

# **Populism and institutional decay: empirical evidence from the Philippines**

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## **Abstract**

This study examines the presidency of Rodrigo Duterte (2016-2022) in the Philippines who became widely known due to his populist agenda and especially his support for the extrajudicial killing of drug users and criminals. To evaluate the impact of his presidency on institutional quality, this study uses data from 2006 to 2022 and the synthetic control method. The results suggest that the presidency of Rodrigo Duterte had a significant and decreasing effect on the rule of law in the Philippines. With the approach used, this study provides counterfactual evidence on how the Duterte presidency has deteriorated institutional quality. Additionally, the study discusses his major policies that led to institutional decay, while also looking at other dimensions of institutional quality. As a large part of his policies aimed at improving economic performance, this study also discusses the short-term economic outcomes of his efforts.

## **JEL codes:**

D73; H11; N45; O53; P27

## **Keywords:**

Rule of law; synthetic control; Philippines; Duterte; institutional quality

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## 1. Introduction

Rodrigo Duterte was elected president of the Philippines in 2016, after serving for more than two decades as mayor of Davao City. His governing style can be described as populist and nationalist. He became widely known due to his support for the extrajudicial killing of drug users and criminals, and he has repeatedly stated that he personally killed criminal suspects during his time as mayor of Davao, which resulted in several nicknames, including “The Punisher”, and boosted his popularity among voters (Camroux 2022). Due to Duterte’s war on drugs and the related human rights violations during his presidency, the International Criminal Court (ICC) opened a preliminary investigation in 2018 (Simangan and Melvin 2019). There were also other controversies and major events during his presidency, such as the burial of the former dictator Ferdinand Marcos, the 2017 battle of Marawi, and the management of the COVID-19 pandemic. Overall, his populist and nationalist agenda significantly shaped the development of political and economic institutions in the Philippines, and it is an interesting case study to investigate the institutional decay due to populist leaders.

This study aims to understand the impact of Duterte’s presidency on the rule of law in the Philippines. To achieve this, the synthetic control method and data from 2006 to 2022 are used to create a synthetic version of the Philippines which did not experience the presidency of Rodrigo Duterte. This counterfactual Philippines will be created out of a donor pool of 64 countries from the region East-Asia and Pacific and World Bank’s category of lower-middle income countries. Additionally, this study discusses how Duterte’s policies have shaped institutional development in the Philippines during his presidency. Therefore, the contribution is manifold, because it provides new empirical evidence using a counterfactual analysis and it uses additional sources to identify mechanisms, and it discusses the political context of Duterte’s presidency. To the best of my knowledge, this has not been done before.

The study ties on the growing literature on populism since the late 2010s years which has already shed light on the role of populism in different world regions. While populism in Europe and Latin America is a well-established phenomenon, it has also gained more importance in North America and Asia. There have been many studies about the Trump presidency in the United States (Akande 2023; Fischer 2024), and several Asian countries, including India, Thailand, the Philippines, Pakistan, and Sri Lanka (Dieckhoff, Jaffrelot, and Massicard 2022; Dulay, Hicken, and Holmes 2022).

The remaining paper is structured in the following way: Section 2 includes the literature review and Section 3 presents the methodology and data. In Section 4, the results are presented. Section 5 discusses the results, and Section 6 concludes the paper.

## 2. Literature Review

There is already an existing body of literature that discusses many aspects of populism from a political-economy perspective. A political theory of populism by Acemoglu et al. (2013) discusses why and how politicians choose populist policies, and how term limits affect populist bias of policies. Urbinati (2019) reviews the role of populism in democratic societies, and explains how it tends to transform the fundamentals of democracy. Additionally, Bernhard et al. (2024) discuss theoretical considerations from sociology and political sciences, and present different case studies from Europe, Latin America, and the United States. Since the first Trump presidency in 2017 (and even before), the role of populism in the United States attracted academic attention which can be seen in several publications that address different dimensions of Trump's behavior and policies, for example the effect of his tweets on financial markets (Burggraf, Fendel, and Huynh 2020; Marinč et al. 2021), or his impact on the macroeconomy (Born et al. 2021), or his impact on the perception of corruption (Fischer 2024), or his impact on the US democracy (Akande 2023).

