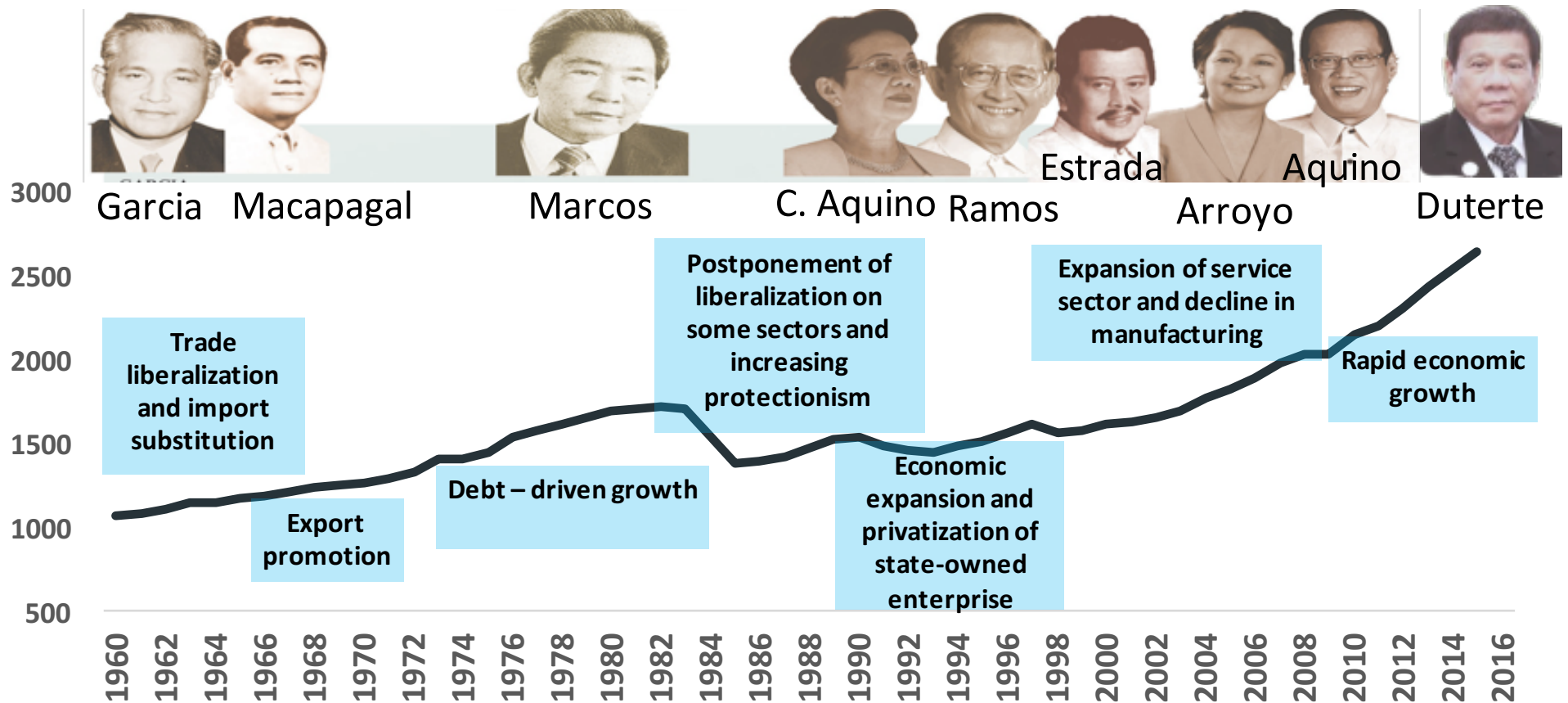




INTEGRITY, GOOD GOVERNANCE AND DEVELOPMENT

Ronald U. Mendoza, PhD

GROWING THE ECONOMIC PIE



MONOPOLY + DISCRETION – ACCOUNTABILITY = CORRUPTION





Total price tag: US\$1.88 billion
Total output: zero kilowatts

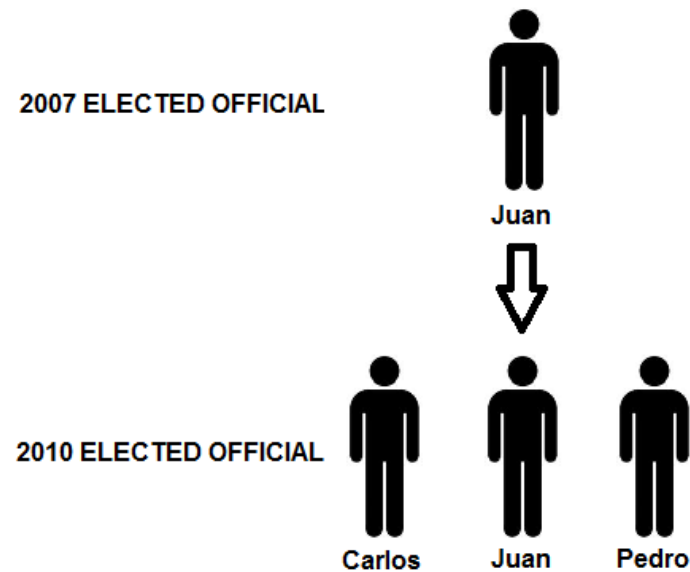
POST-MARCOS ERA:

RISE OF MINI-DICTATORSHIPS?

- THIN DYNASTY



- FAT DYNASTY



Outside Imperial Manila: Provinces becoming more dynastic over time?

