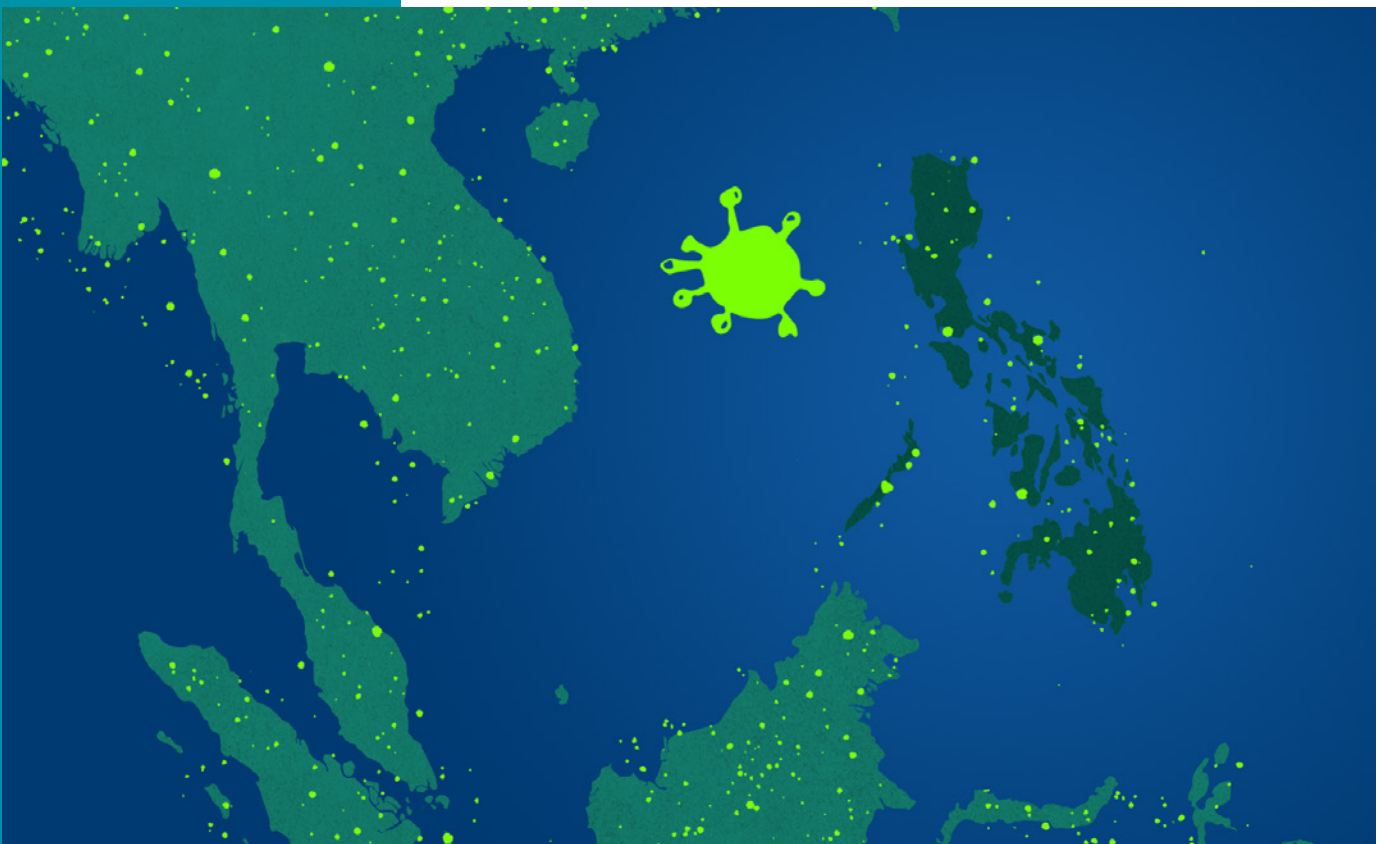


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COVID-19 PANDEMIC CASE STUDY: PHILIPPINES



BY RENE E. OFRENEO

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Overview

Covid-19 in the Philippines

GDP per Capita

(in US Dollars)

3,485 \$



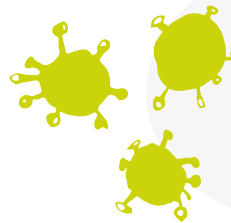
World Bank, 2019

<https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=MA-UA-XK-BR-NG-PH>



World Bank, 2019

<https://data.worldbank.org/indicator/SP.POP.TOTL?locations=BR-XK-UA-MA-NG-PH>



Covid-19 Cases

429864

WHO, November 30th, 2020

<https://covid19.who.int/region/afro/country/ng>

Covid-19 Cases

per 100 000

397,59



WHO, November 30th, 2020

<https://covid19.who.int/region/afro/country/ng>

Covid-19 Deaths

per 100 000

7,85



John Hopkins University, November 30th, 2020

<https://coronavirus.jhu.edu/data/mortality>

Fatality Rate



1,9%

John Hopkins University, November 30th, 2020

<https://coronavirus.jhu.edu/data/mortality>

ICU beds

per 100 000

1,26



WHO, November 30th, 2020

https://www.who.int/docs/default-source/wpro---documents/countries/philippines/emergencies/covid-19/who-phl-sitrep-43-covid-19-7jul2020.pdf?sfvrsn=5ed3307c_2

1. Part I: Taming Covid-19: A Costly Containment War in the Philippines

In 2019, the economic planners of the Philippines could not hide their glee: the country was projected to 'graduate' in 2020 to the category of an 'upper middle-income economy' based on a per capita gross national income of at least US \$4,000 (World Bank's classification). The Philippines as Asia's rising star!