Several country case studies have also shown that there are differences between left-wing populism and right-wing populism, as both directions have their own agendas and audiences to address. Absher et al. (2020) investigate left-populist regimes in Latin America and show that they have a negative effect on income, in terms of GDP per capita. They also did not find positive effects on the reduction of income inequality or improvement of the health systems, which can be considered as trade-offs. As an example for right-populist governments, Born et al. (2021) present results on the macroeconomic impact of Trump, which can neither support significant damage to the US economy nor indicate an extraordinary improvement. However, cross-country studies and large case study comparisons have shown that populist regimes from different political orientations are costly for the economy and can result in institutional decay (Funke, Schularick, and Trebesch 2021; 2023; Kyriacou and Trivin 2024).

With a focus mainly on Europe and the United States, Dorn et al. (2024) discuss the causes and consequences of the rise of populism and argue that we are living in a populist era. They investigate the role of economic development (including the financial crisis and refugee crisis) and external shocks in this context, and they discuss that populists in power slow down economic growth and undermine democratic political institutions. They also show that left-wing and right-wing voters share the same worries about economic insecurities, a lack of empathy by politicians, and a perceived lack of opportunities.

Other authors, such as Dieckhoff et al. (2022), show that the phenomenon of populism has also gained more importance in other regions such as South and East Asia, for example in India,

Thailand, the Philippines, Pakistan, and Sri Lanka, which is further discussed in several case studies. Camroux (2022) discusses the institutional and historical roots of Duterte's presidency in the Philippines, and presents how Duterte has used the institutional framework for his advantage and how his punitive populism has helped him to stay popular. This history of institutions and democracy in the Philippines was also discussed by Hutchcroft and Rocamora (2003), who show that the institutional development of today can be traced back to the American colonial era (1898 to 1946), which includes elements such as patronage politics and strong presidency. Mamunta (2022) discusses the historical roots of Duterte's populism, which relies on his charisma as a strongman and his image as the father of the nation.

Dulay et al. (2022) argue that one of the drivers of Duterte's popular support is his ethno-populism, because they show that ethnicity is the most important explanatory variable using survey data. Most other studies, such as Kenny and Holmes (2020) or Camroux (2022), discuss the role of punitive populism or penal populism as a main explanation for his popularity. In this context, Jetter and Molina (2022) show how Duterte's inauguration speech has shifted Filipinos' policy agenda towards prioritizing illegal drugs. In addition, Kasuya and Miwa (2023) investigate why Duterte enjoyed popularity despite the democratic backsliding. They came to the conclusion that preference falsification due to social desirability bias can be an explanation. Ramos (2020) discusses the role of social policy reforms within the overall presidency of Duterte, and several studies discuss his foreign policy which is in some aspects also related to domestic considerations (Camba 2023; Fang and Li 2022; Lischin 2022; Takagi 2022; Teehankee 2016; Song and Velasco 2024).

Some authors have also addressed Duterte's major policies such as his infrastructure programs and tax reforms (Cororaton, Tiongco, and Eloriaga 2019; Cuenca 2021) as well as his anti-terrorism agenda (Mendoza et al. 2021; Moon 2021). The latter is also connected to the violent approach of domestic security policy and human rights violations which has also been discussed by several authors (Icking 2019; Regilme and Parthenay 2024; Simangan and Melvin 2019).

While previous studies have covered a wide range of topics concerning the presidency of Rodrigo Duterte, none of these studies has empirically addressed his impact on the rule of law in the Philippines, which is the main contribution of this study. The study will also further discuss how his policies have negatively affected institutional quality and look at the development of several economic indicators before and after the election of Duterte.

