the Budget department and “the magnitude of various request from various proponents” (Senate Publications Bureau, 2014a, p. 609). His reference to the latter presumably referred to earmarks submitted by fellow senators and lower house legislators. Notwithstanding the already substantial increase in the LIP,

\(^{162}\) With a slight modification, the 2015 General Appropriations Act’s definition of savings stuck with the Senate’s definition that limited the discontinuance or abandonment of PAPs to causes that are not attributable to the implementing agency and specified that programmed appropriations that have not been released or allotments that are not obligated due to the fault of the agency concerned shall not be considered as savings.
the Senate agreed to an additional PHP 1.7 billion increase in the DPWH budget during
the period of consideration of individual and committee amendments (Senate
Publications Bureau, 2014b, p. 682).

The Senate passed the budget on the November 26, 2014, with all thirteen of the
members present approving the measure. The budget was signed into law by Aquino III
on December 23, 2014. Despite the changes that Congress effected on the final budget,
specifically the larger LIP and the stricter definition of savings, Aquino III did not veto
these changes. On the latter, Aquino III simply tasked the DBM to issue the rules and
regulations consistent with how Congress had defined savings.

Homestretch: A new crisis and the final budget

With the impeachment cases filed against him quickly dismissed and a spending
package in support of his programs enacted by Congress—on time and thus with no
delayed enactment for the fifth consecutive year—it appeared at the start of 2015 that
Aquino III would coast through the final year and half of his term. However, a very
unfortunate event in Mindanao on January 24-25, 2015 was to have a significant effect
on the dynamics between the President and Congress. This incident in Mamasapano,
Maguindanao involved the tragic death of 44 police special action forces, a handful of
civilians, and 18 combatants belonging to the Moro Islamic Liberation Front (de Jesus &
de Jesus, 2016). The deaths resulted from an operation approved by Aquino III for the
police to pursue a wanted terrorist, Zulkifli Bin Hir. The strategy was planned with
Aquino III sometime in early January 2015, with Aquino III designating the suspended
chief of the Philippine National Police, Alan Purisima, to coordinate the operations (de
Jesus & de Jesus, 2016).
Soon after the incident, both chambers of Congress started separate inquiries. Though the draft committee report (Poe, 2015) of the Senate did not hold Aquino III directly accountable for the tragic consequences of the operations, the biggest casualty of the Mamasapano incident was an abrupt loss of momentum to one of the President’s main goals: concluding the peace agreement between the government and the Moro Islamic Liberation Front through the enactment of the Bangsamoro Basic Law (BBL). While Aquino III would push for the passage of the BBL in his July 2015 State of the Nation Address, describing the pending measure as “most important” and demanding from those who oppose the law to “suggest more meaningful measures” (Aquino III, 2015), the call did not gather support in Congress.

Distinct from Congress’s cold response to Aquino III’s appeal to pass the BBL, Aquino III would obtain congressional assent for the proposed 2016 budget before the start of the next fiscal year. Thus, Aquino III goes down on record as the only post-Marcos President to have a perfect record of budget enactments before the new fiscal year. This record, though, was materially assisted by the usual stimulus, the retention of congressional pork in the budget. As with the budgets of 2014 and 2015, congressional pork was incorporated into the budgets of several departments, with the largest chunk under the DPWH’s Local Infrastructure Program (LIP). While the Executive proposed an allocation for the LIP of PHP 7.882 billion, the amount ultimately appropriated for the program was PHP 10.128 billion. This increase once again came by way of additional projects submitted by legislators in the process of budget deliberation.

The deliberations on the proposed 2016 budget in both house of Congress involved the minority raising virtually the same issues brought up in prior years: the
existence of huge appropriations that they believed to be under the control of the President and the maintenance of pork, albeit as congressional earmarks, in the budget. As in previous years, though, the budget, as proposed by the President, was passed by Congress with the changes in the LIP, as discussed above. In the lower house, the 2016 budget was passed in late October 2015 with 229 members voting in favour and 19 against (Publication and Editorial Service, 2015a). All that the minority could do was to explain their dissent. One member of the minority, Party-list Representative Terry Ridon, explained his negative vote by claiming that the 2016 budget has its own set of 4Ps, “Pang-pork barrel; Pang bayad ng utang, Panuhol sa eleksyon, at Pang puhunan ng malalaking negosyante” (for the Pork barrel, for Payment of debts, election-related bribes/incentives, and capital for big business) (Publication and Editorial Service, 2015a, p. 84, emphasis added).

