



“Consolidated” Democracy?: Persistence of elite and money politics in the Philippines and Indonesia

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Abstract: More than a decade after the Philippines’ momentous People Power Revolution, Indonesia followed suit. Following the fall of their dictators, the Philippines and Indonesia were expected to reconstruct their old political systems patterned after autocratic rules. Soon both countries navigated their respective democratic routes, In contrast, reality illustrates continuity of elite capture and money politics. Grounded on the assumptions of the transition paradigm, analysis and illustration of the two-pronged democracy of the Philippines and Indonesia establishes a “new brand” of the consolidation of democracy. Through critical analysis of particular phases of history, from the time of the traditional elites down to the fall of the dictators, emergence and consolidation of money politics and elite democracy in the Philippines and Indonesia were clearly manifested. Culture and moral appeal were also found to be legitimizing factors of the “consolidation” of the Philippine and Indonesian brand of democracy.

Keywords: Philippines; Indonesia; democracy; transition paradigm; Southeast Asian politics

1. INTRODUCTION

On February 22nd 1986, the late Cardinal Sin, spoke to the Filipinos, calling everyone to march to Epifanio de los Santos Avenue as symbol of protest against the iron-clad rule of Ferdinand Marcos. Three days after the broadcast request of Cardinal Sin, the dictator of over 20 years left for Hawaii, bringing with them amassed wealth, gold bars, diamonds and wads of cash.

More than a decade after the momentous people power revolution of the Philippines, Indonesia follow suit. Three months after the mass fury initiated by student protesters, then Indonesian President Suharto announced his resignation in a televised ceremony. Indonesia’s dictator for over three decades also apologized for his mistakes, however, keeping mum of what he has committed.

Following the fall of their dictators, the Philippines and Indonesia were expected to reconstruct the political system encouraged by their



former leaders. In contrast, reality illustrates continuity of elite capture and money politics. Hence, challenging the notion of the consolidation of democracy- last step in the three tier process of democratization or the transition paradigm. States "moving away" from autocratic regime are seen transitioning to full-liberal democracy. However, states often get stuck somewhere in the process. This episode, as claimed by Carothers (2002) is the "state of normality" (p.18), which is illustrated in the experience of Indonesia and the Philippines. Despite holding of elections, other characteristics and features of a liberal democracy may be neglected. And in some cases, intentionally ignored by the powerful few.

2. METHODOLOGY

Historical analysis, through review of literature on the critical periods of the evolution of politics in both the Philippines and Indonesia reveal that elite and money politics has been the dominating feature of the respective countries' political system. Elite and money politics has been shaping the political environment and outcomes since the period of colonization by the Americans of the Philippines and the Dutch of Indonesia. Today, both states continue to face challenges posed by the old and enduring political domination of "traditional elites and local strongmen" (Migdal 1988 as cited in Sidel 1997). Hence, this paper's argument of a "consolidated" democracy.

Given the irony of the persistence of elite and money politics in countries deemed "democratic", it is necessary to look into the factors that encourage and allow consolidation of the two-pronged democracy in the Philippines and Indonesia. Thus, this study aims to answer the following questions:

What are the realities of democracy in Indonesia and the Philippines?

What has been the role of elites in the state building of the Philippines and Indonesia?

How was elite rule and money politics "consolidated" in the Philippines and Indonesia?

What do these cases tell us about democratization and the transition paradigm?

3. DISCUSSION

3.1 THEORETICAL FOUNDATIONS: DEFINING DEMOCRACY

Perhaps the most common concept associated with democracy is the holding of elections, specifically, one that is fair honest and regularly held. Huntington (1991, in Friedman, 1999), further elaborated by arguing for a competitive and inclusive elections. The 1986 snap elections in the Philippines were confidently allowed by Marcos knowing that his party has taken care of everything (Calimbahin, 2010). Recent case of fraudulent elections was Arroyo's 2004 victory, won with the help of then Commission on Elections commissioner, Vigrilio Garcillano. And as for the case of Indonesia, although elections were regularly held during the Suharto regime, his party, Golkar dominated throughout the period. Moreover, the 2004 elections marked the first time for Indonesians to directly vote for their president and vice-president (Jakartaglobe.com).