And then Covid-19 came. Today, with 2020 about to end, the buoyant picture of a surging Philippine economy has been replaced by the image of a country unable to find its way out of a terrible health and economic crisis. This paper is a brief documentation of how the Philippines got stuck in this crisis and why the government has failed to flatten the curve.

1.1. The Quarantine Programme

A harsh lockdown. To contain the spread of the Covid-19 virus, the government declared a national quarantine programme. The quarantine came in the form of a strict lockdown baptized by the Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF) as the 'enhanced community quarantine' or ECQ. The ECQ requires those below 21 years old and those above 60 to stay at home. Those in the 21 to 60 age category are also forbidden to go out except for those accessing essential goods and those allowed to work in critical industries, such as hospitals. Under ECQ, the following are shut down: factories, businesses, offices, schools, Churches and public and private transport. In short, the ECQ paralyses the economy and immobilises the population in the area where it is in force.

[The first case of Covid-19 infection in the Philippines](#) involved a visiting Chinese national, reported on 30 January 2020. On 16 March an ECQ was declared for the whole of Luzon, which is home to more than half of the national population of 110 million. [Luzon includes Metro Manila and accounts for 70 per cent of the GDP.](#)

To implement the ECQ, President Rodrigo Duterte mobilised the police and military. A National Task Force Covid-19 (NTF Covid-19, or NTF for short) was constituted to serve as the implementing partner of the IATF. The NTF is headed by a former Chief of the Armed Forces, General Carlito Galvez. The NTF is backed up by the Department of National Defence (DND), the Department of Interior and Local Government

(DILG) and the Department of Social Work and Development (DSWD). All three agencies are all headed by former military generals.

A rolling programme. The ECQ was originally planned to last one month. The IATF kept re-extending the ECQ in Metro Manila and in select regions, provinces and cities in the three island groups of the Philippines – Luzon (Northern Philippines), Visayas (Central Philippines) and Mindanao (Southern Philippines) till the end of May 2020.

In June, the ECQ was tweaked into a 'modified ECQ' (MECQ) for Metro Manila. The MECQ allows limited revival of business and limited mobility for workers so long as social distancing (at least one metre apart) and the wearing of masks is observed at all times. However, public transportations – tricycles, jeepneys, buses and railways – remained forbidden.

For areas with low Covid-19 infections, the IATF and NTF came up with two quarantine programs: general community quarantine (GCQ) and modified GCQ (MGCQ). The GCQ allows people to go out of their homes (except those below 21 years of age and above 60) and take public transport so long as social distancing is observed. The MGCQ allows the full resumption of office and business activities and 50 per cent resumption for entertainment, sports and religious conferences.

Thus, in the second half of 2020, the NTF has four quarantine programmes – ECQ, MECQ, GCQ and MGCQ – for different regions, provinces and cities. These are declared on a rolling basis, which means a resurgence in infections in a city or province can mean the return of that city or province to the strict ECQ or modified ECQ.

The Covid-19 surge. Despite the strict ECQ in the March–May period, the Covid-19 curve kept rising. The spread of the virus is generally blamed to the returning overseas Filipino workers (OFWs) and the returning workers and families stranded in Metro Manila and other regions during the ECQ.

On OFWs, the Department of Labour and Employment (DOLE) reported that as of August over 600,000 OFWs had been displaced from work and were seeking assistance from the government. The repatriation process is nightmarish given the cost and complexity of arranging return flights. However, the government succeeded in having 200,000 repatriated.

As to the stranded workers and families, the IATF and NTF were helpless on how to deal with them. The number of stranded in Metro Manila and various other regions was estimated to be over four million. Many were hungry, homeless and desperate to return to their original hometowns. And then one 'super-spreader' event happened end of July, after the ECQ in Metro Manila. Close to ten thousand stranded in Metro Manila were allowed to gather in one big stadium (Rizal Stadium). Eventually, most reached their

respective provinces without being tested and with no prior notices to the local government units (LGUs) of destination hometowns. One LGU mayor angrily [questioned](#) why there was no coordination with the LGUs regarding the return of the OFWs and the stranded.

In the third quarter, the number of cases rose rapidly, reaching 100,000 in August and 300,000 in September. [In October, the Philippines overtook Indonesia as the ASEAN country with the greatest number of Covid-19 cases.](#) The Philippines also landed briefly in the top 20 of the world. But by the end of October, the Philippines relinquished the title of number one back to Indonesia, after accumulating over 380,000 cases.

In summary, the government failed to stop the invisible enemy despite the long and harsh quarantine programme it has unleashed on the people and the economy.

1.2. Major Reasons for the Failure to Flatten the Curve

There are several reasons for the government's failure to flatten the curve despite a harsh lockdown in the March–May period and the rotating quarantine programmes in the succeeding months.

First, the government acted late on the threat of the pandemic. The Duterte administration took a lackadaisical attitude to the Covid-19 threat during the first two and a half months of the year when the whole world was already questioning why China failed to share timely and complete information on this new global menace. Note that the first Philippine case was detected at the end of January, and yet the government did not declare the ECQ till the middle of March.