In the Senate, there was also no significant opposition to the proposed budget as several members of the chamber simply submitted their own individual amendments in support of their favoured projects to the Chair of the Finance Committee (Senate Publications Bureau, 2015a). Notwithstanding the observation of Senator Defensor-Santiago that the budget is “littered with lump-sum appropriations” and her reiterated criticism that the Aquino III administration continues to commit “epic underspending” (Senate Publications Bureau, 2015a, pp. 675-676), 14 senators voted for the passage of the budget in late November 2015 (Senate Publications Bureau, 2015a). Only Senator Aquilino “Koko” Pimentel voted against the measure, as he questioned the
sizeable increase in the budget of the office of the Vice President Jejomar Binay (Senate Publications Bureau, 2015a, pp. 685-686).\textsuperscript{163}

The Bicameral Conference Committee (BCC) reconciled version of the 2016 budget was ratified without any discussion in the Senate and the House in mid-December 2015 (Publication and Editorial Service, 2015b; Senate Publications Bureau, 2015b). The 2016 budget was signed into law by Aquino III on December 29, 2015. In his message to Congress, Aquino III thanked the members of the legislature for passing the measure on time, claiming that in doing so, Congress ends “the previous regime of frequent budget re-enactments, which resulted in unbridled presidential discretion and convoluted budget execution” (General Appropriations Act 2016, 2015, p. 814).

\textbf{The road to perdition is paved with good intentions}

Aquino III was correct. He left an indelible record of working with Congress to ensure that all of his budgets were passed before the start of the new fiscal year. By enacting each budget before the start of the fiscal year, Aquino III did not enjoy \textit{blank check particularism}—in stark contrast to his predecessor Arroyo (as discussed in Chapters 7 and 8). However, enacting budgets is but one side of the coin, the other side being the attainment of desired outcomes of spending. On the positive side, the budgets of Aquino III did give much emphasis to social spending. From year to year, the budget for social services increased, with Aquino III expanding a program, the 4Ps, that allowed him to fulfil one part of the campaign promise, to reduce poverty, albeit inter-

\textsuperscript{163} Pimentel’s objection may plausibly be due to his tiff with Vice President Binay. At the time of the enactment of the 2016 budget, Binay was one of the main contenders for the 2016 presidential race and was the subject of a Senate investigation on alleged unexplained wealth. Pimentel was part of the Senate committee that conducted the investigation.
generationally. Unfairly criticized as a dole-out, the 4Ps has proven its capacity to begin to achieve its goals, even if further refinements would be warranted (Reyes, Tabuga, Mina, & Asis, 2015). And given its use of objective measures to determine eligibility for cash transfers, it can be classified as programmatic rather than particularistic spending.

With respect to the first part of his campaign slogan, fighting corruption, Aquino III did institute a number of administrative reforms in the public financial system—reforms that are beyond the scope of this dissertation. In sum, however, Aquino III’s most prominent anti-corruption initiative involved the zealous pursuit of two persons—the Ombudsman and the Chief Justice of the Supreme Court—who he believed hindered his campaign to go after the predators of the previous administration. To remove these two officials, Aquino III expended considerable capital, political and material, the former derived from significant public approval and trust, the latter through different variants of pork employed to court favourable congressional support: congressional slush funds, earmarks, and impoundment and augmentation pork through the DAP. By late 2013 and 2014, respectively, both the slush funds and the DAP had been ruled unconstitutional by the Supreme Court.

Compared to the capital he devoted to get rid of these officials, Aquino III did not apply the same resources in pushing for substantive institutional reforms, particularly an end to the pork barrel system. The administrative reforms in the disbursement of congressional pork and the preparation and implementation of the budget under Aquino III were dwarfed by the reforms imposed by the Supreme Court. In the end, despite good intentions, Aquino III bequeathed to his successor the same system that he had

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164 These reforms are discussed by Budget Secretary Abad in (Abad, 2014a).
inherited—a system where, in the absence of strong parties and an effective bureaucracy, the President’s achievement of important goals depends critically on doling out pork to legislators.
CHAPTER 10 CONCLUSION