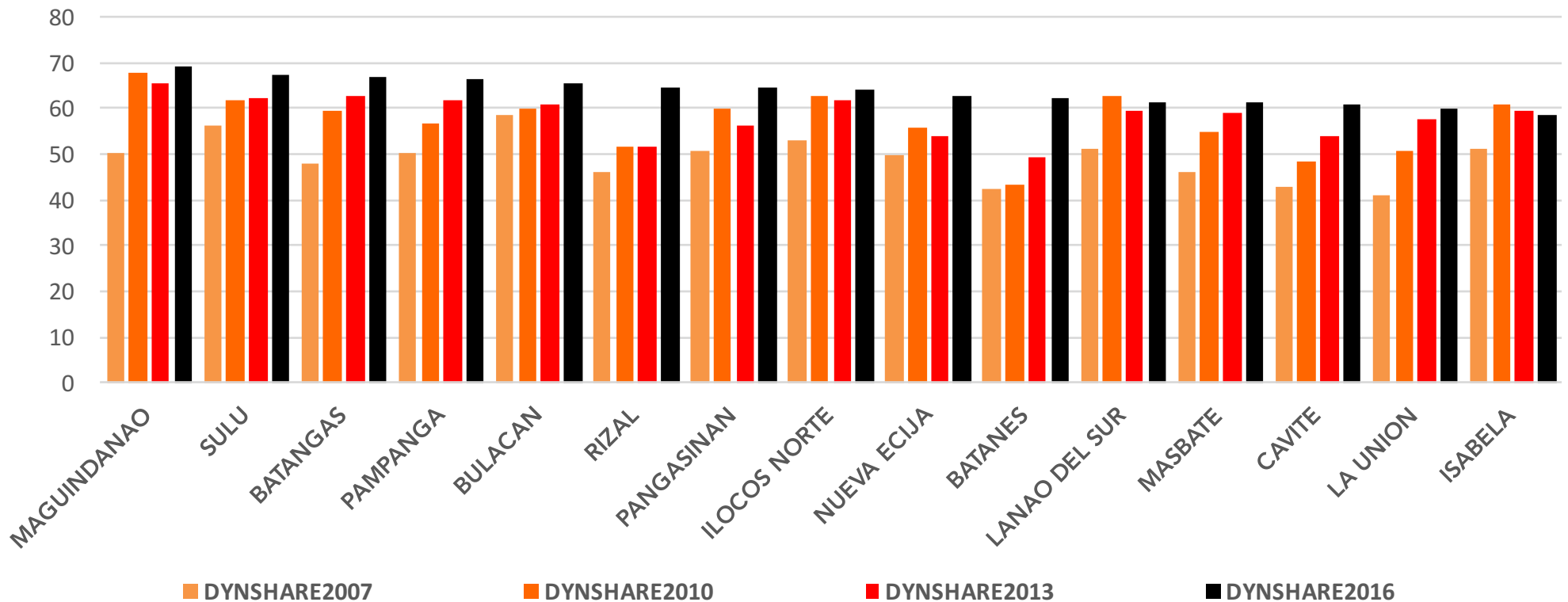


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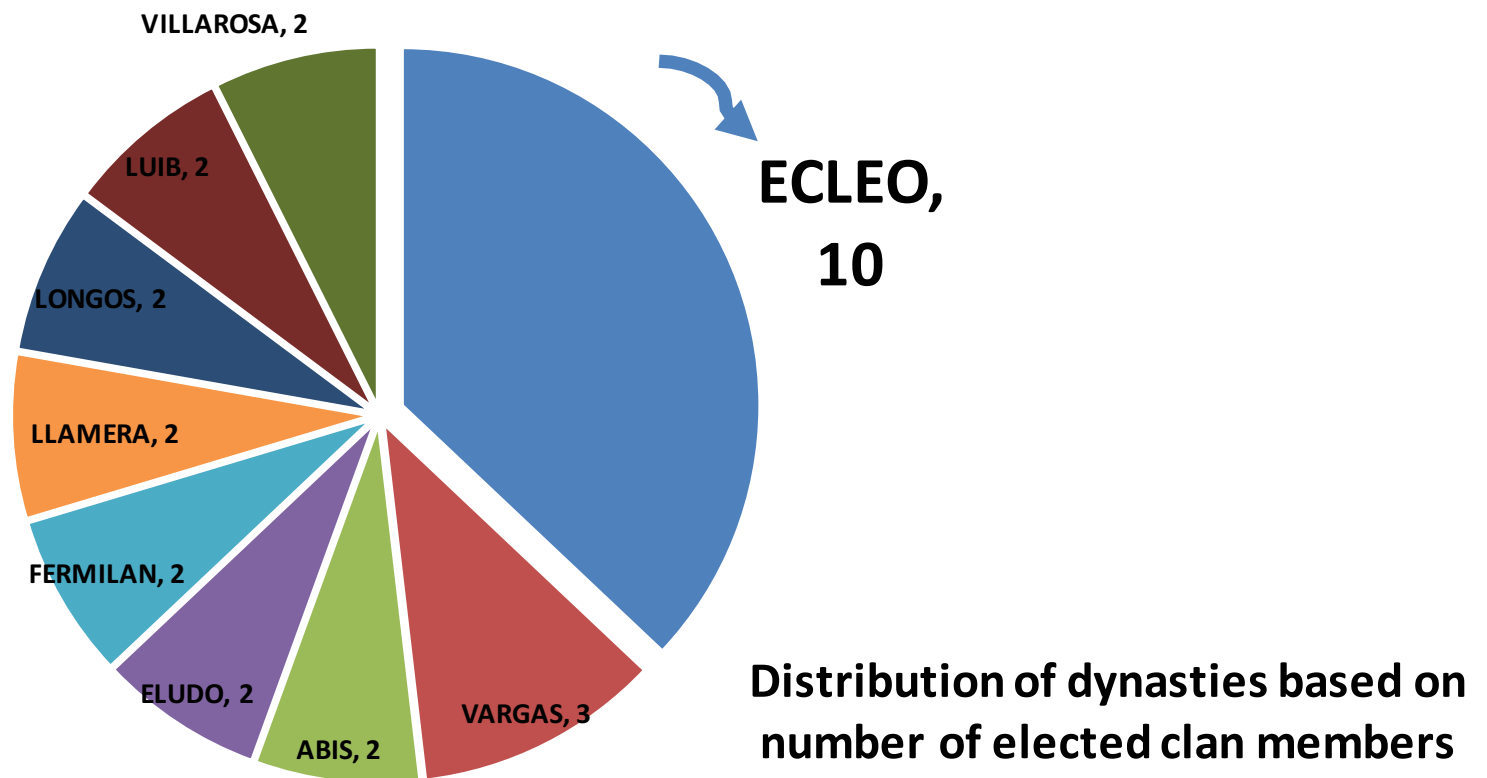
Forming Leaders. Leading Reforms.

Dynastic Share across Provinces (2007 – 2016 Elections)