From these cases, it can immediately be observed that what is thought to be the "first step" to democratization, as initiated by the West, is problematic and insufficient to necessitate transition to full-liberal democracy. Thus, presence of elections in the Philippines and Indonesia is not reflective of their realities. Bello (2004), argued that due to the persistent and "terminal" EDSA system, the inability to adopt structural change, the Philippine state remained to be anti-development. Similarly, Robison and Hadiz (2004), characterized Indonesia's "authoritarian liberalism" to be a (un)stable relationship between the state power and social interests, particularly that of politico business oligarchs (p. 5).



The following sections will be an inquiry into the evolution of the relationship of the state and the elites.

3.2 TRACING ELITE DEMOCRACY IN THE HISTORY OF THE PHILIPPINES AND INDONESIA

Traditional Elite Democracy

Direct class rule by the landed elites and oligarchs, which according to Sidel (1997), as “unique to Southeast Asia” (p.949) can actually be traced back to the 19th century nascent bourgeoisie. Beeson (2002), explained that the challenges faced by Southeast Asian countries related to the bureaucratic style of government is actually rooted from the intrusion of colonial states. Since then, major key players of both the political and economic sphere have often been the same faces and names.

Anderson (2009), branded the elites as the identifying characteristic of the Philippine politics; thus, “cacique democracy”. Elites, the landed and engaged in commerce and trade, reached the economic pedestal during the time of Spanish colonization and consolidated their political base during the time of the Americans. Polarization of the elites from the majority of the populace was encouraged by the introduction and institutionalization of the “gift of democracy”: elections. In 1907, the Americans introduced the concept of Congress to the Philippine government system, encouraging the emergence of political dynasties. Through the national oligarchy, the Americans were able to satisfy their own interests. In hopes of eternal perpetuation of their dominion, politico-economic elites initiated wholesale fraud during the 1949 and the 1951 elections. More so, the Commission on Elections, which supposedly was an autonomous entity of the state, was attacked for its alleged impartiality and puppeteering by then president (Calimbahin, 2010). This supreme and stable rule by the oligarchs continued until implementation of the Martial law. Years 1954-1972

were considered as the “heyday of cacique democracy” (Anderson, 2009, p. 206).

While it were the Americans who allowed and perpetuated elite rule in the Philippines, for the case of Indonesia, it was the Dutch. Divide and conquer strategy by the Dutch was made successful by the indigenous aristocratic class, the priyayi (Funston, 2001). Originally, the priyayi are the officials or helpers of the Javanese Kings and their descendants and friends (Waworuntu, 2012). The concept and heritage of the priyayi was politicized however, during the rule of the Dutch. In lieu with their aim to reform Indonesia, the Dutch implemented the Ethical policy which encouraged economic development and the participation of the locals in administrative affairs (Luong, 2012). Primary beneficiaries of the changes born out of the Ethical Policy were the priyayi. Since then, identifying feature of Indonesia’s aristocratic class was no longer their noble blood but their involvement in civil service; more specifically, Javanese elites working for the Dutch. Bupati, elites as referred to by the Dutch, became puppets for extracting profit from the mass. Both enjoyed benefits of prestige and power.

Elite Democracy and Money Politics During the time of Marcos and Suharto

As discussed, prior to the reign of Marcos, the Philippine political system has continued to suffer from patrimonial practices encouraged by the new breed of elites: politico-business. The economically rooted dominant class was able to easily control the state through the Congress. Some directly ruled by holding seats in office. And for the case of Indonesia, after their independence from the Japanese, the country fell under Sukarno’s “guided democracy”. Or in reality, pursuit of vested interest, clothed by the projection of the “common good”, as alternative to the flawed promises of the Western liberalist thought.



Similarly, both countries were facing threats of communism, thus the “need” for the New Society (martial law) in the Philippines and the New Order in Indonesia. Paramourcy and ruling system of both Marcos and Suharto were characterized by patrimonial relations (Case, 2003). Not only was there an intimate relation between the economic and the political, but also the bureaucratic and military elites contributed to the short-lived success of Marcos and Suharto.