This dissertation departs from most previous studies of the pork barrel by focusing on the motivations of the President, who in the Philippine context is the primary dispenser of particularistic resources. It has been motivated by answering the question of why Philippine presidents depend so heavily upon particularistic bargains with other politicians. The question is prompted by a presumption offered by a leading comparativist, Matthew Shugart. As discussed in Chapter 1, Shugart argues that presidentialism confers significant powers on the president and there are “certain highly stratified societies with vast regional disparities in which presidentialism is actually likely to perform better” (1999, p. 54) than parliamentarism in the delivery of collective goods provisions. Shugart lays down the expectation that presidents with strong powers—reactive, proactive, and gate-keeping—can curb the particularistic tendencies of other national politicians as well as sub-national politicians. Contrary to the argument of Shugart, however, this dissertation shows that Philippine presidents in the post-Marcos period have encouraged and satisfied the particularistic tendencies of lower level politicians. Indeed, they depend upon the dispensing of particularism as the most important part of their toolkit of presidential power.

The pork barrel comes in many forms. Philippine national legislators have been able to avail of congressional pork in quantities significantly larger in the Philippines compared to other countries. Even as slush funds have recently been ruled unconstitutional, the practice of earmarks (budget insertions) continues unabated. It is even more striking that post-Marcos Philippine presidents themselves have engaged in particularistic spending through their own pork barrel programs, which I refer to as presidential pork and quasi-pork. Here, the beneficiaries are not
only national legislators, but also very importantly subnational politicians. In effect, these forms of pork enable presidents to exchange favours with governors and mayors and bolster their strength in the provinces.

As I argued in earlier chapters, the level of presidential particularism in the Philippines is a way to compensate for the weakness of two institutions: political parties and the bureaucracy. While this dissertation has not engaged in systematic comparative analysis, we can hypothesize that in presidential systems with similarly feeble political parties and bureaucracies, one should expect the same tendencies of presidents to rely on particularism. In such systems, we would anticipate budgetary powers—as in the Philippines—to be the most effective instrument in the president’s toolkit for building and sustaining a legislative coalition, as well as for courting the support of sub-national politicians.

By presidential toolkit, I draw, as discussed in Chapter 1, from a recent approach that elaborates on the building of governmental coalitions in presidential systems. In several studies, scholars of coalitional presidentialism argue that presidentialism in multi-party systems can work like parliamentarism as presidents employ various tools to build a coalition (Chaisty et al., 2014, 2015; Power, 2010). The five elements of a “presidential toolbox” are legislative powers, partisan powers, cabinet allocation, budgetary powers, and exchange of favours (Chaisty et al., 2015, pp. 6-7).

In examining presidents from the Commonwealth to the post-Marcos administration, I argue that Philippine presidents establish and sustain coalitions chiefly through the use of *budgetary powers* and, by extension, through the *exchange of favours*. In the absence of strong parties, Philippine presidents are deprived of the *partisan powers* enjoyed by Chief Executives in other countries that
have relatively stronger parties. The weakness of political parties also deprives Philippine presidents of the cabinet allocation tool. There were presidents that built coalitions employing this tool, bringing in members of various political formations to their cabinet: Magsaysay after 1954, Macapagal after 1961, Aquino after 1986, and Arroyo after 2001. All these attempts at coalition building, however, proved to be short-lived. With respect to the remaining tool, legislative powers, Philippine presidents do indeed continue to be first movers in legislation. It is the Executive that prepares the budget, and, in the case of post-Marcos administrations, certifies as urgent bills to be passed by Congress. But, as is discussed across previous chapters, these powers are of little value unless they are accompanied by pork to lubricate the legislative machine.

Almost a century of pork barrelling

The Philippines is distinctive not only in the quantity of pork that greases its political system but also the longevity of the practice. Pork barrelling dates back to the early 1920s, with the implementation of a pork-laden Public Works Act (PWA). Of the three types of pork or particularism discussed in Chapter 1, the first type—congressional pork, specifically the congressional slush fund (CSF)—has been sustained by all administrations. Compared to other countries where legislators enjoy the CSF, as pointed out in Chapter 1, the CSF of Philippine legislators is large, supplemented by congressional earmarks (CE). With their budgetary powers, Philippine presidents decide on the release of the CSF/CE.

The study reveals that congressional pork is generally the least substantial of three major types of pork, the other two of which—presidential pork and quasi-pork—are directly controlled and dispensed by the presidents. As a percentage of total new appropriations for each fiscal year from 1990 to 2013, the congressional slush fund
component of congressional pork was just, on average, over two percent of total new appropriations (Figure 4).