### 3. Methodology and Data

This study evaluates the impact of the Duterte presidency (2016-2022) on the rule of law in the Philippines using the synthetic control method (SCM). The SCM is an established methodology of studying the impact of major political events, for example, political reforms, system change, revolution (Absher, Grier, and Grier 2020; Farzanegan 2022; 2023; Farzanegan and Kadivar 2023; Kyriacou and Trivin 2024), and presidential terms (Born et al. 2021; Fischer 2024; Grier and Maynard 2016). The SCM was developed by Abadie et al. (2003; 2010; 2015) and can be used to create a counterfactual of a country and study the impact of an event on an outcome variable. The advantage of the SCM is that it uses the combination of several untreated countries to approximate the pre-treatment characteristics of the treated country, which is much more accurate than using any single untreated country. The SCM will estimate weights based on the behavior of defined predictor variables in the pre-treatment period which will then be used to calculate the synthetic Philippines.

The outcome variable in this study is the rule of law from World Bank's Worldwide Governance Indicators (WGI 2024), and the treatment year is 2016, which is the year when Rodrigo Duterte assumed the presidential office in the Philippines. The treatment unit is the Philippines, and countries from the region East-Asia and Pacific and World Bank's category of lower-middle income countries will be used in the donor pool. After removing countries with missing data, the donor pool includes 64 countries. A full list of countries is available in Table A1 in the Appendix. The sample was restricted to countries of the same region and income group, because these countries are potentially better comparison units or donors than countries from other regions and income groups.

The WGI are based on a large number of different data sources, capturing the views and experiences of survey respondents and experts in the public and private sectors, as well as various NGOs. The WGI estimate of "rule of law" captures perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence. The used estimate gives the country's score on the aggregate indicator, in units of a standard normal distribution, i.e. ranging from approximately -2.5 to 2.5. In the 2022 rule of law indicator, the Philippines has a score of -0.52 and ranks 143 out of 213 countries, where Finland has the highest score of 1.96 and Somalia has the lowest score of -2.29.

To determine the weights that are used to create the synthetic Philippines, several predictor variables are used. First, every third year of the outcome variable (rule of law) in the pre-treatment period is used, namely the years 2006, 2009, 2012 and 2015, which will help to