Suspension of democracy was supported by the elites for have already eyed and managed control of resources and positions in the bureaucracies. Landlords opposing the land reforms had the favor in their way since Marcos needed them as mediators to the patrimonial system he has established (Tadem and Morada, 2006). This was even coupled by technocratic appointments (Case, 2003). Furthermore, Marcos himself attained his unsurpassed economic and political power (Sidel, 1997) for his land ownership. Dubbed as the “supreme cacique” (Anderson, 2009, p. 211), Marcos’s political strategy can be summed as “guns, goons and gold”. By his side is his “personal army, a client Supreme court, and cronies, hitmen and flunkies” (p. 213). Even the COMELEC was transformed to become highly partisan, with posts filled by Marcos allies (Calimbahin, 2010). Elections were fraudulent and opposition was silenced by the threatening violence of the Armed forces of the Philippines.

As the “father of development”, Suharto was able to perpetuate his rule through the promises of “keamanan, ketertiban, pembangunan”(security, order and development) (Case, 2003.). Suharto regularly held elections to project himself as promoter of participation while concentrating state power by managing elites and establishing conglomerates. The “new Order” was seen by Anderson (1983, as cited in Robison and Hadiz, 2004) as the triumph of the state over the society. Power and governance, as described by Kuhonta (2008), circled on “the presidency, the army and the civil bureaucracy” (p. 39). Suharto needed the support of the bureaucrats to (supposedly) realize the promises

of the New Order. Industrial policies, initially intended for the Indonesia’s nationwide growth, actually paved the room for the establishment of rent-seeking conglomerates and cronies. The business elites were cloaked with protection and subsidies. And by the time Suharto stepped down, amassed well by Suharto and his allies amounted to billions of dollars (Robison and Hadiz, 2004).

The fall of the Dictators

Supreme rule of Marcos and Suharto soon started to crumble. 1986 Philippines is remembered for the people power movement. Equally recognized is the 1998 transition of Indonesia marked by the resignation of Suharto. Plotting these events vis-à-vis the transition paradigm as illustrated by Carothers (2002), will place these as the breakthrough - “collapse of the regime and the rapid emergence of a new, democratic system” (p.7). However, also necessary in the discussion of this paper is the first step to the democratization process: opening. The crack in the dictatorial regime was initiated by the growing dissatisfaction of the elites towards their master patron. Bottom-up reforms sealed the transition to democracy by the Philippines and Indonesia.

While Marcos is strengthening his paramourcy, he simultaneously weakened the elite status of some. Oligarchs who dreamt of opposing him were stripped off of their properties and other assets which were then transferred into the hands of the Marcos’s allies. In addition, Marcos closed the congress to monopolize power (Case, 2003). Some elites felt alienated that they resorted to violence, organizing the Light-A-Fire-Movement. Further contributing to the growing dismay of the elites was the economic declined, as opposed to what was promised by the “New Society”. The drop of the economic growth to 2% towards the end of the Martial Law (Case, 2003, p. 221) was highly encouraged by the corrupt practices by Mr. and Mrs. Marcos and their cronies. However, main catalyst for the fall of Marcos was the assassination of Benigno Aquino Jr.- a known critique of Marcos. Mass



protests following Ninoy's assassination and business-led signature campaign for Corazon Aquino's candidacy pressured Marcos to call for snap elections. The coming together of the Church, the middle-class, the elites and business communities and of cause-oriented groups (Anderson, 2009), eventually led to the end of Marcos and the Martial Law and the intended transition to democracy.

New Order regime seemed to have been working well until the 1997 Asian Financial crisis. Indonesia then turned to the International Monetary Fund was able to attain a \$40 billion in loans. However, IMF required the cut to oil and food subsidies for budget creation thus, creating chaos among Indonesians (Funston, 2001; Case, 2003; Robison and Hadiz). Food shortages, unemployment and inflation clothed Indonesia during these times. Furthermore, Indonesia fell to painful humiliation for their rapid economic reverses coming from their "golden years". The economic decline and the consequent social turmoil decapitated Suharto in managing elites. Suharto lost the source of the patronage he used to manage the elites, thus forcing the latter to turn against him (Case, 2003). Mass fury and protests, initiated by student activism, prevented Suharto from restoring order, despite his "invulnerability" (Case, 2003; Robison and Hadiz, 2003). In addition, affected elites during those times were incapable of controlling the mob. And in May of 1998, Suharto was finally removed from power. Presidency was then transferred to Habibie. Similar to the Philippines, Indonesia transitioned to democracy.