*Figure 4 Congressional Slush Fund as Percentage of New Appropriations, 1990-2013, nominal values in PHP*

The second type of pork is presidential pork. As discussed in Chapter 1, by presidential pork this study refers to resources included in the budget or funded through other sources of revenue that were, until the Supreme Court (SC) decision of 2014 on the Disbursement Acceleration Program (as discussed in Chapter 9), sourced from special funds. As such, the two categories of presidential pork are presidential project-based appropriated pork (PPAP), where funds are allocated by the annual budget, or presidential project-based off-budget pork (PPOP), when the funding is sourced outside the annual budget. As sources of particularistic spending,
the aggregate value of PPOP is smaller than the total CSF or CE allocated to legislators in post-Marcos administrations.

For post-Marcos presidents, presidential pork—specifically the appropriated form (PPAP)—has enabled them to distribute patronage resources to sub-national politicians, as one way of exchanging favours. Like two pre-martial law predecessors, Magsaysay and Marcos, post-Marcos presidents Estrada and Arroyo provided additional funds to sub-national politicians in order to expand their political base. The latter came even in a period when local government politicians already had their “automatic” share of national government revenues through the Internal Revenue Allotment of the 1991 Local Government Code.

The extensive budgetary power of Philippine presidents, from the Commonwealth to the post-Marcos period, is also indicated by their prerogative to withhold the disbursement of and realign appropriated funds. This prerogative, as discussed in Chapter 1, was included through a specific provision in the pre-martial law annual budgets that set a ceiling for fund transfers that the president could effect. Under martial law, the reserve and augmentation powers were enshrined in a Presidential Decree (PD 1177). These powers were retained in the 1987 Administrative Code (Executive Order No. 292 or EO292) that was issued by Corazon Aquino, as discussed in Chapter 4. The reserve power of the President and the prerogative to declare unspent funds as savings and re-align these to other projects produce the first type of quasi-pork, the impoundment and augmentation pork (IAP). In terms of size, the amount that post-Marcos presidents withheld and transferred ranged from a low of 3 percent to a high of 25 percent, significantly bigger than the amounts appropriated for congressional pork (as slush funds and earmarks).
The second sub-type of quasi-pork—blank check particularism (BCP)—can be rooted in an old standing rule that applies to the annual budget. Since 1902, the failure of the legislative assembly to pass the budget for the new fiscal year automatically results in the re-enactment of the prior fiscal year’s appropriation. Across Philippine history, however, a fully re-enacted budget only occurred under one president, Gloria Macapagal Arroyo, and within her nine-year presidency not only once but thrice. As discussed in Chapters 1, 7, and 8, a re-enacted budget allows the president to disburse the total funds for new appropriations in the previous fiscal year without the parameters for spending provided in the previous year’s budget. For this reason, BCP puts extraordinarily large sums under the sole control of the President; in Arroyo’s three re-enacted budgets (for fiscal years 2001, 2004, and 2006), over PHP 600 billion per year were hers to disburse.

The diversity of particularism

Figure 4 shows the evolution of particularistic programs in the Philippines since pork barrelling started in 1922. The figure reflects the reality that despite the strong constitutional powers of the president after the 1986 democratic transition, Philippine presidents have depended upon rather than curbed particularism. This is contrary to Shugart’s main assertion that presidents with strong powers should be expected to reduce particularism. In reality, as demonstrated in the variations over time in particularism, Philippine presidents have frequently relied upon new forms of particularism.

As Figure 5 reveals, the types of particularism in the post-Marcos period are more diverse than those that obtained from the American colonial to the martial law period. As discussed in Chapters 4 to 9, post-Marcos presidents not only retained congressional pork (slush funds and earmarks), but all had also had presidential
project-based pork off-budget, mainly through the President’s Social Fund (PSF). With the exception of Corazon Aquino, the remaining four post-Marcos presidents (i.e., Ramos, Estrada, Arroyo, and Aquino III) secured budgetary funds for presidential project-based appropriated pork. These programs included the Poverty Alleviation Fund and Pole-vaulting Fund of Ramos, the Local Government Service Equalization Fund (LGSEF) of Estrada, and the Kilos Asenso Support Fund (KASF) of Arroyo. These funds were meant to court support for the executive from sub-national politicians.