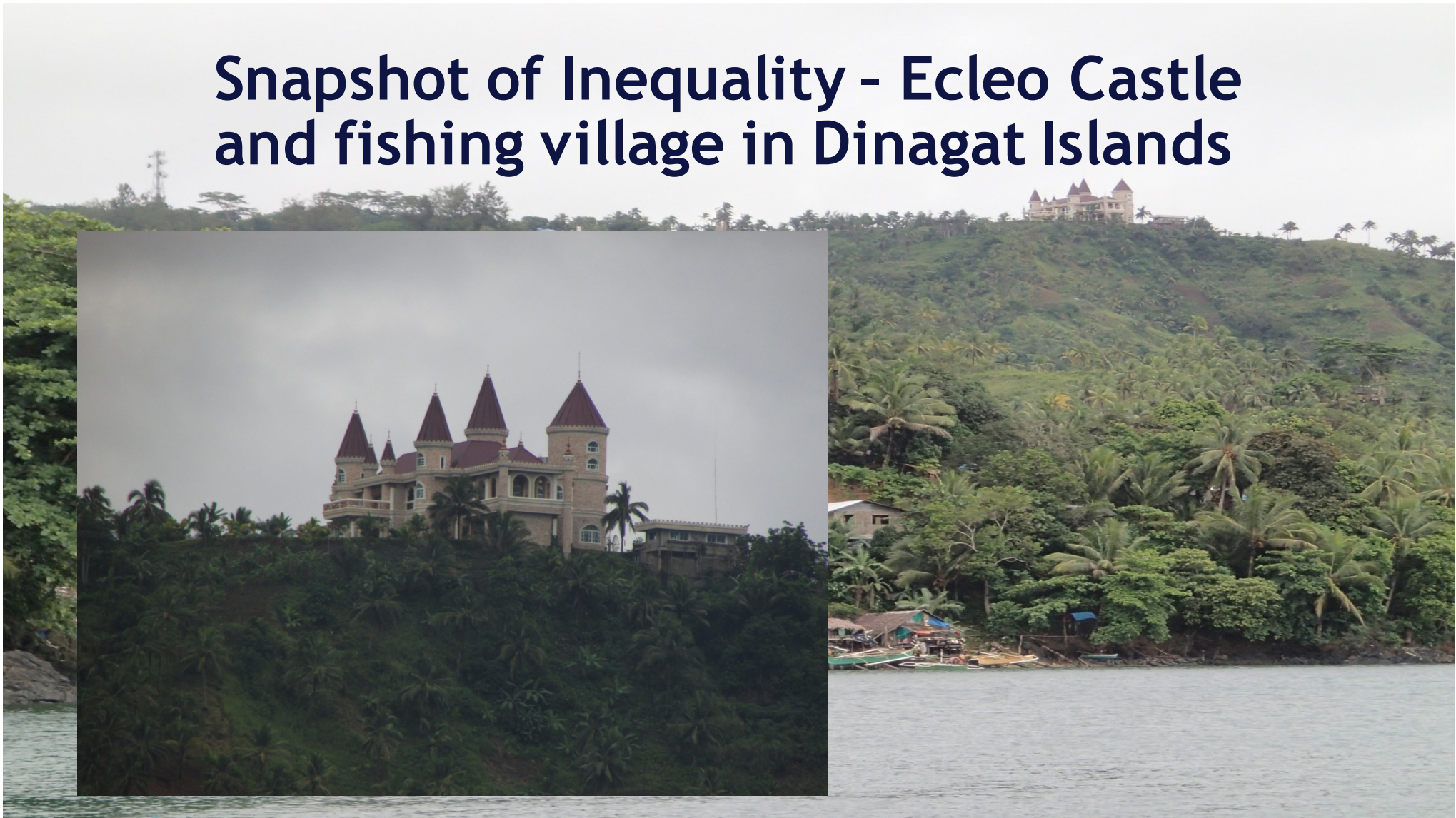
Source: Ateneo School of Government Local Government Leadership Database.

Dinagat Islands is dominated by Ecleo Clan, 2016 Election



Source: Authors' calculations based on data developed by Mendoza et al (2012;2016).

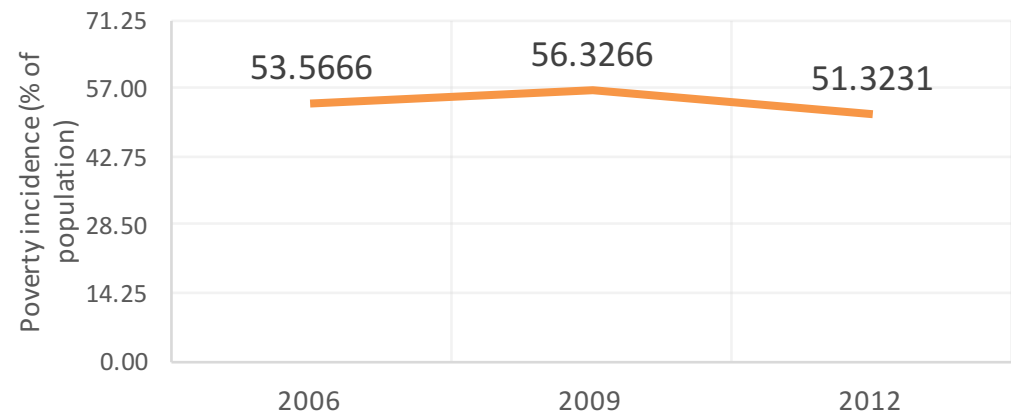
Snapshot of Inequality - Ecleo Castle and fishing village in Dinagat Islands





Violent political competition in Masbate.
Four Congressmen assassinated between
1989 and 2005.

Meanwhile, 1 in 2 Filipinos in Masbate live
below the poverty line...



DATA SOURCE: PHILIPPINE STATISTICAL AUTHORITY
PHOTO SOURCE: ABS-CBN NEWS ONLINE

Average Dynastic Share (2007 – 2016 Elections)

Position	Dynastic share (in %)			
	2007	2010	2013	2016
Governor	69.6	82.3	86.3	81.3
Percentage increase/decrease		12.7	3.97	-5
Vice Governor	62	70.9	75	81
Percentage increase/decrease		8.87	4.11	6.01
Representative	75.3	78.7	75.3	77.5
Percentage increase/decrease		3.44	-3.46	2.25
Mayor	57.6	67.2	67.5	68.8
Percentage increase/decrease		9.6	0.3	1.3
Vice Mayor	40.6	51.2	52.6	56.9
Percentage increase/decrease		10.6	1.4	4.3

81% of Governors. 78% of Congressmen.
69% of Mayors. 57% of Vice Mayors.

Political Dynasties Lead To Deeper Poverty



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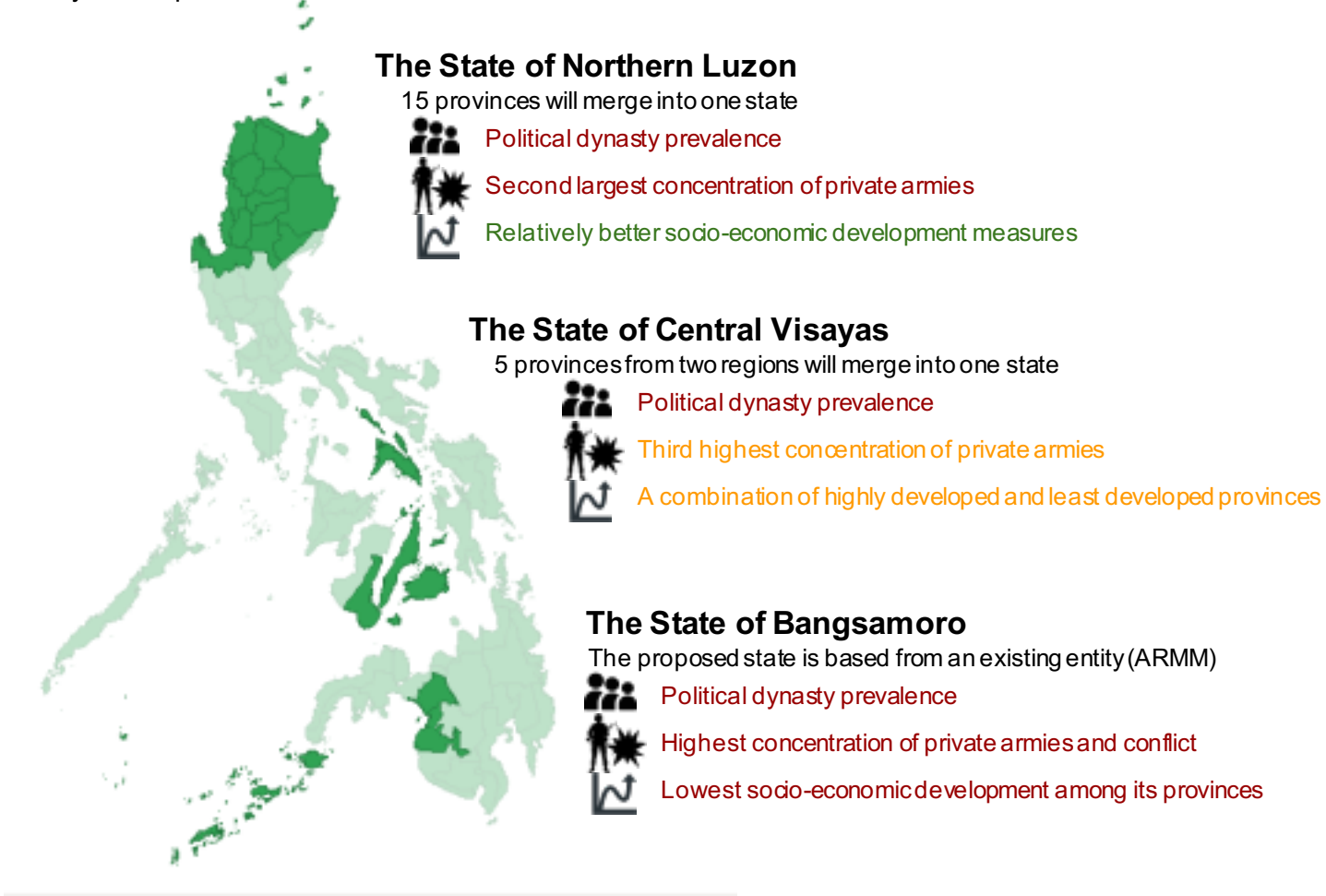
"Political Dynasties and Poverty: Illustration of Measurement and Initial Evidence of Linkages in the Philippines" *Oxford Development Studies* 44(2):189-201.