Post-Authoritarian Rule

After the downfall of Marcos and Suharto, elite politics and patrimonial relations were reinstated in the Philippine and Indonesian politics. Elites now take hold of elections, political parties, as well as the parliament and congress. What was revered to as the democratic success of Indonesia and the Philippines was short-lived.

Habibie's succession to power was greeted by cynicism for he was also one of the political figures that benefitted from the spoils distributed during the time of Suharto. More so, the oligarchy nurtured during the New Order era, together with the newly formed coalitions born out of the "new democracy" sought to reinstate the old order and structures of power (Robison and Hadiz, 2004). In addition, skepticism over the quality of democracy in Indonesia started to arise with the alleged involvement of Wahid and Megawati, and other politicians, in corruption scandals. Hadiz (2010), claimed money politics to be the main game in local politics in Indonesia. Corruption and collusion, as well as partisanship remained as defining traits of the post-Suharto regime, however, decentralized. Local militaries, for example, were paid for the "services". Also, recent corruption scandal in Indonesia involved then constitutional court Chief Akil Mochtar. He was said to have accepted bribes to settle local election disputes and was also accused of money laundering.

Similarly, Corazon Aquino, allowed the elites and politician during the time of Marcos to regain office, quite ironically, following the creation of a new constitution (Case, 2003). In fact, Bello (2004), traced the Philippines' anti-development nature to the persistence of the "EDSA System", despite the country's transition to democracy. Corruption, violence and human rights abuses continued to persist under an "unreformed social structure" (Case, 2003, p. 229). More so, the game of money politics even grew more wide scale. Lump sum funds (pork barrel) released to the legislators became tool for political patronage. This patronage funding were fashioned in various names, Support for Local Development Projects (SLDP) during the reign of Marcos, Countrywide Development Fund (CDF) during the administration of Cory Aquino and Ramos, and Priority Development Assistance Fund (PDAF) for the Estarda, Arroyo and Aquino administration (Chua and Cruz in Coronel et al., 2004, p. 175).; However it is one and the same-



patronage tool used for the consolidation of money politics and elite rule.

3.3 MAKING SENSE OF THE "CONSOLIDATION" OF DEMOCRACY

Evident in the above discussion was the blatant persistence of money politics and elite rule in both the Philippines and Indonesia. Traditional elites, the wealthy ruling class entrenched in trade and landholdings, captured the state by their access and/or hold of the Congress. During the time of the Marcos and Suharto, conditions further worsened with power concentrated in the hands of the dictators and their allies. Vested interests of Marcos and Suharto were realized through the support of the oligarchs, the military and the bureaucrats. And although the fall of the "supreme cacique" and the "general" were initiated by bottom-up reforms, hopes for transforming into a full democracy ended with the obvious continuity of the tradition of elite rule and state capture.

The Philippines and Indonesia until to date, continue to mask the grim reality of elite rule and money politics under a cloak of pseudo-democratic practices. With elections held, vis-à-vis the stabilizing status of elites, transition by the Philippines and Indonesia cannot be considered far-reaching (Case, 2003). Question to ask is what allowed and legitimized the consolidation of this brand of democracy.

Indonesia's economic growth and recovery from the 1997 financial crisis and its renewed regional and global prominence downplayed endemic issues of corruption. Case (2003, p. 210), calls this as "performance legitimacy". Similarly, Elson (in Reid, 2012), claimed the country's enhanced performance through its external engagements, attempts to battle corruption, deceitful strategies in addressing territorial disputes, its anti-terrorist leanings among others, juxtaposed its enhanced reputation, rendered Indonesia greater confidence (p.177). Indonesia's "growing quality of democracy" banked heavily on

the restoration of business enterprises and the creation of gainful employment (Case, 2003, p. 72). Development programs under the New Order were aimed towards improving living standards through education industry and agriculture (Funston, p. 114). In today's time, recently elected non-conventional Joko Widodo, furthered the projection of a "reformed" Indonesian politics.

Perhaps, better explanation for the consolidation of elite and money politics in Indonesia is their unique concept of power. Anderson (as cited in Holt, 2007), summarized the Javanese concept of power to be "concrete, homogenous, constant and without moral implications" (p. 8). Rooted in their animist traditions, the Javanese concept of power treats it as something real, however intangible and divine. Also, by treating power as homogenous, accepts power to be the same in form and source. Third concept of power, it being constant, challenges the notion of limitless acquisition of power. Lastly, the Javanese concept of power, simply accepts power "as is"; no allusion to either good or evil. In this regard, questions of legitimacy are dismissed.