More than presidential pork, all post-Marcos presidents invoked, albeit in varying degrees and for different purposes, the power of the President to put funds on reserve and augment expenditure items from these reserves, which are subsequently classified as savings. As discussed in Chapter 3, the President’s power to transfer funds started in the post-war period. Among post-Marcos presidents, all but one (i.e., Corazon Aquino, 1986-1992) employed the impoundment and augmentation pork by putting a portion of the budget on reserve. These funds were then re-aligned to other expenditure items, so as to endow legislators with additional funds in exchange for their support of measures deemed important by the president.

Finally, as Figure 5 shows, and as mentioned earlier, Gloria Macapagal Arroyo has the sole distinction of exercising blank check particularism. This came by way of the re-enactment of three budgets within her term (2001, 2004, and 2006). With these re-enacted budgets, Arroyo was able to disburse funds to support political allies in the 2001 midterm elections, to help her own presidential bid in the 2004 elections, and to sustain congressional support when she was faced with impeachment cases each year from 2005 until 2008.
**Figure 5 Philippine presidential particularism across time: 1922-2016**

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<th>American Colonial</th>
<th>Commonwealth</th>
<th>Post-War</th>
<th>Post-Marcos</th>
<th>Various Congressional Insertions</th>
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<td>Support for Local Development Program (1983-1986)</td>
<td>Visayas Development Fund/ Mindanao Development Fund/ Inter-regional Development Fund (CDF; 1988-1990; 1990-1992)</td>
<td>CDF; PWA (1995-1998); School Building Program (SBP)</td>
<td>Food Support Program (FSP); School Building Program (SBP); Lingap para sa Mahirap; Rural-Urban Development Infrastructure Program Fund – 1999; Priority Development Assistance Fund (PDAF) and Various Infrastructure and Local Projects (VILP) 2000</td>
<td>PDAF / VILP/Other programs</td>
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<td>Public Works Acts (PWA)</td>
<td>Note: Shifts from slush funds to earmarks (and vice versa, in specific years; no PWA during the Japanese occupation)</td>
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<td>Earmarks</td>
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<td>PACD; Barrio Fund</td>
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**Note:** Some annual budgets contained a provision that allowed president to transfer funds.
Figure 5, however, does not capture other notable changes in the disbursement of pork in post-Marcos administrations. As mentioned in Chapter 5, Ramos in 1994 allowed for the disbursement of the congressional slush fund to finance livelihood projects of qualified beneficiaries. Thus, while congressional pork in prior years was exclusively used to deliver club goods, or what Hutchcroft (2014b) refers to as meso-particularistic goods, from 1994 onward legislators were allowed to use their pork to deliver micro-particularistic benefits to their individual constituents.

The necessity of coalition building: Varied motivations for particularism

All post-Marcos presidents have engaged in particularism to build and sustain legislative coalitions. In the pre-martial law period (1946-72), most presidents enjoyed the support of their party-mates, who held a majority of the seats in Congress. Post-Marcos presidents, in contrast, have had to deal with a multiplicity of parties in the legislature.\(^{165}\) As discussed in Chapter 1, using the index of coalitional necessity, the legislators allied to the president at the time of his/her election constitute but a minority. Within weeks, however, legislators belonging to the other parties gravitate towards the president, either by entering into an alliance with his/her party or altogether shifting allegiance to the president’s party.

The primary reason for joining the majority coalition is the president’s control of patronage resources, particularly congressional pork. Whether in the form of slush funds or earmarks, legislators generally viewed this pork as critical to their re-election

\(^{165}\) As discussed in Chapter 3, Macapagal (1961-65) and Marcos (1965-1972) faced a lower house controlled by the opposition party at the start of their term, but subsequently found a way—that is, chiefly through pork—to court members of this party to shift allegiance and join the new majority supportive of their administration.
bids. With a plurality of a public of the opinion that a legislator’s primary task is to implement projects, as discussed in Chapter 1, representatives strive to fulfil this expectation by constantly demanding the release of their congressional pork, especially as elections are approaching. The pressure to release their funds has been relatively more persistent in the post-Marcos period as the term of office, specifically of lower house members, is shorter—three years as compared to four years in the pre-martial law period.