Mendoza, Beja, Venida and Yap (2016) examine the link between poverty and dynasties, using a comprehensive database of political dynasties in Philippine local government covering 2000-2013;

CONCLUSION: More fat dynasties cause greater poverty, notably outside of Metro Manila.

FEDERALISM AND POLITICAL DYNASTIES

The discussion focuses on three proposed Federal States and potential dynamics, including challenges, that may arise upon transition to Federalism.



DATA AND SOURCES

We analyzed asymmetries among key indicators, which can be grouped into **GUNS**, **GOONS** and **GOLD**.



Dynasty Share (2016), calculations from Ateneo Policy Center's Databaset



Count of Private Armed Groups (2012), Philippine National Police (PNP) and Rappler

Incidences of conflict (2015/2016), International Alert Philippines for ARMM (2015) and PNP and media sources for all other regions (2016).



Following International Alert data set definitions, conflict includes:

- Conflicts arising from governance—includes competition over non-elective position, conflicts versus military versus police, corruption of public office, political/geographic splitting of administrative and political boundaries, misfires from security groups, etc.
- Political conflict—includes election-related violence, rebellion, political repression, conflict among political parties, elective positions etc.



Socio-economic indicators
Human Development Index (2012)
Middle Class Share (2012)
Unemployment Rate (2012)
Poverty Rate (2012)
Income Inequality (2012)
Internal Revenue Allotment (IRA) dependency (2012)



Count of Airports (2016), Philippine Civil Aviation Authority



Count of Seaports (2017), Philippine Ports Authority & World Port Source



Count of mining sites (2017), Mines and Geosciences Bureau

PROPOSED STATE OF BANGSAMORO

Summary versus Other Proposed States: The proposed state of Bangsamoro is an agglomeration of the most dynastic, underdeveloped, and conflict-laden provinces.

STATE	COMPOSITION		GUNS & GOONS			GOLD					
	Former Regions	Composition	Dynasty	Private Army	Conflict	Human Development	Poverty Rate	Middle Class Share	Unemployment	Income Inequality	Financial Resources
Northern Luzon	3	15	49.6%	13	2	0.587	20.3	14.0%	4.3	0.417	81.48%
Central Luzon	1	7	53.8%	3	1	0.642	12.5	19.9%	8.3	0.443	74.09%
Southern Tagalog	1	5	57.5%	7	4	0.701	9.5	23.3%	9.0	0.405	61.92%
Misamis	1	5	43.4%	4	1	0.557	25.2	12.5%	3.8	0.481	94.09%
Bicol	1	5	52.6%	2	0	0.523	29.1	8.9%	5.3	0.437	85.30%
Eastern Visayas	1	6	53.1%	2	3	0.493	38.1	9.9%	5.8	0.507	91.19%
Central Visayas	2	5	54.7%	8	2	0.569	31.6	9.3%	4.8	0.473	88.05%
Western Visayas	1	6	53.4%	1	2	0.613	21.5	14.7%	5.8	0.436	82.96%
Northern Mindanao	3	11	47.0%	0	4	0.518	34.9	11.1%	4.5	0.462	83.93%
Southern Mindanao	3	10	43.2%	4	2	0.502	33.8	9.4%	3.9	0.439	85.30%
Bangsamoro	1	5	61.9%	42	4	0.330	43.2	1.5%	4.1	0.295	87.08%
Mean	Count of Regions	Count of Provinces	Average Dynasty Shares of Provinces 2010	Count of Private Armed Groups 2012	Provinces with Conflict during 2010 elections	Average HDI for 2012 of Provinces	Average Poverty Rate for 2012	Average Middle Class Share 2015	Unemployment Rate 2012	Income GINI Coefficient 2012	IRA Dependency Ratio 2012

Source: Philippine Statistics Authority, Philippine National Police, Ateneo Policy Center

PROPOSED STATE OF BANGSAMORO: SUMMARY

Summary Table: The most dynastic provinces Maguindanao, Sulu, and Lanao del Sur also have relatively lower human development, higher poverty rates and severely IRA dependent.

BANGSAMORO	GUNS & GOONS			GOLD					
	Dynasty	Private Army	Conflict	Human Development	Poverty Rate	Middle Class Share	Unemployment	Income Inequality	Financial Resources
Maguindanao	69.1%	20	91	0.309	54.5	1.9%	1.5	0.369	94.5%
Sulu	67.5%	7	43	0.303	40.2	0.9%	1.3	0.220	93.3%
Lanao del Sur	61.5%	4	11	0.217	67.3	2.2%	8.3	0.330	96.4%
Basilan	57.7%	6	32	0.419	32.1	1.2%	5.4	0.261	64.0%
Tawi-Tawi	53.5%	5	0	0.403	21.9				
Total Bangsamoro	61.9%	42	4	0.330	43.2	1.5%	4.1	0.295	87.1%

Measure	Dynasty Shares of Provinces 2016	Count of Private Armed Groups 2012	Incidences of Conflict from International Alert 2015	HDI for 2012 of Provinces	Poverty Rate 2012	Middle Class Share 2015	Unemployment Rate 2012	Income GINI Coefficient 2012	IRA Dependency Ratio 2012
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Dynasty Shares: All provinces are dynastic, with higher shares than national average (50%).

Human Development: All provinces have poor HDI - lower than national average (0.644).

Unemployment: Unemployment is relatively low in Maguindanao, Sulu and higher in Lanao del Sur and Basilan compared to national average (5.7%).

Poverty: Except for Tawi-Tawi, poverty rate is very high compared to national average (25.2%).