Threading these four concepts of power is the Javanese notion of the leader as the unifying symbol of the society (Anderson in Holt, 2007, p. 22). Thus, plotting these conceptions in the history of Indonesian politics explains how the elites who captures the state and controlled power, easily exploited and ridiculed the greater mass. As discussed earlier in this paper, Suharto, was able to extend his dominion for over three decades. Since the Javanese concept of power places much reverence towards the leader, Suharto was able to get away with his patrimonial tactics. Also, since power is seen somewhere in the gray area, the pseudo-democratic New Order was accepted as "okay".

"Consolidation of democracy" in the Philippines takes a different storyline. It was only recently that the Philippines started to gain the recognition of the international community for its transformation from being the "sick-man of Asia" to rising as one of Asia's tiger cub economies. Thus,



political legitimacy present for the case of Indonesia, cannot even be applied to the “democratization” of the Philippines. The elites lack heritage to mythologize legitimization of their pseudo-democratic activities. Philippine elites instead, veer towards the use of moral appeals. Their campaign for good governance and democracy is couple with attacks against their (assumed) corrupt opponents. (Case, 2003). Gaining of support from religious sects, particularly from the Catholic Church, further enhances the successful use of moral appeals (Case, 2003). It is worth noting, however, that moral appeals work, only if the general mass are in an intense state of grief. Examples are the people power movement and the mentioned Noynoy Aquino’s electoral victory.

Another contributing factor to the consolidation of the Philippine’s brand of democracy, is the strengthened political machineries. Patronage politics continue to define and shape the country’s political arena, as well as its administrative system. Furthermore, Coronel (in Coronel et al. 2004), claimed patronage to be “the oil that keeps the political machine going” (p. 88). By tracing the (d)evolution of the COMELEC, Calimbahin (2010), was able to note two types of clientelistic relations: internal and externally motivated. The first type, internal clientelistic relations is exercised within a bureaucratic agency. Patrons are the top officials of a bureaucracy while the subordinates or the staff is the clients. While externally motivated clientelistic relation, is characterized by the asking of favors of politico-economic elite from a bureaucratic agency of person. Because of the “gifts” and patronage exchanged in these relationships, concerned participants forego their principles and practice of liberal democracy. Moreover, the growing role of personal armies and the growing threats of political violence, also contribute to the victory of the elites and the continuation of the old power structure.

4. CONCLUSION

Clearly evident in the history and “development” of the Philippines and Indonesia is the persistence of elite rule and money politics despite short-lived success of bottom-up reform movements. More so, such political environment is allowed and justified by culture and performance legitimacy for Indonesia. Although Kuhonta (2008) has regarded Indonesia as a bureaucratic polity, this paper was able to highlight patrimonial leaning of Indonesia. And as argued earlier, recognition and regional and global position of Indonesia downplayed realities of its democracy. Moral appeals and strengthened machineries in the Philippines legitimized its brand of democracy. The poison that threatens its democracy is also the antidote in itself. Hence, although transitioned from autocratic rule, the Philippines and Indonesia’s brand of democracy is yet to be considered fully liberal.

As in the words of Friedman (1999), democratization is a painful and gradual process. It is a struggle of groups, ideas and interest. And while the “civil society and institutions remain weak and powerless” (Robison and Hadiz, p20.), the brand of democracy in the Philippines and Indonesia is considered to be consolidated. Not only were these cases support the critique towards the transition paradigm but also develops the notion of the consolidation of pseudo- democracy. Electoralism, although insufficient to fully describe democracy, have become major and perhaps only measure of democracy in the Philippines and Indonesia given its synergy with elite and money politics. Vested interest of the state captured by a society dominated by the elite few was further intensified hence comprising the greater populace.

While the Philippines and Indonesia’s democracy continues to struggle with the consolidation and embrace of elite and money politics, the dominant few triumphs. Bland calls for further democratization will remain wasteful until only the promotion of structural reform as collective



interest is realized. But then again, "democracy does not guarantee the achievement of the good, let alone the solution of any problem"(Friedman, 1999).

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