The multiplicity of parties that constitute the majority coalition, as well as the shorter electoral cycle in the post-Marcos period, contributed to a heightened importance of congressional pork releases across each of the post-Marcos administrations. Compared to pre-martial law administrations, post-Marcos presidents were more efficient in the release of congressional pork. As discussed in Chapter 3, for a selected period in post-war administrations, 1955 to 1968, less than a third of congressional pork in the Public Works Act was obligated or released. While one might initially suspect that the lower proportion of release of congressional pork in pre-martial law administrations was due to fiscal difficulties that they confronted, the fact is that most post-Marcos presidents—with the exception of Aquino III—also faced the same condition. Despite fiscal constraints, all post-Marcos presidents released a sizeable portion of the congressional slush fund, with a low of 50 percent (in 1998, a transition year between Ramos and Estrada) to a high of 100 percent (in 2007, a mid-term election year in Arroyo’s second term). On the average, post-Marcos presidents disbursed close to 90 percent of the congressional slush funds from 1987 to 2013. This
figure is remarkable especially since all administrations (from 1986 until 2010) faced serious fiscal difficulties.

Routine versus strategic particularism

In general, as mentioned in Chapter 1, presidential particularism can be categorized as either routine or strategic. By routine, I refer to the decisions of presidents to continue to provide the congressional pork that legislators regard as their entitlement. The retention of this pork allows the president to build a legislative coalition. Among the five post-Marcos presidents examined in this dissertation, Corazon Aquino (1986-1992; see Chapter 4) and Joseph Estrada (1998-2001, see Chapter 6) can be regarded as engaging in particularism in a routine fashion. Both merely assented to the inclusion of congressional pork in the annual budgets within their term, given the persistent demands of legislators of such entitlement. While Estrada vowed to abolish pork, he failed to fulfil this campaign promise. Moreover, Aquino and Estrada had a more routine approach to particularism inasmuch as the two did not have a clear legislative agenda. While Estrada tried to release congressional slush funds in 2000 to stave off an impeachment complaint against him, the belated release of these funds alongside his limited and selective distribution of pork during the first two years of his presidency rendered such releases inutile in convincing legislators to stay within his coalition.

The three other post-Marcos presidential administrations examined in this dissertation were relatively more strategic in their particularism. By this I mean they employed a larger variety of particularism to induce legislators, as well as sub-national politicians, to act on measures that were deemed urgent or important by the president.
This is especially apparent in looking at the strategic deployment of pork by Fidel V. Ramos (1992-1998), Gloria Macapagal Arroyo (2001-2010), and Benigno S. Aquino III (2010-2016). For Ramos, as discussed in Chapter 5, releases of congressional pork pushed legislators to enact an unpopular tax measure in 1994-1995. Legislators succumbed to Ramos’ pressure inasmuch as the amount of earmarks to be released was significant and the timing of the release was auspicious, coming close to an election year, when legislators were especially keen to deliver projects to their constituents. He further used pork to push through important measures of economic reform.

Arroyo was able to achieve several objectives through the strategic disbursement of different types of pork (as discussed in Chapters 7 and 8). In her initial three years in office, from 2001 to 2004, the regular release of congressional slush funds allowed Arroyo to maintain majority support from Congress amidst serious challenges to her legitimacy as president (given the extra-constitutional means of her assumption of the Chief Executive position). In the latter two years of this period, Arroyo employed impoundment and augmentation pork and blank check particularism to finance programs that were meant to shore up her image and provide additional funds to legislators and local politicians, all in support of her presidential campaign—as she alone of all the post-Marcos presidents campaigned for office as an incumbent. After her re-election in 2004, Arroyo weaponized pork, releasing congressional pork and other resources to legislators who quashed several impeachment complaints filed against her from 2005 to 2008. Through impoundment and augmentation pork and
blank check particularism in 2006, Arroyo assembled enormous resources that she
gave to legislators and local politicians to secure her political survival.

For Aquino III, as discussed in Chapter 9, congressional slush fund releases
were supplemented by additional funds from the Disbursement Acceleration Program
(DAP)—a scheme set in place as an economic stimulus, but which also provided large
quantities of impoundment and augmentation pork. These two types of pork secured
congressional support for two impeachments—first of the Ombudsman (who
subsequently resigned in 2011), and later of the Chief Justice of the Supreme Court
(who was convicted by the Senate in mid-2012). Throughout his administration, the
regular release of the congressional slush fund and, from 2014, the retention of
congressional pork via earmarks, enabled Aquino III to ensure the timely passage of the
annual budgets.