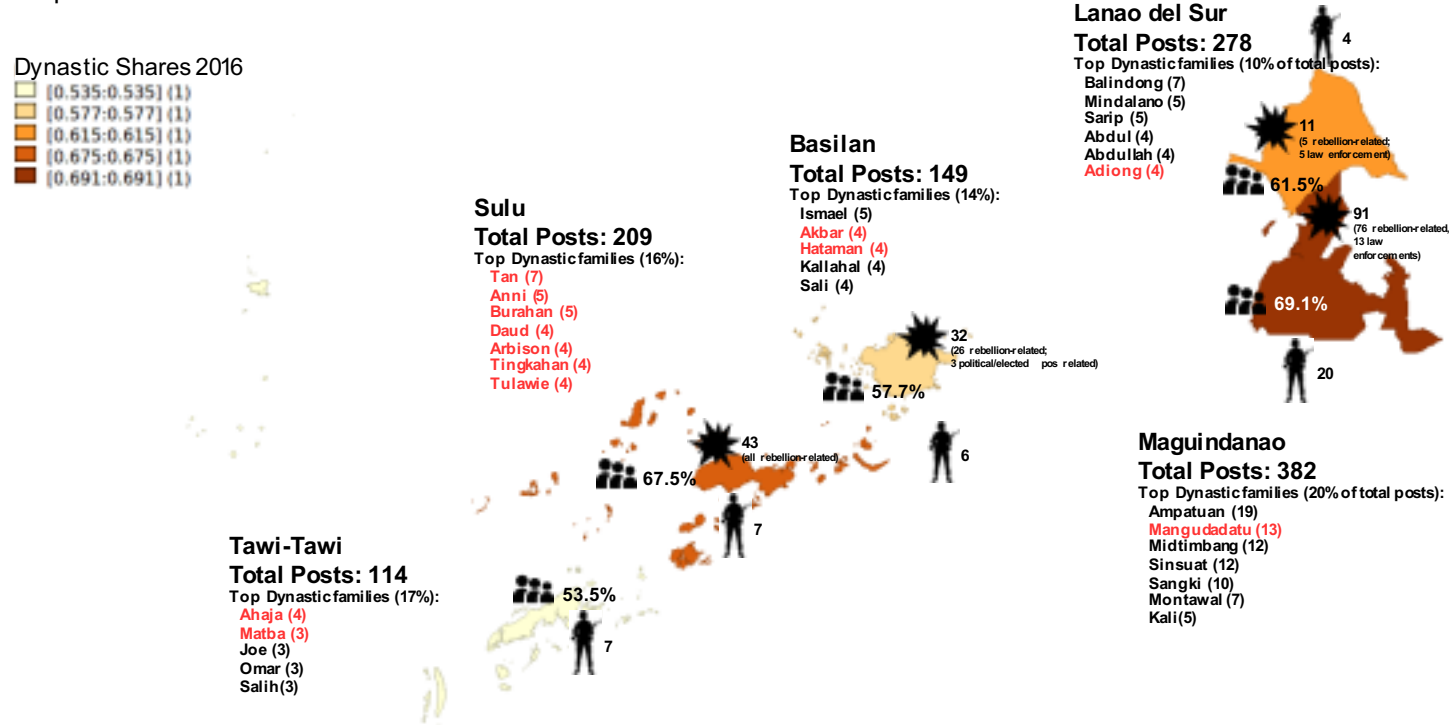
Income Inequality: Low compared to national average (0.506).

IRA dependency: High IRA dependency except across all, except Basilan.

Legend: Each column (variable) is ranked from key watch-out (**red**) to least key watch-out (**green**).
Sources: COMELEC, government and International Alert data (see sources slide).

PROPOSED STATE OF BANGSAMORO: POLITICAL DYNASTIES

Dynasty Shares, Families, and Incidences of Conflict: Most conflicts are rebellion-related and linked to law-enforcement. Some of the prominent clans, like the Mangudadatu of Maguindanao occupy the highest positions in the province.



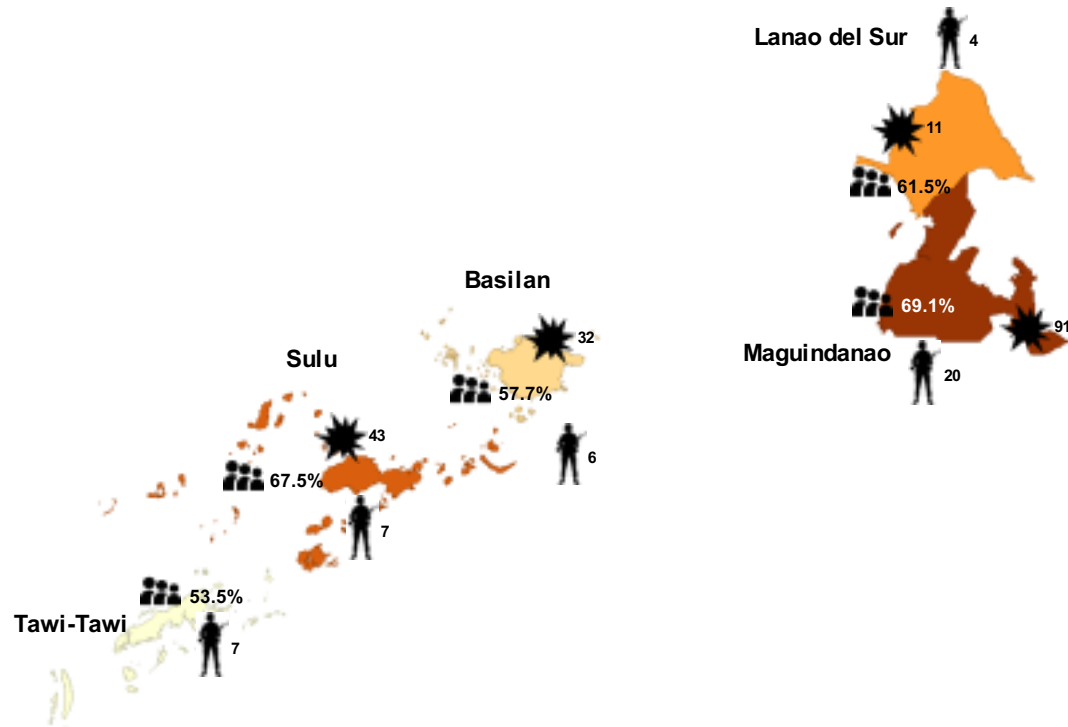
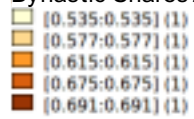
Legend: Dynastic families are marked red if they occupy key positions in government: provincial governor/vice governor, regional governor/vice, regional leg assembly, regional vice governor, representative

Sources: Ateneo Policy Center, Philippine National Police and International Alert data (see sources slide).

PROPOSED STATE OF BANGSAMORO: GUNS & GOONS

Dynasty Shares, Armed Groups, and Conflict: All provinces have dynasty shares that exceed national average (50%) and infiltrated by various private armed groups.