Second, IATF had no unified vision of how to deal with the contagion. The IATF and NTF had difficulty balancing the implementation of the national quarantine programme. Officials in charge of economic policy sought a speedy 'return to the normal', while the health and epidemic specialists advised caution in the relaxation of quarantine rules. There were intense debates within the IATF. Proof: the resignation of the Economic Planning Secretary Ernesto Pernia from the cabinet and IATF in April over '[policy differences](#)' and [the resignation in June of Dr Tony Leachon, as medical adviser/consultant to the IATF and NTF.](#)

Third, the government approach was top-down and militaristic. An epidemic that spreads from community to community requires closer cooperation between the national government and the LGUs as well as involvement of community-based civil society organisations (CSOs).

The poor communication-coordination between the national government and LGUs in relation to the returning OFWs and stranded workers became a major reason for the spread of Covid-19 infections. The militaristic IATF also frowned on LGU initiatives

deemed non-conforming with the IATF protocols. For example, one [LGU mayor was reprimanded](#) when he allowed tricycle drivers to operate to enable the small producers to move goods and the ordinary consumers to get needed supplies. Such strictness cannot prevent desperate urban poor to go out and move around inside and outside their community.

As to the civil society movement, the pandemic situation created an opportunity for CSOs, volunteer groups and civic and religious associations to provide grassroots relief and spiritual-psychological assistance to the vulnerable. And yet, the IATF allowed only the CSOs accredited by the government and the police/military to interface with the communities.

And then on 3 July the government enacted the 'Anti-Terrorism Act of 2020' (Republic Act No. 11479). Many CSOs protested over the timing, the intent of the law and the broad definition of '[terrorism](#)'. CSOs argue that the law provides the police and military the ability to arrest CSO leaders by simply labelling them as terrorists.

1.3. Failure of an Ailing Health Sector

A fourth major reason for the failure to flatten the curve is the bad shape of the country's health sector and the system of health governance.

The Department of Health (DOH), which heads the IATF, was unprepared for the pandemic. The DOH did not use the early information on the global Covid-19 outbreak, already available in late January, as a means to prepare the bureaucracy and society for the pandemic. The Philippines, an attractive destination for thousands of Chinese tourists and workers under the Duterte administration, is also an attractive destination for the spreading global virus.

Like President Duterte, DOH Secretary Francisco Duque took a lax attitude towards the threat of the virus spread in the January–February period. The DOH merely issued public advisories, reminding everyone to observe good hygiene practices.

The IATF, chaired by Secretary Duque, recommended the lockdown in March. This was accompanied by another IATF recommendation: enactment of the P1.3 trillion (roughly US \$27 billion) '[Bayanihan to Heal as One](#)' Act. This law had four component programs: a) medical response to the Covid-19 threat (isolation and treatment of patients and granting of special benefits to the health workers); b) emergency amelioration assistance to the vulnerable; c) survival assistance to small businesses; and d) economic recovery plan.

On paper the Bayanihan law appears comprehensive. However, the Covid-19 surge quickly showed the weaknesses of the public health system, as reflected in the following:

Shortage of health personnel and facilities. The IATF launched the war against Covid-19 with a limited number of health personnel, limited facilities and limited funds.

The President of the Asian Development Bank (ADB), in his [report](#) (April 2020) to the bank's Board of Directors, wrote on the Philippines' extremely limited 'treatment capacity' for Covid-19 patients. The report mentioned there is only one (1) doctor for every 2,000 people, one (1) bed for 984 people, and 2.2 critical care beds with ventilators for every 100,000 people. Further, the Philippines, with a population of 110 million, had only 1,500 ventilators nationwide.

There were severe [shortages in protective materials](#) such as gowns, N95 masks, surgical masks, goggles, headcovers, gloves, shoe covers and coveralls. There was also only one testing laboratory at the beginning, the Research Institute of Tropical Medicine.

[The IATF also had to contend with the limited number of hospitals](#), 1,500 in all. Most of these hospitals, about 70 per cent, are in private hands.

Chaotic health governance. Given the foregoing background, the DOH and IATF went to war in an unorganised way, half-prepared and half-armed. The harsh national lockdown in the March–May period gave the DOH, IATF and NTF officials a golden opportunity to a) identify, test, isolate and treat Covid-19-infected people, including 'persons under investigations' (PUIs); b) trace and map the routes of Covid-19 spread in the different communities; and c) isolate the areas or communities where the Covid-19 virus was circulating. This opportunity was lost given the limited number of testing materials, laboratories, isolation facilities and so on, on top of the general unpreparedness of most hospitals, health personnel and the DOH itself.

The IATF had no clear strategy in containing the virus spread at the community level – except to rely on the enforcement of a harsh lockdown. Contact tracing and mapping were poorly done.

The DOH, a medical-civilian agency, has also adopted a top-down approach, that is minimal consultation with the people and unilateralism in policy imposition. In the Marikina City, the DOH stopped the opening of the LGU-initiated testing laboratory because [the project allegedly failed to meet DOH standards](#). The DOH forgot that it is the department's responsibility to share those standards before the project construction.

The DOH [had also been criticised](#) for favouring the importation of Chinese-made PPEs, masks and coveralls instead of supporting local manufacturers who expressed interest in producing such materials. Ironically, it was the DOH, during the early weeks of the ECQ, which encouraged these manufacturers to produce these protective materials.

As to the tracking of cases nationwide, this was missing at the beginning. It took DOH almost a month to develop its 'Dash Board'. Alarmed over the information gaps on how the virus was spreading nationwide, [researchers from academia came up with their own mathematical models to project the trajectory of the virus spread](#).