In sum, each of these three presidents used pork for strategic goals: for Ramos,
revenue enhancement and economic reforms; for Arroyo, political survival; and for
Aquino III, the removal of adversaries whom he believed to be obstacles to his thrust of
good governance. While the legislators acceded to each of these president's demands,
the two chambers displayed divergent pork preferences.

Grinding pork in the legislative mill

As discussed in Chapter 2, while the president plays a dominant role in the
budgetary process, from its preparation to execution, legislators do get to introduce a
number of changes in the proposed budget. Some, particularly the more industrious
types, could even get their projects financed at the stage of budget preparation.
At the budget deliberation stage, legislators can introduce changes that alter the amounts allotted to particularistic items in the budget, from congressional slush funds to earmarks. This is especially the case for those who have key positions in each chamber as well as the two important committees: the Appropriations Committee in the lower house and the Finance Committee in the Senate.

Across post-Marcos administrations, congressional deliberations have seen legislators inserting their projects into the proposed budget as earmarks. Under Ramos, Estrada, and Arroyo, legislators even succeeded in increasing the allocation of the slush fund (e.g., the Countrywide Development Fund under Ramos and the Priority Development Assistance Fund from Estrada to Arroyo). That all three presidents assented to the increases in congressional pork introduced in Congress further affirms the argument in this dissertation that rather than reducing particularism, Philippine presidents have depended on such practices, chiefly but not exclusively, to secure legislative support for their ends.

There have been numerous episodes, however, when the two chambers of Congress wrangled over budgetary matters, or more specifically, the size of their pork. To deliver projects to their smaller constituencies, members of the lower house constantly bat for the increase of the slush fund. On occasions when the senators grandstand before an enraged public due to anomalies/scandals associated with the congressional pork barrel, the lower house representatives argue that their pork is meant to augment funding for the distinct needs of their constituents. On the other hand, senators—in view of their broad national constituencies—insert in the proposed budget large sums for programs that they could claim credit for in their eventual re-
election or as they bid for higher office. As these insertions are challenged by lower house representatives, senators rationalize their budgetary amendments. At one point, in 1993, the Chair of Senate’s Finance Committee defended their insertions by calling Senate pork “good cholesterol” versus the House’s “bad cholesterol”.

Eventually, for most of the post-Marcos years, the two houses settled their difference with regard to their slices of pork. As discussed in Chapter 2, representatives from the two chambers to the Bicameral Conference Committee (BCC) would agree on a compromise measure that secured their slush funds and insertions. In some years, the reconciled budget bill even included additional amendments, i.e., new insertions, introduced in the BCC by representatives of each chamber. These changes were not deliberated upon further nor scrutinised in each house when the reconciled measure was submitted for ratification. It is thus not surprising that the BCC is often referred to as “the third House of Congress.”

Despite changes in the Executive-proposed budget, no post-Marcos president has ever vetoed an entire budget. All, however, have exercised their line-item veto on particular elements of the Congress-approved budget. Very notably, moreover, none of these presidents ever rejected the expenditure items that provided slush funds or earmarks for legislators. Alongside the four types of presidential pork noted above, this further testifies to the reality that Philippine presidents—contrary to what Shugart expected—have actively encouraged particularism. Moreover, only one president, Joseph Estrada, vetoed a provision that required prior congressional consultation in the

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166 The two houses failed to agree on a reconciled budget in 2001, 2004, and 2006. For the last two (2004 and 2006), it is recognized that the lower house took the position of President Arroyo on the proposed budget (as discussed in Chapters 7 and 8). Eventually, Arroyo benefited from blank check particularism given the re-enactment of the budgets for these two years.
disbursement of the congressional slush fund—a decision that proved to be detrimental when he was faced with an impeachment complaint in 2000.

As elaborated on in previous chapters, Congress is able to effect changes in the appropriations for its slush funds and earmarks by way of reducing the amount allocated for debt servicing. Given that all post-Marcos presidents vetoed reductions in debt servicing without rejecting the insertions of Congress, all administrations faced an even greater fiscal burden since the total appropriation would exceed the original amount proposed by the president. Thus, in executing the budget, the president, faced with a fiscal challenge, exercised the prerogative to withhold the release of a portion of the budget as provided by the 1987 Administrative Code. In invoking this power, four presidents (Ramos, Estrada, Arroyo and Aquino III) employed impoundment and augmentation pork as a means to exchange favours with legislators and sub-national politicians.

