

Philippines Presidential Polls: Economic Recovery at Stake

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There is a lot at stake in the Philippines' 2022 presidential polls, especially where the economy is concerned. The new president faces the formidable challenge of putting the economy on a steady course to recovery.

The Philippines' GDP grew by [5.6 per cent](#) in 2021 — beating the government target — and is expected to return to pre-pandemic levels in the first quarter of 2022. But the long-term scars of the pandemic run deep. Whether the economy rebounds will depend on the economic policies of the candidates running for the nation's top job this year.

Despite the cheerier GDP growth figure for 2021, the economy remains in a parlous state. The government's planning agency estimates that the pandemic's total economic cost in the next 40 years or so will amount to a whopping [41.4 trillion](#) pesos. At the same time, leading economic think tanks have projected that among all ASEAN countries the Philippines — given its heavy dependence on travel and tourism, two sectors hardest hit by the pandemic — will [deviate the most](#) from its long-run GDP trend.

Besides accelerating economic recovery, arguably more pivotal is the need to change the economic policies of the present leadership, whose faulty, unfocused policies on both the economic and health fronts have contributed to the Philippines' worst economic crisis since the dictator Ferdinand Marcos's Martial Law in the 1970s and 1980s.

While vast swaths of the economy managed to reopen in 2021, the number of unemployed Filipinos as of October 2021 was still high at [3.5 million](#), nearly 50 per cent higher than pre-pandemic levels. Thousands of businesses have also shut down temporarily or permanently, and some of Manila's sprawling malls — emblematic of the country's consumption-driven economy— are still eerily empty. Meanwhile, [nearly 4 million](#) more families were considered poor from 2018 to 2021, undoing the record decline of poverty experienced between 2015 and 2018.

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To this day, key pillars of the pandemic response — testing, tracing, and treatment — remain unsatisfactory. Although [52.7 per cent](#) of Filipinos have been vaccinated as of end-January 2022, this falls short of the government's original 70 per cent target by end-2021.

President Rodrigo Duterte's pandemic managers have also insisted on policies like requiring face shields and plastic barriers without offering sound scientific arguments for them. The policies have caused a great deal of confusion not just among citizens but even law enforcement agents themselves. Meanwhile, Duterte's economic managers have repeatedly rushed to reopen sectors of

the economy in the absence of more robust disease surveillance and response systems.

The national government has also [failed to recalibrate its budgets](#) to reflect pandemic priorities. The 2021 and 2022 national budgets were ‘[business-as-usual](#)’ budgets that failed to boost health response and economic aid funds. By contrast, in the run-up to the 2022 elections, the government chose to ramp up its budgets for hard infrastructure projects and anti-insurgency efforts.

The current presidential frontrunners have not been found wanting when it comes to touting economic policies. But it remains to be seen whether their policies will gain traction among voters.

Being a former top cop, Senator Panfilo Lacson has adopted a [war rhetoric](#) in presenting his platforms. But he stands out as the only major candidate who consistently brings up the need for budget reform, having made a name as a ‘fiscaliser’ in the Senate for years. Sure, budget priorities are especially relevant in the pandemic, and what with the implementation of a [landmark Supreme Court decision](#) on local government financing starting this year. However, budget reform has not been a popular election issue before — and there’s little reason to believe it will be so this year.

As for Senator Manny Pacquiao, the famous boxer, his lack of knowledge in economics and government has shown him up as a policy lightweight. Of late he has taken to emphasising the need to ramp up [non-tax government revenue sources](#) to fund much-needed projects. However, he is light on the details of how to do this — as with his other proposed policies.

Manila Mayor Isko Moreno has been called ‘[Duterte Lite](#)’ for crafting a public image that hews closely to that of President Rodrigo Duterte. Indeed, Moreno says he is more than willing to continue and improve many of Duterte’s pet projects, like the infrastructure push called Build, Build, Build and the drug war. But several analysts have pointed out that the country needs to veer away from big-scale and car-centric infrastructure projects, as well as Duterte’s obsession with drug supply interdiction.

Recent surveys suggest that the 2022 polls will largely be a rematch between Vice President Leni Robredo and former senator Ferdinand Marcos Jr. (whom Robredo beat in the 2016 vice presidential race).

Leading polls by a huge margin, Marcos Jr. has recently [drawn a lot flak](#) for avoiding some of the biggest presidential interviews and fora in past weeks and affording voters little opportunity to scrutinise his take on top issues of the day. In the few events he did attend, Marcos emphasised the need to revitalise the economy, but like Pacquiao he is short on details. Marcos Jr.’s rhetoric of economic resurgence, leaning heavily on his dictator father’s mythical image and achievements, is also ironic given that the [economic crisis](#) caused by his father’s regime is still the country’s worst since World War II, even after considering the pandemic.

Finally, Vice President Robredo, who graduated from the University of the Philippines School of Economics and became an erstwhile economics professor herself, laid down her vision as early as November 2021. Her [solid economic recovery plan](#) — centred on a beefed up pandemic response, an unemployment insurance programme, educational assistance for students and cash aid for citizens — has underscored her relatively stronger command of the policies needed to bring the economy back up to speed. So sound is Robredo’s plan for the economy’s recovery that more than 160 of the country’s leading economists have [expressed their full support for her candidacy](#). But, lacking Marcos Jr.’s extensive machinery, the challenge for Robredo is to send across her messages to as broad an audience as possible.

At any rate, the pace of the Philippine economy’s recovery hangs in the balance and relies entirely

on how wisely Filipino voters will choose their next set of leaders in May. Historically, personal charisma and popularity have helped presidential candidates land the nation's top job. Amid the lingering pandemic, however, it would do the country well if voters were to pay more attention to the candidates' economic manifestos.

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