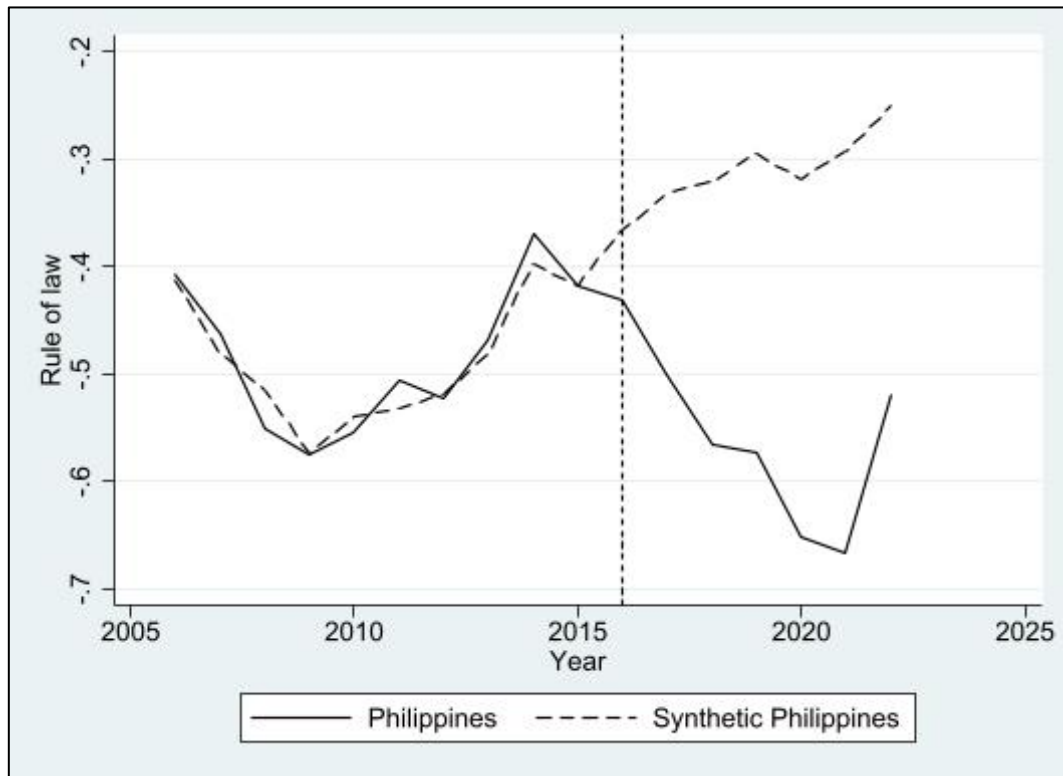
receive a good pre-treatment fit for the treated and synthetic Philippines. Not all years of the outcome variable are used, because using all outcome lags as separate predictors renders all other covariates irrelevant and might result in a larger potential bias of the estimated treatment effect (Kaul et al. 2021). Additionally, several other predictor variables from the World Bank's World Development Indicators (WDI) and Worldwide Governance Indicators (WGI) are included, which are relevant in the case of the development of rule of law, namely following variables as an average over the whole pre-treatment period: GDP per capita, population size, control of corruption, political stability and absence of violence/terrorism, government effectiveness, voice and accountability, as well as regulatory quality (WDI 2024; WGI 2024). This should achieve that the synthetic Philippines closely reflects the pre-treatment performance of the rule of law covariates of the factual Philippines.

#### **4. Results**

According to the results, the synthetic Philippines is best generated by the weighted average of seven countries (out of 64 countries in the donor pool), namely, Bolivia (7.9%), Fiji (2.7%), Honduras (12.1%), India (11.9%), Kenya (26.3%), Malaysia (2.3%), and Thailand (36.8%). A full list of donor pool countries and their weights is available in Table A1 in the Appendix. Figure 1 shows the trajectories of the rule of law scores of the factual and synthetic Philippines during the period 2006 to 2022. We can see that the synthetic version reproduces the rule of law of the factual version in the period before the start of the Duterte presidency in 2016. The difference between the factual and synthetic Philippines shows the effect of the presidency. Additionally, Table A2 in the Appendix presents the means of predictors of the factual and synthetic Philippines and shows that the synthetic control can produce a better counterfactual than an unweighted average of the selected donor pool countries.

As all countries in the donor pool were also affected by the COVID-19 pandemic, the gap does not reflect the impact of the pandemic. The slight drop in the trajectory of the synthetic Philippines might be explained by the eroding effect of the pandemic on institutions in the donor pool countries, which has also been shown in other studies (Lewkowicz, Woźniak, and Wrzesiński 2022). Thus, this will not affect the interpretation of the gap between both trajectories.