Weak DOH supervision and guidance aggravated the situation in most hospitals, which have become centres of infection. Over [1,200 doctors and nurses got infected](#) during the first month of the ECQ!

After the ECQ in May, the outspoken amongst the frontliners voiced out their collective complaints: shortage of hospital personnel, long hours of work, lack of PPEs, low salaries and non-fulfilment by DOH of the benefits due to the frontliners under the Bayanihan law.

Corruption. To complete the picture on poor health governance, one must add the cancer of corruption gnawing at the government's health bureaucracy.

The issue of corruption at the PhilHealth Corporation (PhilHealth) hogged the newspaper headlines in the months of August and September, as a result of the online inquiries by the two chambers of Congress (the Senate and House) on the operations of PhilHealth, the DOH's financial partner in attending to Covid-19 patients. Under the Bayanihan law, PhilHealth was given P27 billion or [the lion's share](#) of the total P46 billion allotted to the health sector.

A whistle-blower bared the corrupt practices committed by top officials of PhilHealth. Congressional findings show how the PhilHealth president and [key officers defrauded](#) the nation of billions of pesos through questionable practices such as the releasing of cash advances to various hospitals without sufficient documentation and justification.

The two chambers recommended the firing of all key PhilHealth officials, including DOH Secretary Duque. However, [Duque was excluded by President Duterte from the list of those to be prosecuted](#) by the Department of Justice (DOJ). This raises questions of how much influence Secretary Duque has over the president and why Duque's poor management of the DOH's Covid-19 response has not received serious rebuke from Malacañang.

1.4. Positive Medical Outcomes

However, not all has been negative in the performance of DOH, IATF and NTF in the battle against Covid-19. Most of the officers, staff and medical personnel of DOH have laboured hard not only to counter the spread of the virus, but also to strengthen the country's health infrastructure and medical response despite [the IATF's confusing stand](#) on medical policy directions, Covid-19 data management and development strategies on how to combat the virus.

Some of the improvements in the anti-Covid-19 campaign were developed with the help of the WHO. It is a long list and includes the following: better risk assessment of health facilities and detention centres, strengthening of the surveillance and contact tracing processes, institution of programmes for the promotion of psycho-social well-being, capacity building in community-based interventions and social support, assessment of LGU capacity in contact tracing, online training in Covid-19 prevention and containment, social media messaging, procurement of PPEs for health workers, upgrading of laboratories to do real-time reverse transcription polymerase chain reaction, recalibration of PPE

requirements, building an information system to track essential Covid-19 commodities, conduct of field missions and promotion of public health measures people and communities can do on their own.

The WHO-DOH cooperation programme is clearly a blessing to the nation. The problem, however, is that it took the DOH months before the critical elements that should go into an integrated and coherent programme to combat Covid-19 were put in place. WHO's active guidance and assistance also came a bit late, mainly in April. Moreover, there are other measures or proposals to contain the virus spread that the DOH has failed to adopt, such as mass testing, which was aired by CSOs and netizens during the early months of the quarantine.

1.5. Full-Blown Health and Economic Crisis: Social and Economic Consequences

Covid-19 has spawned a full-blown health and economic crisis in the Philippines. The following socio-economic consequences arising from the crisis are worth highlighting.

First, a lockdown is an economic killer. The contraction of the economy was sweeping and immediate under the lockdown. The GDP, originally expected by economic planners to grow to over six per cent for 2020, *shrunk* by 16.5 per cent in the second quarter.

The impact on employment was also sweeping and immediate. The Philippine Statistics Authority reported that the national unemployment rate reached 17.7 per cent in April 2020, the highest since the end of the Second World War. Officially, more than seven million *workers had been displaced* during the first half of 2020. But an independent polling agency, the Social Weather Station, gave a much higher figure – 45.5 per cent '*adult joblessness*' as of July 2020. This is equivalent to 27.3 million Filipino workers.

The lockdown locked out businesses and livelihoods, directly disrupting the lives and welfare of the majority. Those dependent on the economy's life-savers – overseas employment and call centre-BPO sector – have also been affected. The fast-growing service industries, such as retail/distribution, education, tourism, entertainment, real state, were all severely disrupted by the ECQ/MECQ/GCQ/MECQ. Both the domestic- and export-oriented industries were paralysed. The micro, small and medium enterprises (MSMEs) all went into a tailspin right after the declaration of the ECQ in March. These MSMEs constitute 99 per cent of the one million registered enterprises in the country.

It was only agriculture which registered positive growth in the first half of 2020. Due to the pandemic, many Filipinos realised the importance of growing plants. Note, however, that the sector, value-wise, is still small, accounting for less than nine per cent of the GDP in 2019.

Second, the flattened economy has renewed fears of another debt bomb. The fears were based on the Philippine debt experience in the 1980s, 1990s and 2000s. These were 'lost decades' as a result of the debt crisis in 1983⁸⁵ (default on external debt) and the ensuing 'debt penalty' imposed by the IMF-World Bank group and the Paris Club in 1986⁸⁷. The penalty consisted of the following: sustained debt servicing which ate up a large portion (sometimes over 50 per cent) of the annual national budget, government austerity in social spending and adoption of the neo-liberal '[structural adjustment programme](#)' (SAP) of trade-investment liberalisation which wiped out many domestic industries.

And yet, the Philippines managed to survive the 'debt penalty' and even succeeded in posting high growth rates in the last ten years. There are [three interrelated reasons](#): one, the debt servicing burden had gone down after decades of dedicated servicing; two, the economy has become a remittance-dependent economy due to the OFW phenomenon (over 10 million overseas Filipino workers remitting US \$3 billion a month); and three, the rise of the call centre-BPO sector due to the offshoring of online customer/business process services by American and European multinationals.