Dynastic Shares 2016

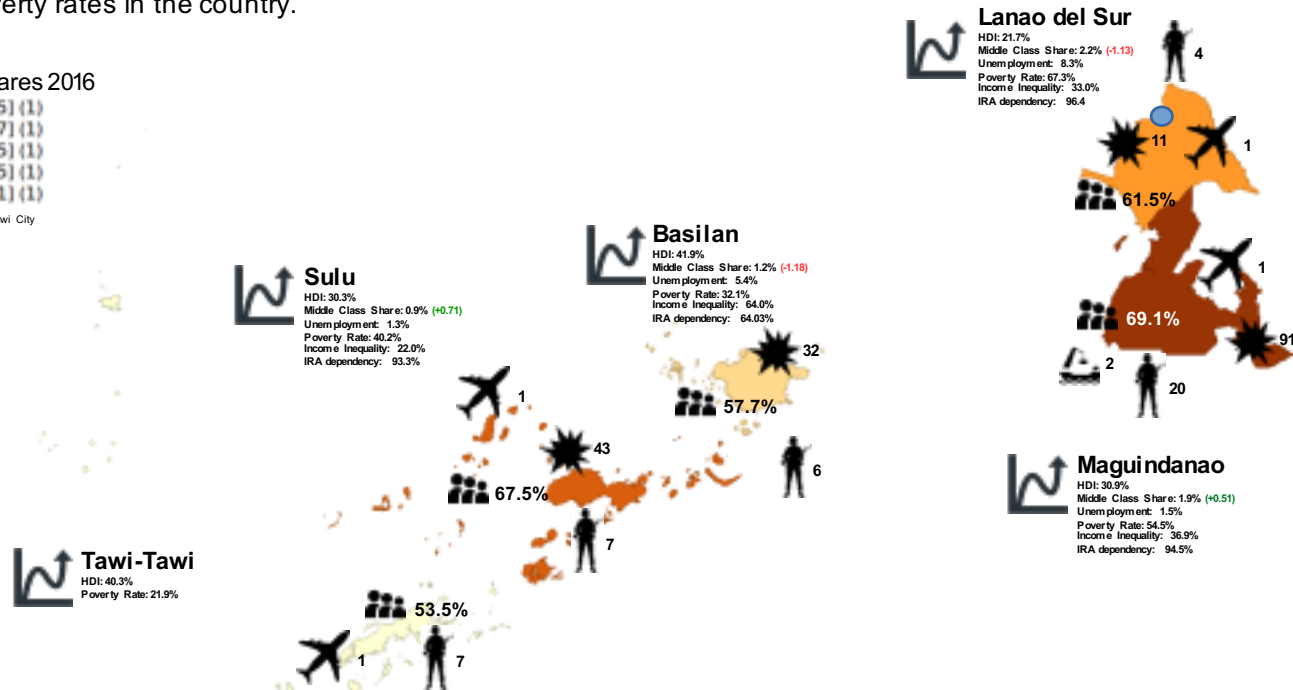
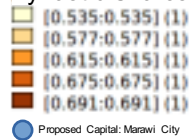


Source: Philippine National Police, Ateneo Policy Center, International Alert Philippines

PROPOSED STATE OF BANGSAMORO: GOLD

Dynasties and development: Lanao del Sur province hosts the proposed capital and has the largest seaport and airport. This is also the province with the biggest private armies, the most dynastic jurisdiction, and has one of the highest poverty rates in the country.

Dynastic Shares 2016



Composition	Old ARMM provinces (5)
Dynastic Share	Highly Dynastic (average of 61.9% versus 50% national average)
Private Armies	High Concentration and High Spread (all 45 armies in all 5 provinces)
Conflict	Highest number of provinces with conflict
Resources/Economy	Highly dependent on IRA, mostly gray economy, no mining activity, two ports
Development	Lowest human development across provinces; lowest GDP per capita

Sources: COMELEC, government and International Alert data (see sources slide).

PROPOSED STATE OF NORTHERN LUZON: SUMMARY

Summary Table: This state combines the most dynastic and least dynastic provinces but with varying patterns when it comes to socioeconomic indicators. Key watch-out would be private armies and conflict in highly dynastic provinces.

NORTHERN LUZON	GUNS & GOONS			GOLD					
	Dynasty	Private Army	Conflict	Human Development	Poverty Rate	Middle Class Share	Unemployment	Income Inequality	Financial Resources
PANGASINAN	64.6%	1		0.580	14.9	12.0%	6.6	0.417	85.6%
ILOCOS NORTE	64.3%	1		0.731	8.4	23.5%	8.4	0.384	73.2%
BATANES	62.3%	0		0.512	18.2	10.0%	0.0	0.470	70.0%
LA UNION	60.0%	2		0.687	15.3	11.1%	9.7	0.398	71.2%
ISABELA	58.6%	1	YES	0.587	19.0	14.1%	2.8	0.412	88.0%
ABRA	56.9%	5	YES	0.526	27.2	14.7%	7.1	0.404	66.2%
APAYAO	56.8%	0		0.379	54.7	10.2%	1.2	0.463	98.4%
CAGAYAN	56.5%	3		0.626	15.2	12.6%	2.1	0.432	87.9%
ILOCOS SUR	55.3%	0		0.640	13.7	16.2%	6.7	0.391	75.2%
NUEVA VIZCAYA	46.6%	0		0.644	15.1	11.8%	3.2	0.419	82.4%
IFUGAO	42.1%	0		0.488	36.0	7.6%	1.0	0.404	94.4%
KALINGA	41.9%	0		0.546	20.9	16.4%	6.0	0.452	94.4%
QUIRINO	33.8%	0		0.549	15.5	9.4%	0.0	0.428	88.0%
BENGUET	25.3%	0		0.842	2.8	29.8%	8.7	0.402	64.6%
MOUNTAIN PROVINCE	18.9%	0		0.473	27.9	9.9%	0.7	0.387	82.8%
Total Northern Luzon	49.6%	13	2	0.587	20.3	14.0%	4.3	0.417	81.5%
Measure	Average Dynasty Shares of Provinces 2016	Count of Private Armed Groups 2012	Provinces with Conflict during 2016 elections	Average HDI for 2012 of Provinces	Poverty Rate 2012	Average Middle Class Share 2015	Unemployment Rate 2012	Income GINI Coefficient 2012	IRA Dependency Ratio 2012

Dynasty Shares: Nine out of the 15 provinces have higher dynasty shares than national average (50%). However, this region also hosts the least dynastic provinces in the country—Mt. Province and Benguet.

Human Development: The provinces generally have lower human development with only 4 regions matching or exceeding the national average (0.644).

Unemployment: Generally lower unemployment is noteworthy in this region (5.7%).

Poverty: Average poverty rate is lower than national average (25.2). Apayao, Ifugao, Mountain Province, and the highly dynastic province of Abra have poverty rates exceeding national average.