Figure 1: Factual and synthetic trajectories of the rule of law scores

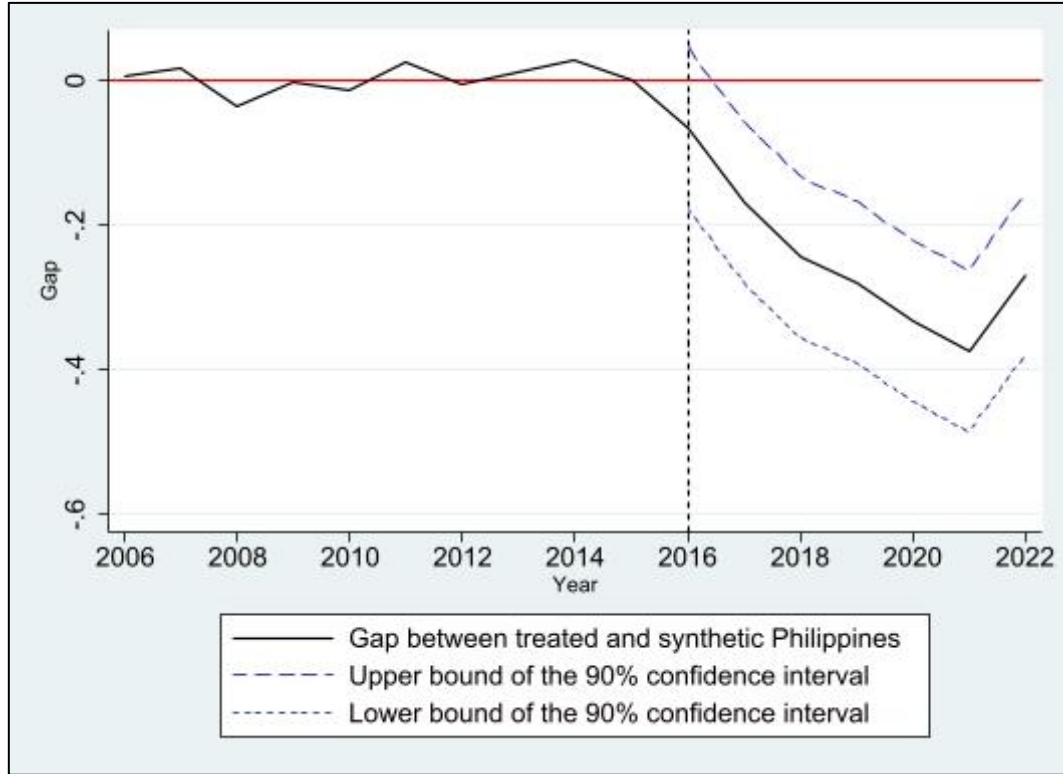


If we compare the trajectories, we see that the rule of law scores of the factual Philippines dropped from -0.43 in 2016 to -0.67 in 2021 which shows a decrease in rule of law during this period. The synthetic Philippines, which represent the counterfactual scenario in which Duterte was not elected president, shows a different behavior, namely an increase of rule of law from -0.37 to -0.29. While the decreasing trend started already slightly before the Duterte presidency, we can see a new ten-year minimum of rule of law during his presidency. With the end of his term, we can also see an improvement in rule of law which is reflected by the trajectory of factual Philippines after 2021.

In addition, it is also important to consider the uncertainty of the estimation of the synthetic control, which can be evaluated with several commonly-used placebo tests and the confidence bounds developed by Firpo and Possebom (2018) as well as Ferman et al. (2020). The latter proposed a uniform confidence set around the estimated effect of the synthetic control, which is presented as the gap between the factual and counterfactual values of the outcome variable. It contains all functions that are deviations from the estimated treatment effect by an additive and constant factor and are not rejected by the placebo test. Figure 2 presents the estimated gap between the factual and synthetic versions of the Philippines with uniform confidence sets at

the 90% confidence level. If the confidence sets do not include the zero line, then we are 90% certain about the true effect of the Duterte presidency on the rule of law in the Philippines.

*Figure 2: Gap between factual and synthetic rule of law scores, including confidence sets*



According to the results, the estimated effect is statistically significant in the post-treatment period, starting in 2017. The other placebo tests are presented in Figure A1, A2, A3, and A4 in the Appendix, namely an in-space placebo test, an in-time placebo test, and the leave-one-out test and a pseudo p-value based on the ratio of the post-disaster root mean square prediction error (RMSPE) to the pre-disaster RMSPE. As there are some discrepancies between the predictors of the factual and synthetic versions of the Philippines, the penalized synthetic control was also applied. It uses different estimation techniques for bias correction of inexact matching (Abadie and L'Hour 2021; Wiltshire 2022). The results are presented in Figure A5 in the Appendix. Overall, the placebo tests support previous findings of the confidence sets.