In 2019, the Philippines registered one of the lowest debt to GDP ratios in Asia and the world: 39.6 per cent. However, with Covid-19, the picture of a booming Philippine economy with a manageable debt stock suddenly disappeared. The government pre-Covid-19 programme for its annual borrowing is roughly P1 trillion (US \$20 billion). With the pandemic, the Department of Finance (DOF) admitted that the total borrowings for the whole year would triple, P3 trillion in all. As a result, the debt-to-GDP ratio of 39.6 per cent registered at the end of 2019 would now [swell](#) to 53.9 per cent by the end of 2020 and to 59.9 per cent in 2022.

Of course, sustained fiscal spending is needed to minimise deaths, hunger, economic dislocations, enterprise bankruptcies and job losses. But continuous borrowing is not sustainable economically if the economy is not growing as fast as before and if government tax revenues are declining due to a depressed economy.

Third, the lockdown made the informal workers and their communities very visible. The pandemic problematized the glowing picture of a Philippine economy with a rising middle class. Instead, the Philippines as an archipelago of poor communities has become very visible. Stories and pictures of hungry and desperate poor people scrounging and begging for food and other necessities became the standard fare of the mass media.

Under the Bayanihan law, the poor are supposed to get 'social amelioration' assistance from the government. Based on the 17 April report of the '[Citizens' Budget Tracker](#)', only a quarter of the 17.9 million households targeted by the Bayanihan law received the assistance during the harsh first month of the ECQ. [The Social Weather Watch](#), in its July survey, also found that 20 per cent of Filipino families, around 5 million families, experienced hunger in the second quarter, which was the height of the lockdown.

The exclusion problem in the distribution of social amelioration packages was due to selective listing of beneficiaries based on a poorly designed 'means testing' scheme. A 'universal' approach in giving assistance would have made more sense because the reality is that the poor – urban poor, peri-urban poor, rural poor, coastal poor and upland poor – are just too many and can be found in all 17 regions of the country. Also, many poor families do not live in officially-recognised villages or barangays (barrios); some live incognito in cemeteries, on the street and unmapped narrow alleys or side streets.

Many of the poor informal workers and their families live in congested communities, with limited access to social services and basic infrastructure, such as WASH (water, sanitation and hygiene). Not surprisingly, the surge in virus infection has been taking place mainly in these communities.

Fourth, the pandemic bared the heroism of women. The lockdown has caused so much suffering to everyone, young and old. However, the pandemic also exposed the role of Filipino women as pillars of the family and the community. They kept the families and communities together.

Women, especially in organised communities, promoted 'Bayanihan' measures of working and surviving together. How? **In countless ways:** informing everyone where to get amelioration assistance or bring the infected to concerned health and LGU officials; maintaining peace at home and in the community and preventing age- and gender-based violence; taking care of the sickly and elderly by establishing of community kitchens to feed the hungry; and developing economic survival programmes for whole communities, such as cooperative sharing of available resources the 'bayanihan' or solidarity way, including the distribution of medicinal plant seeds that can be grown by women and their families. It was the women too who became community health leaders, contact tracers, sanitation workers, mental health counsellors and so on.

The majority of the medical frontliners are also women. And yet, the heroism is not always appreciated, especially by those who fear the virus and who violently discriminate against them, even driving some of the frontliners out of the homes they are renting.

One sad development under the lockdown is the rise in the number of unwanted pregnancies among under-aged girls. There were also horror stories on how a number of poor pregnant women gave birth during the pandemic.

Fifth, the spirit of solidarity is alive. Despite the foregoing problems triggered by the pandemic, lockdown and the exclusion of many vulnerable people from the government's social amelioration assistance programme, there is very little news of people dying from hunger or starvation. One explanation for this is the flood of person-to-person solidarity, within and across the communities and among classes with varying socio-economic status.

Many LGU leaders organised their own social amelioration programs, supplementing the limited relief programmes provided by the national government. They tapped the resources and contributions of the better-off members of the city or municipality, including OFWs or

Filipino immigrants in developed countries who are doing well. They gave assistance to the stranded migrant workers, displaced workers and those excluded from the Bayanihan social amelioration. Some LGUs even gathered, housed (in temporary shelters) and fed the homeless street dwellers.

Similarly, church groups, CSOs and various volunteer associations went to work organising relief missions in poor and impoverished areas. They gave the medical frontliners, shunned by a few insensitive souls, warm and loving attention in recognition of their heroic role. In fact, many frontliners have been receiving free meals from different families and donors.

In brief, there are numerous acts of charity and solidarity demonstrated by people from all walks of life. Donations came from individuals, friends, family networks, churches, school/university students and so on, linked by Facebook and other social media.

1.6. Conclusion: Rebuilding the Health Sector and Economy

Covid-19 has revealed a broken public health system and a disjointed economy in the Philippines. The crisis provides the country an opportunity to do some policy rebalancing to rebuild the health sector and transform the economy.

The rebuilding of the health sector is clearly related to a bigger societal challenge: rebuilding the public sector's capacity to deliver the public services needed by the people, foremost among which are health care and social protection in Covid-19 and non-Covid-19 times. Rebuilding the public sector also means re-focusing infrastructure development in support of the renewal, upgrading and retrofitting communities of the poor.

