

PHILIPPINES: Midterms favor Duterte, but drop-off could be quick

- The May midterm election is unlikely to substantially affect the broad 6 to 9-month political outlook.
- The opposition is struggling to gain traction with its issues and will likely remain a clear minority.
- The more relevant timeframe for reassessing the outlook for the administration may not be in the May polls, but later this year.

At stake in the midterm election on 13 May are 18,000 elective positions: 12 out of 24 senate seats, all of the lower house, and executive and legislative positions at local government levels (provincial, town, city).

The senate race is potentially the most consequential, because these offices are national platforms that could be used by a consolidated opposition against the administration. History is not on the opposition's side, however; previous midterms did not alter the balance of power in the chamber, and the May vote is unlikely to deviate from this trend. Since senators are elected at-large nationally, the race is generally a popularity contest, which provides incumbents, former senators and well-funded candidates (often administration-linked) a clear advantage. Currently, the opposition has only seven members in the 24-seat senate, and one of those senators faces term limits while the other is up for reelection; based on the latest polls, it may lose one of these seats.

According to the survey firm Pulse Asia, five likely winners are re-electionists (all of whom cooperated with the administration to varying degrees this past two years), while an additional four are all former senators. Of these nine, only Manuel Roxas II, whom President Rodrigo Duterte defeated in 2016, belongs to the formal opposition. In addition, the three likely first-time winners in the senate based on the same survey are Lawrence Go, formerly Duterte's most trusted gatekeeper; Ronaldo de la Rosa, the former national police chief responsible for implementing the drug war for much of the past three years; and Imee Marcos, the eldest daughter of Ferdinand Marcos and an ally of Duterte's daughter, Sara. Given that the polls indicate that one to three opposition senators have a chance, the anti-administration coalition will have only around six to eight members, or nine at the very best.

Thus, the likely winning combination argues that the upper chamber will behave as it has over the past two years – providing cooperation, but with senators hedging their positions on the administration's controversial policies with an eye to their political ambitions in 2022 and the possibility that the president's popularity may at some point ebb.

Whether Duterte's popularity holds near the end of 2019 could be the more important variable

Beyond the next 12 or so months, however, the outlook becomes less clear. The consistently high level of public support for Duterte since his 2016 election has made it difficult for the opposition to tap public discontent and disincorporated senior politicians, business leaders, institutions and many media outlets from openly challenging him on controversial

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issues. However, Duterte's popularity, while indeed high, is not fully exceptional. He is at relatively the same point as his predecessor at similar points in their terms.

Therefore, it remains to be seen whether his popularity will hold into his fourth year—and this could be the most critical variable for the next three year rather than the midterms. There are two ways this might turn out – the first is that Duterte is simply riding the same trend as his predecessor, and that a decline by his fourth year is a reasonable probability; the second is that Duterte's high ratings - despite his controversial policies and the intense media reaction that it has generated - signal that his popularity is indeed resilient. If Duterte's popularity does drop, then the willingness of the senate to cooperate with his agenda will weaken. This is not a case of the opposition winning over these senators, but of Duterte losing clout at the national level and possibly becoming more vulnerable to controversies. On the other hand if Duterte is popular and is seen as heavily influencing the next election, then politicians at both the national and local levels will continue to cooperate with his administration.

Other things to watch

Lower house: The lower house race will not matter as much, except in how it affects the selection of a speaker, who will be the one responsible for mustering support for the administration, mainly by effective use of pork barrel allocations. So far, the main contenders for the speakership from among the current candidates are weaker than the current speaker, Gloria Macapagal-Arroyo. However, Arroyo's independent political ambitions have also proven to be difficult for the administration – as seen in the budget impasse. The lower house elections could, therefore, be slightly negative for Duterte, not in that it will allow an opposition vote, but in the ability of the house leadership to whip coalition members into supporting the specific plans of the administration.

Positioning for 2022: Whoever emerges first in the senate race will be considered an early contender for the presidency in 2022, and for now this appears to be Senator Grace Poe. She also lost to Duterte in 2016, but Poe and Mar Roxas blame each other for splitting the vote. If Poe ends up in pole position, she can use this to send a message to opponents of Duterte and the Marcos family (since Ferdinand Marcos, Jr. is considering a run), impliedly so as to avoid triggering a backlash from the pro-Duterte vote, that she is the candidate to rally around to avoid worst-case outcomes in the next presidential election.

Policymaking

Although Duterte will face a relatively sanguine political environment over the next 6-12 months, he has in the past proven more tactical than strategic. Therefore, it seems unlikely that he will substantially deviate from his signature programs – the anti-drug war, infrastructure and China pivot – unless a major political challenge emerges. Tax reform is possible after the election, but its chances may depend substantially on the trends for economic and job growth in the next six to nine months. TRAIN 1 implemented at the start of 2018 was popularly associated with the spike in inflation by mid-year, and senators will be more mindful of how the next planned big tax change, first called TRAIN 2 but now rebranded to TRABAHO, could negatively affect employment and investment.

His goal of constitutional change – often mentioned but weakly implemented in terms of getting the process off the ground – may also suffer. The incentives for senators to cooperate with this specific goal of the administration, already low, will further decline after the elections as they start positioning for 2022. If there is a bright spot, it is that the “Build-Build-Build” program may get some more traction as the bureaucracy pushes for projects to be either started or completed before Duterte's term ends.

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