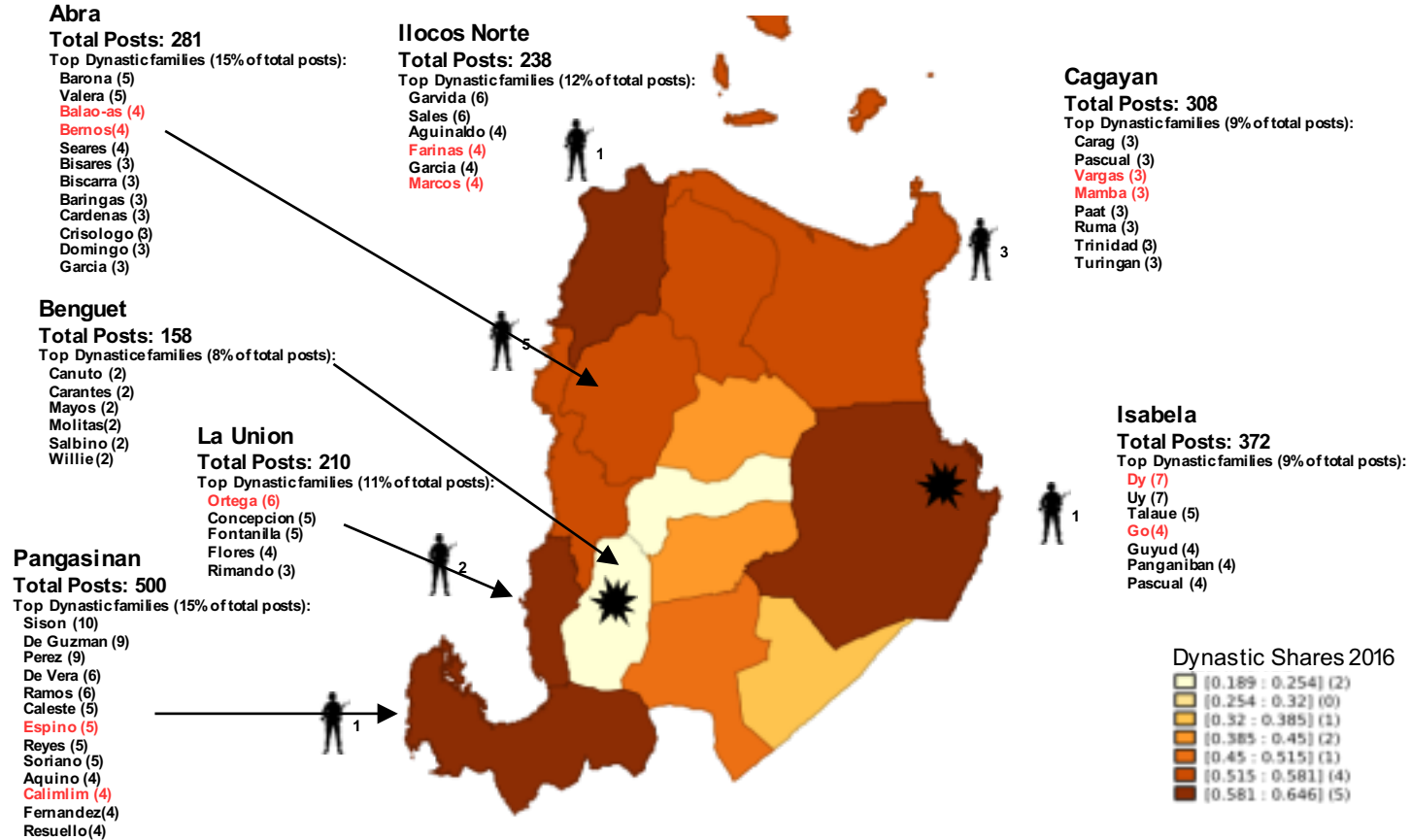
Income Inequality: Highest income inequality seen in Batanes, Apayao, and Kalinga.

IRA dependency: Higher IRA dependency noted in the regions with lesser dynastic shares except Mountain Province.

Legend: Each column (variable) is ranked from key watch-out (red) to least key watch-out (green).
Sources: COMELEC, government data and media (see sources slide).

PROPOSED STATE OF NORTHERN LUZON: POLITICAL DYNASTIES

Dynasty Shares, Families, and Incidences of Conflict: Clan perpetuations are very evident—with as high as 10 kins of a clan elected in the province of Pangasinan, 2016.

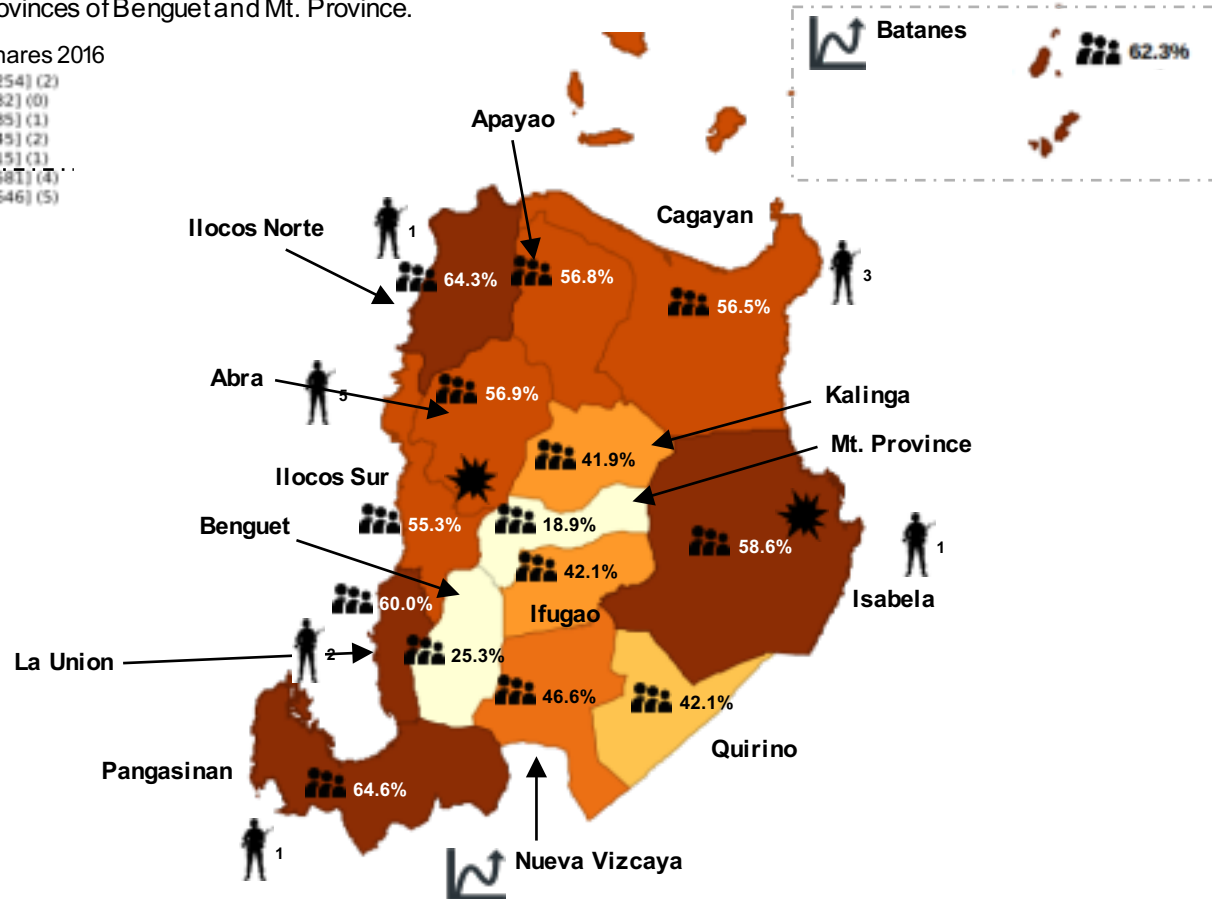
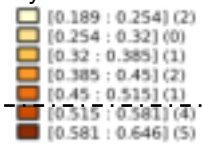


Legend: Dynastic families are marked red if they occupy key positions in government: provincial governor/vice governor, regional governor/vice, regional leg assembly, regional vice governor, representative
 Sources: COMELEC, government data and media (see sources slide).