Relatedly, community rebuilding should centre not only on infra-development but also on the development of a primary healthcare system in every community, as outlined in the [Alma-Ata WHO Declaration on Health for All](#). The primary healthcare system can be the platform for resiliency building at the community level in a holistic manner, meaning health, economic and environmental concerns should be woven together. As the Alma-Ata Declaration put it, the community health system is the foundation for stronger community.

As to the economy, the challenge is how to reduce dependence on the two legs: OFW remittances and the call centre-BPO sector. Reliance on these two legs cannot go on given the changing global economic environment and realities in the Philippines.

One critical doable is the development of the domestic market as platform for growth and development. A large population of 110 million can support the growth of new industries and jobs, such as an industry producing the materials needed for rebuilding the health sector and upgrading and retrofitting poor communities all over the archipelago.

A major component of this rebuilding programme should be the strengthening of the MSMEs and the grassroots entrepreneurs from the informal sector.

Another critical doable is the greening of the economy. This means greening industrial development (e.g. abandonment of polluting processes and reliance on cheap labour as enticer to investments), adoption of sustainable agriculture, upgrading and retrofitting poor communities and renewal of Philippine forests and care for its natural resources.

To conclude, the above outline of development seems ambitious. But the challenge is how to contain Covid-19 and prevent future pandemics – not by going back to the old ways but by building better for an improved future.

2. Part II: Waging the Philippine Battle Against Covid-1: What Can the US, EU and UN Contribute?

2.1. Introduction

The Covid-19 virus is a global virus. The Philippines cannot defeat Covid-19, much less contain its spread and recurrence by waging a solitary national battle, detached or de-linked from the anti-Covid-19 campaigns being waged by other members of the global community.

The health and economic crisis gripping the Philippines today has exposed the fragility of its integration into the global economy as well as the fragility of Earth itself. The pandemic is global and its spread in the country is a direct result of the processes of globalisation, such as the rise of global tourism and international exchanges among peoples and countries.

The Philippine economy itself is a globalised and liberalised economy. It is an economy reliant on the remittances of over 10 million overseas Filipino workers (OFWs), earnings from call center/business processing services offshored by US Fortune 500 firms, and export receipts from Philippine-based participants in the global value chains (GVCs) developed by multinational corporations in the Asia-Pacific.

Hence, what help can the Philippines, as a member of the community of nations, get in its battle to tame a Covid-19-triggered health and economic crisis? What assistance can it secure based on its integration into the global economic order?

This short paper discusses the problems and prospects of securing such help/assistance from the country's leading trade and economic partners: the United States, the European Union, Japan and China. The paper concludes with the potential of joining the call of the UN Secretary General António Guterres for a new social contract in the governance of the world system.

2.2. The Future of Philippines-US Relations in Covid-19 Times: Still Uncertain

Historically, the Philippines was once considered America's closest ally in the Asia-Pacific region. It was the sole American colonial possession in Asia (1900–1940s). Due to a century (1900s–2000s) of 'special relations' between the two countries, many Filipinos are familiar with American culture.

The United States is also the Philippines' leading economic partner – as a source of investments, tradeable goods, official development assistance (ODA) loans and jobs offshored/outsourced by American companies. The last – jobs – consist of 21st-century call centre/BPO jobs that have been offshored globally by American multinationals and 20th-century assembly jobs (garments, semiconductors and auto parts) outsourced by companies engaged in distributing work to different countries under a system of international production or global value chains (GVCs). In addition, the US has scores of 'development projects' in the Philippines, such as the USAID-assisted rural electrification programme in conflicted areas of Mindanao and Fulbright scholarship programmes offered to talented Filipinos and researchers.

The US Embassy has posted on its website the assistance given to the Philippines under the two countries' partnership in '[working together to defeat Covid-19](#)'. As of 8 May 2020, the US had given the Philippines the following anti-Covid-19 assistance: over P470 million (over US \$9 million) in grants, and 1,300 cots donated to the Philippine General Hospital and Office of Civil Defense of the Philippines. Accordingly, US assistance has boosted the testing capacity of the DOH's laboratories, enhanced DOH's crisis communication platforms, provided over 100 hospitals' 'online learning modules' on infection prevention and control and expanded access of USAID-assisted communities to WASH facilities (water, sanitation and hygiene services). US Ambassador Kim Sung reported that amongst those leading the fight against Covid-19 in the Philippines are graduates of the Fulbright programme, namely: Dr Beverly Ho (special assistant to the DOH Secretary for Universal Health Care) and Dr Ronald Law (chief of the DOH's Emergency Management Bureau Preparedness Division). Sung added that the US has given a total of P30 billion (US \$600 million) 'over the past 20 years to improve health care in the Philippines'.

However, American assistance to the Duterte administration in the latter's fight against Covid-19 has fallen below the communications radar. It has not received wide media coverage similar to the announcement of Duterte's agreement with Russian President Vladimir Putin to include the Philippines in the final mass testing of the Russian vaccine called 'Sputnik V'. US-Philippine cooperation in the fight against Covid-19 is relatively unknown to most Filipinos. There are several reasons for this low-level media treatment of US assistance.

First, the amount cited by the US Embassy, over US \$9 million, is peanuts compared to the total amount of US \$9.9 billion of loans and other anti-Covid-19 assistance that the Philippines' Department of Finance (DOF) had [secured](#) from the ADB, World Bank and other funding sources as of October 2020.

Second, US management of the Covid-19 problem in America under President Donald Trump is not inspiring. It is chaotic, as reflected in Trump's confusing attitude (from supportive to hostile) to America's own epidemiological experts and the horrifying number of Covid-19 infections and deaths in America.