Throughout the history of pork barrelling in the Philippines, presidents, invoking their budget execution powers, have also had the upper hand in deciding on the distribution of congressional pork—some more selectively than others. With respect to congressional pork, legislators from the post-war to the post-Marcos period have lamented the bias of the President in releasing their slush fund; one legislator, in the late 1940s, spoke of pork as the president’s “prize for the faithful” (Manila Bulletin, 1949a). From the post-war to the post-Marcos period, a number of presidents have also weaponized pork. One early post-independence instance when pork was used as a carrot (for those who are loyal to the president) or a stick (for those who are opposed to the president) was in the late 1940s under President Quirino. He rewarded party-mates
who stuck to him when the Liberal Party was split, and deprived those who did not. In addition, he provided resources to members of the opposition Nacionalista Party who supported his proposed public works measure. Two presidents in the post-Marcos period, as mentioned earlier, used pork as a weapon to ensure political survival (Arroyo) or secure congressional support to impeach adversaries (Aquino III).

Philippine particularism in comparative context

As I noted in the introduction of this dissertation, pork barrelling is ubiquitous, and practiced across many countries regardless of regime type. Compared to other countries, however, particularism in the Philippines is practiced on a markedly larger scale. First, as reiterated above, one variant of congressional pork, the slush fund, is much larger than the amounts allotted in several other countries. Second, as heuristically captured in Figure 1 (Chapter 1), the congressional slush is dwarfed by other pork-barrel resources, specifically the quasi-pork that the president controls.

With respect to diversity, unlike pork in other countries that essentially consist of congressional pork, chiefly as collective goods (Engstrom & Vanberg, 2010; Ferejohn, 1974; Scheiner, 2005; Stokes et al., 2013), pork in post-Marcos Philippines has been dispensed in micro-particularistic ways, benefitting individuals through programs that include scholarship, livelihood assistance, and hospital expense support.

Distinct to presidents in other countries, the Philippine president relies almost exclusively on budgetary powers to build and sustain a legislative coalition. In other countries with a presidential system and with multiple parties in the legislature, cabinet allocation is viewed as the most effective tool to ensure discipline among coalition partners (Chaisty et al., 2015, p. 2; 7). This is not the case in the Philippines.
As I argued in the previous chapters, pork barrelling specifically, or particularism in general, is central in Philippine politics, given the weakness of political parties and bureaucracies. Among countries that adopt a presidential system, the Philippines scores lowest on a host of measures of party strength/cohesion using comparative indicators, such as those provided by Coppedge et.al. (2017). Relative to countries such as Argentina, Brazil, Chile, Costa Rica, Ecuador, Indonesia, Mexico, and Venezuela, the Philippines had the lowest scores on legislative party cohesion, party linkages, and distinct party platforms. The weakness of parties in the Philippines deprives the president of coalitional building tools, partisan powers, and also, as mentioned in previous chapters, renders as immaterial the cabinet allocation tool.

Despite their penchant for particularism and their dependence on legislative coalitions that they build and sustain through pork, Philippine presidents are strong given their extraordinary budget powers. As noted by scholars that have studied Brazilian presidents, the Chief Executive should not be regarded as “pure hostages of adverse political conditions generated by a fragmented environment” as “they have some choices as they engage in coalition management” (Pereira, Bertholini, & Raile, 2016). These choices are clearly manifested by the variants of particularism that post-Marcos presidents deployed within their administration, all to meet their distinct goals, either for political survival or reform. As asserted earlier, one should expect that in presidential systems with similarly weak political institutions (specifically political parties and bureaucracies), there will be similar tendencies of presidents to rely on particularism.
Pork barrelling will persist in the Philippines, notwithstanding two landmark decisions of the Supreme Court (elaborated in Chapter 9): the first in 2013 that declares as unconstitutional congressional slush funds and the involvement of legislators in budget execution; and the second in 2014 that clips the power of the president to declare savings and re-align funds to other expenditure items beyond the Executive branch and those provided by the authorized budget. This is evidenced by the way that the congressional slush fund was redistributed as earmarks in all budgets since 2014 (to conform to the 2013 SC decision) and the redefinition of savings in the budgets of 2014 onwards (to comply with the 2014 SC decision). Until a cure is found and applied to fortify two weak institutions, political parties and the bureaucracy, Philippine presidents will engage in and depend upon particularism in order to achieve their goals.
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