PROPOSED STATE OF NORTHERN LUZON: GUNS & GOONS

Dynasty Shares, Families, and Incidences of Conflict: Fifteen provinces will be combined to form the proposed State of Northern Luzon; 9 out of the 15 over-index in dynasty share versus total PH. However, this proposed state also hosts the least dynastic provinces of Benguet and Mt. Province.

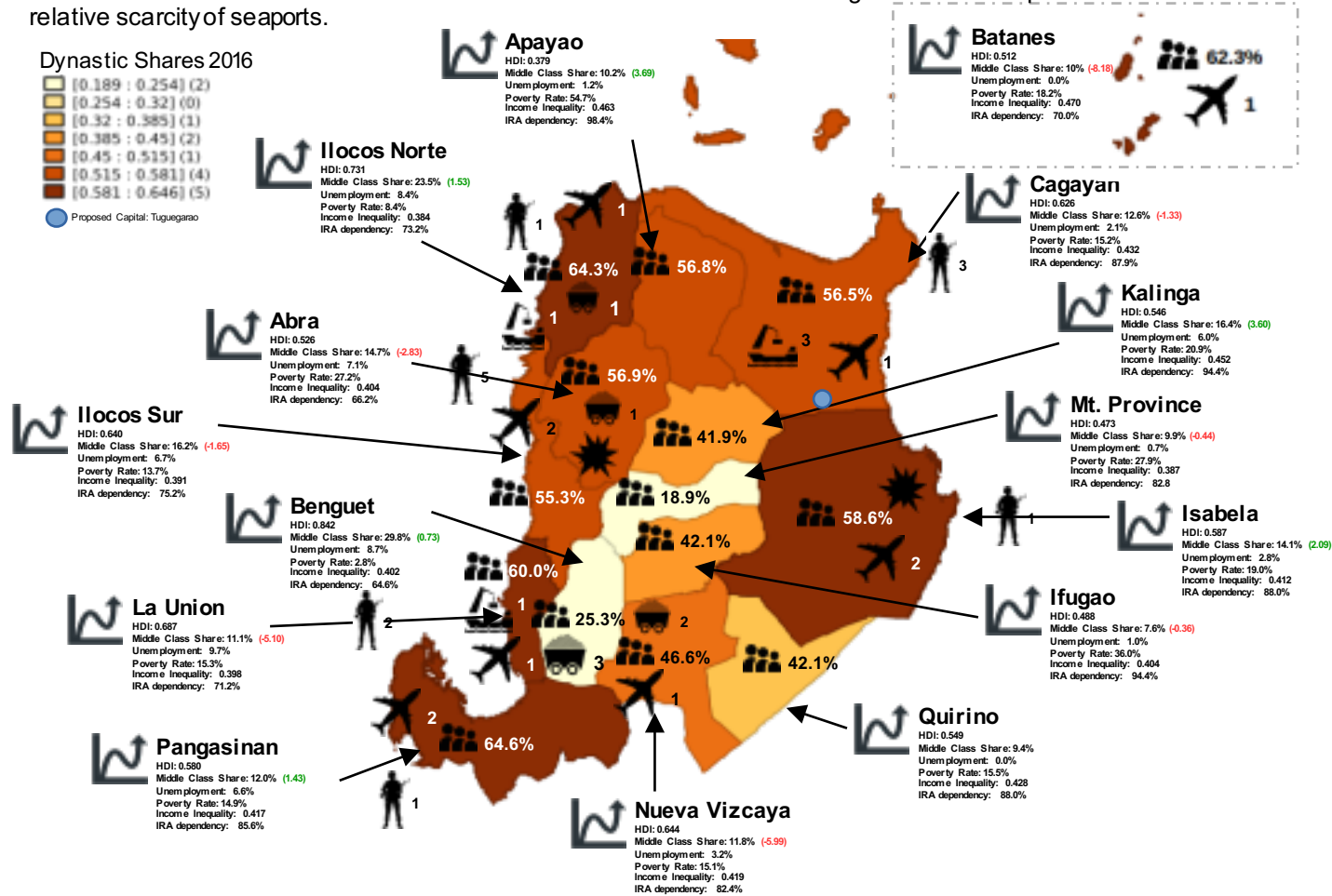
Dynastic Shares 2016



Sources: COMELEC, government data and media (see our source slide).

PROPOSED STATE OF NORTHERN LUZON: GOLD

Dynasties and development: This state combines the most dynastic and least dynastic provinces but with varying pattern when it comes to socioeconomic indicators. Notable is the distribution of mining activities in the provinces as well as the relative scarcity of seaports.



Sources: COMELEC, government data and media (see our oess slide).

KEY TAKEAWAYS

- Merging of provinces into one state can create a power vacuum whereby leaders of each province would vie for leadership.
- This **fight for leadership** is not negative per se but may not be ideal especially for states with provinces where political dynasties and armed conflicts are prevalent.
- Furthermore, there exist **asymmetries within and among provinces** (dynastic, non dynastic, low/high development) which pose a challenge in integration.
 - These imbalances mirror the kind of leadership in a locale.
 - For example dynastic leaders dominate the conflict-laden and underdeveloped Bangsamoro region and Masbate province in Central Visayas
- What will be the **role of the Federal Government** in maintaining and ensuring that dynasties with political armies will govern the newly formed state without violence?
 - Institutional effectiveness/ Stronger policing (strong-state) to deal with private armies, more punitive measures, and shadow economies?
 - **Calling for abolition of private armies in exchange of certain liberties/concessions?** These concessions, however, should be beneficial to the people of the state/state development.



“ Every time I meet somebody who wants to modify or amend the 1987 Constitution, I ask him or her: “ What is it that you want to do that you cannot do within the present Constitution?” What we need is not a change in the Constitution, but a change in people.”

- Hon. Raul S. Roco



Building Inclusive Democracies in ASEAN

Ronald U. Mendoza
Edsel L. Beja Jr.
Julio C. Teehankee
Antonio G.M. La Viña
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Political Dynasties Lead To Deeper Poverty



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Mendoza, Beja, Venida and Yap. 2012. “Inequality in democracy: Insights from an empirical analysis of political dynasties in the 15th Philippine Congress”. *Philippine Political Science Journal* 33(2):132-145.

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1969605

- ✓70% of the 15th Philippine Congress is dynastic; and dynasties dominate all of the major political parties.
- ✓On average, there are more dynasties in regions with higher poverty and lower human development.
- ✓Dynasties tend to be richer (higher SALNs) when one outlier is removed among present non-dynasties (MP).
- ✓80% of the youngest Congressmen (age 26-40) are from dynastic clans.



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