Third and most importantly, the 'special relations' between the Philippines and the US have been eroding through the years starting with [the removal of the US military bases](#) in the early 1990s. The removal was a direct offshoot of the decision of the Philippine Senate to assert national sovereignty over these bases.

With the ascendancy of Rodrigo Duterte as Philippine president, the relations became outrightly sour. An autocrat and an unabashed supporter of China, Duterte had [fiery confrontations](#) with the outgoing US President Barack Obama on the issue of human rights and the Philippine war against drugs.

The hostile anti-American attitude of the Duterte administration subsided somewhat with the election of US President Trump, who expressed open admiration to Duterte's anti-drug war. But in February 2020, this anti-Americanism flared up anew when the US Senate passed sanctions against top Philippine officials involved in human rights violations under the Global Magnitsky Act. On top of the list of officials marked for sanctions is Senator Ronald 'Bato' de la Rosa, who is forbidden being given a US travel visa. Senator De la Rosa is the former police chief who led Duterte's bloody anti-drug war from 2016–18. The response of the Duterte administration to the blacklisting of Duterte officials is [the suspension of the Visiting Forces Agreement \(VFA\)](#), an agreement allowing US forces to conduct annual exercises within the Philippines. The VFA became the compromise military agreement after the termination of the US Bases Agreement in 1991.

With the election of Joe Biden as US president, America is widely expected to be able to get its act together on the war on Covid-19 at home and overseas. The Philippines can be a beneficiary of such a development. But at the same time, Biden, like President Obama, is also expected to be vocal on the importance of respect for human rights. The incoming American president is also reported to be preparing a '[summit of democracies](#)', a summit that is likely to hit autocrats around the world, including Duterte. Likewise, the Biden administration is not expected to soften on China, a geo-political ally of Duterte.

An added complication in the evolving US-Philippines economic and non-economic relations is the trade issue. Biden can contest the China-led [Regional Comprehensive Economic Partnership \(RCEP\)](#), which was signed this November by the ten member states of the Association of Southeast Asian Nations and the three east-Asian countries: China, Japan and South Korea. Biden can revive the Obama trade initiative, the Trans-Pacific

Partnership (TPP), or develop a new model of US-Pacific trade partnership involving India, which withdrew from the RCEP, and a number of Asian countries. In such a situation, the Philippines will have to do a difficult balancing job maintaining its support for the China-led RCEP while defining its role or participation in a renewed American trade program for the Asia-Pacific region given the leading role of US in the Philippine economy.

Overall, there is so much uncertainty on how such American balancing will develop and whether the outcomes will advance the Philippine fight against Covid-19. On the other hand, it is unclear if the Biden administration shall single out the Duterte administration based on issues of human rights violation and corruption, which has been raised by the US Millennium Challenge in its decision to [exclude the Philippines](#) as a beneficiary of Millennium grants. Or will it seek to reach out to the Duterte administration as America tries to re-establish its eroded influence in the Asia-Pacific region?

2.3. Philippines-EU Relations in Covid-19 Times: Tying Assistance to Respect for Human Rights

The European Union (EU) is the fourth most important trade, investment and financial partner of the Philippines, after the US, Japan and China. In addition, the EU has a growing community of OFWs, and more and more EU companies are offshoring call centre/business processing services to the Philippines.

However, Philippine-EU relations have been frosty since mid-2017, the end of the first year of Duterte's presidency. The EU offered the Duterte administration a big aid package amounting to €250 million (US \$280 million). The problem is that the offer was tied to better enforcement and observance of human rights laws by the Duterte administration in its conduct of the anti-drug war. [The Duterte government angrily rejected the aid offer](#) and has not received any similar assistance since.

But because of the Covid-19 pandemic this year, some politicians, such as Senator Richard Gordon, tried to convince the government to adjust to the pandemic by [renewing ties with the EU](#) and accepting European assistance related to Covid-19 containment. Gordon happens to be the National Chairman of the Philippine Red Cross, which has partnership agreements with Red Cross organisations in Europe and around the world. Gordon's call did not elicit any reaction from Malacañang.

Nonetheless, European development assistance continues to flow but in a limited amount. Most of the assistance goes to non-governmental institutions such as the Red Cross and projects led by 'Volunteer Service Organizers' or VSOs. Mindanao is also a long-time recipient of the EU funding for conflict-riven areas and support for the operation of the Bangsamoro Transition government, which Philippine Finance Secretary Carlos Dominguez [openly acknowledged](#).

However, in September 2020, the EU-Philippine conflict flared up anew. [The EU Parliament passed a Resolution denouncing human rights violations and extra-judicial killings under the war on drugs campaign of the Duterte administration.](#) The EU lawmakers also asked for a revocation of the Philippines' GSP privileges in the EU market if a) charges against Maria Ressa, editor of Rappler, are not dropped; b) Senator Leila de Lima, detained based on an illegal drugs-related case, is not released; and c) the ABS-CBN congressional franchise, denied by the Philippine House of Representatives, is not renewed.

The Duterte administration simply shrugged off all the foregoing accusations but avoided an open tit-for-tat confrontation. After all, what is at stake is critical to the Philippine economy. About one-fourth of Philippine exports to the EU are given GSP preferential tariffs.

Clearly, the future of Philippine-EU relations and the possibility of having productive EU-Philippine cooperation program in Covid-19 containment are not promising as long as President Duterte remains in Malacañang. In this light, the EU has no choice but to deliver its assistance for Covid-19-stricken Philippine communities by forging stronger partnership with non-governmental organisations such as the Philippine Red Cross, Ox-fam and other CSOs.

In short, the EU-Philippine cooperation in combating Covid-19 is a story that continues to evolve, hopefully for the better in the last one and a half years of Duterte's term.

2.4. On Covid-19 Assistance from Japan and China

Japan and China are the number two and three economic partners of the Philippines (trade, investments and ODA). But unlike the US and EU, these two countries have been relatively silent in commenting on political issues. This is particularly true in the case of Japan, which turned out to be the biggest source of financing for the government's Covid-19 response.

As mentioned earlier, the DOF raised, as of October 2020, a total of US \$9.29 billion in budgetary support financing. The biggest financing sources are the Japanese-led Asian Development Bank and Japan's arm for bilateral assistance, JICA. The next biggest source is the World Bank, whose president is usually appointed by the American government.

Ironically, China, through the Asian Infrastructure Investment Bank (AIIB), has contributed only a measly US \$750 million to the total US \$9.3 billion raised by DOF to counter Covid-19. Moreover, [keen observers are asking](#) why China's promises of double-digit billion-dollar investments in the country are not happening. There are also observations that China is profiting from the Covid-19 situation in the Philippines by becoming the biggest source of PPEs and other health materials being procured by the Department of Health

(DOH). Local Filipino manufacturers denounce the tendency of DOH to import all these materials from China when the locals have the capability to produce these materials.

With regard to Japan, it is clear that Japan's policy is one of good neighbourliness. In maintaining this image, it has nudged the ADB and JICA to provide as much assistance as possible to the Covid-19-stricken Philippines, with no political strings attached. Of course, the economic strings – debt service, involvement in choice infrastructure projects, etc. – deserve separate scrutiny and analysis.

2.5. Finally, Can the UN System Help the Philippines?

It does. Although a bit late, the World Health Organization (WHO) assisted the DOH in re-calibrating the Philippine response to Covid-19 after a number of organisational missteps during the first two months of the lockdown (March–April), such as helping to address the absence of a reliable Covid-19 monitoring system.

But what role should the UN play beyond the assistance being provided by the WHO to DOH and the various cooperation programmes, mainly technical in character, that a number of UN agencies have forged with the Philippines, such as the UNDP's guidelines on how to fulfil the 17 Sustainable Development Goals (SDGs)?

To this writer, the role of the UN should be to push for new global economic relations that are just, fair, inclusive and sustainable to all member states. The world needs a new framework of development to address not only the Covid-19 pandemic but also deepening and widening inequality around the world.

Fortunately, the present UN Secretary General António Guterres is thinking more or less along the same lines. In his Nelson Mandela lecture last July in New York, [UN Secretary General Guterres issued a very important call](#): the world needs a new social contract for a new system of global governance. He said:

'People want social and economic systems that work for everyone. They want their human rights and human freedoms to be respected. They want a say in decisions that affect their lives.'

'The New Social Contract, between governments, people, civil society, business and more, must integrate employment, sustainable development and social protection, based on equal rights and opportunities for all.'

He further said: 'Let's face the facts. The global political and economic system is not delivering on critical public goods: public health, climate action, sustainable development, peace.'

'The Covid-19 pandemic has brought home the tragic disconnect between self-interest

and the common interest: and the huge gaps in governance structures and ethical frameworks.'

'To close those gaps, and to make the New Social Contract possible, we need a New Global Deal to ensure that power, wealth and opportunities are shared more broadly and fairly at the international level.'

'A new model for global governance must be based on full, inclusive and equal participation in global institutions.' This new governance should be based on 'fair globalisation, on the rights and dignity of every human being, on living in balance with nature, on taking account of the rights of future generations, and on success measured in human rather than economic terms, is the best way to change this.'

In his Nelson Mandela speech, Guterres cited the various problems ailing humanity which necessitates an overhaul of the existing global economic and political governance system. Four of the major problems deserve to be emphasised:

- the Covid-19 pandemic and how it has exposed the 'fragility of the world',
- the climate crisis that is pushing the world to the brink of extinction,
- the one-sided trade and financial system that locks the poor countries into a perpetual state of underdevelopment, and
- the vast and widespread social-economic inequality that 'defines our time'.

I fully agree with the Secretary General that the above are the leading problems of the world. They are the Four Horsemen of the Apocalypse that are now galloping around the world. Unchecked, they are bringing humanity and Mother Earth to an apocalyptic edge.

From the foregoing outline of the Guterres lecture, it is abundantly clear that the UN system indeed needs an overhaul. But the forces of conservatism and neo-liberalism in the developed world are resisting such a call. The challenge to the Philippines is to rally behind the UN General Secretary and help him forge the social contract the world needs.

3. Guide to Different Acronyms

1. Quarantine Programmes:

ECQ – enhanced community quarantine

MECQ – modified enhanced community quarantine

GCQ – general community quarantine

MGCQ – modified general community quarantine

2. Government Line Departments:

DILG – Department of Interior and Local Government

DOH – Department of Health

DOLE – Department of Labour and Employment

DOF – Department of Finance

DND – Department of National Defence

DSWD – Department of Social Welfare and Development

3. Other Acronyms:

IATF – Inter-Agency Task Force on Emerging Diseases

NTF – National Task Force on Covid-19

LGUs – Local Government Units

CSOs – civil society organisations

OFWs – overseas Filipino workers

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