## 5. Discussion

As the results suggest a decrease of rule of law in the Philippines as a consequence of the presidency of Rodrigo Duterte, the two questions remain: Why did the rule of law decrease? How was Duterte able to decrease the rule of law? What does the decrease of the rule of law mean for the socio-economic development of the Philippines? The first two questions are



connected and can be discussed with the help of previous studies (Camroux 2022; Hutchcroft and Rocamora 2003) and a closer look at Duterte's policies. The historical development of institutions in the Philippines have resulted in an institutional framework with a strong presidential institution, compared to a relatively weak judiciary. This allowed Duterte to use his presidential power to coopt the judiciary for his purposes, for example to harass the political opposition. His actions did not reduce his popularity due to his populist actions, his charisma as a strongman, and his image as the father of the nation, which is also reflected in his nicknames "The Punisher" or "Tatay" (daddy). The finding about the reduction of institutional quality supports several previous studies from different countries and regions (Dorn et al. 2024; Fischer 2024; Funke, Schularick, and Trebesch 2021; 2023; Kyriacou and Trivin 2024). In addition to historical development of institutions, it is also important to look at key policies during his presidency, and especially at those who affected institutions.

### *5.1 Domestic security policy*

The first set of policies is related to the strengthening of the security apparatus, which includes his War on Drugs, the National Action Plan on Anti-Terrorism (e.g., Imposition of Martial Law in Mindanao, and Anti-Terrorism Act of 2020), the Anti-Communist Insurgency Campaign and National Task Force to End Local Communist Armed Conflict (NTF-ELCAC), COVID-19 response (e.g., Bayanihan to Heal As One Act), and Philippine's exit from the International Criminal Court (ICC). The latter suggests less accountability on the global level when human rights violations are made by members of the security apparatus. In addition, the Duterte administration made efforts to centralize government communications and media, for example through the establishment of the Presidential Communications Office (PCO), which was especially helpful during the pandemic. There were also other reforms related to the protection of citizens, for example the anti-illegal gambling campaign, and the revised penal code and anti-child abuse laws.

Duterte's War on Drugs and National Action Plan on Anti-Terrorism have been major initiatives during his administration (Kenny and Holmes 2020; Johnson and Fernquest 2018; Mendoza et al. 2021), but both have raised concerns about the erosion of the rule of law and accountability within the security apparatus in the Philippines. These policies, while aiming to combat crime and terrorism, have often bypassed legal frameworks and compromised human rights, weakening the foundations of democratic governance (Moon 2021; Icking 2019). The War on Drugs, initiated in 2016, has been marked by widespread extrajudicial killings, where thousands of drug suspects have been killed by police or vigilantes with little to no accountability. Despite international condemnation, Duterte defended the killings as necessary

for national security and public order, effectively undermining the rule of law. These practices have fostered a climate of impunity, where law enforcement officers and military personnel are rarely held responsible for abuses. This lack of accountability can encourage further violations and harms public trust in the judicial system.

Similarly, the National Action Plan on Anti-Terrorism was meant to address terrorism but has been criticized for giving extensive powers to authorities, including the ability to arrest suspects without warrants and label individuals or groups as terrorists without clear evidence. The Anti-Terrorism Act, a key part of the action plan, has been seen as too broad, providing the government with excessive powers to suppress dissent, stifle opposition, and target activists or critics, including human rights defenders (Amnesty International 2020; Human Rights Watch 2020). These measures have created fears of arbitrary detention, surveillance, and violations of civil liberties. Together, the War on Drugs and the National Action Plan on Anti-Terrorism have contributed to an environment where the rule of law is compromised, and where state actors are allowed to act with minimal oversight or consequence. The weakening of accountability for the security forces not only threatens democratic institutions but also undermines the fundamental rights of citizens.

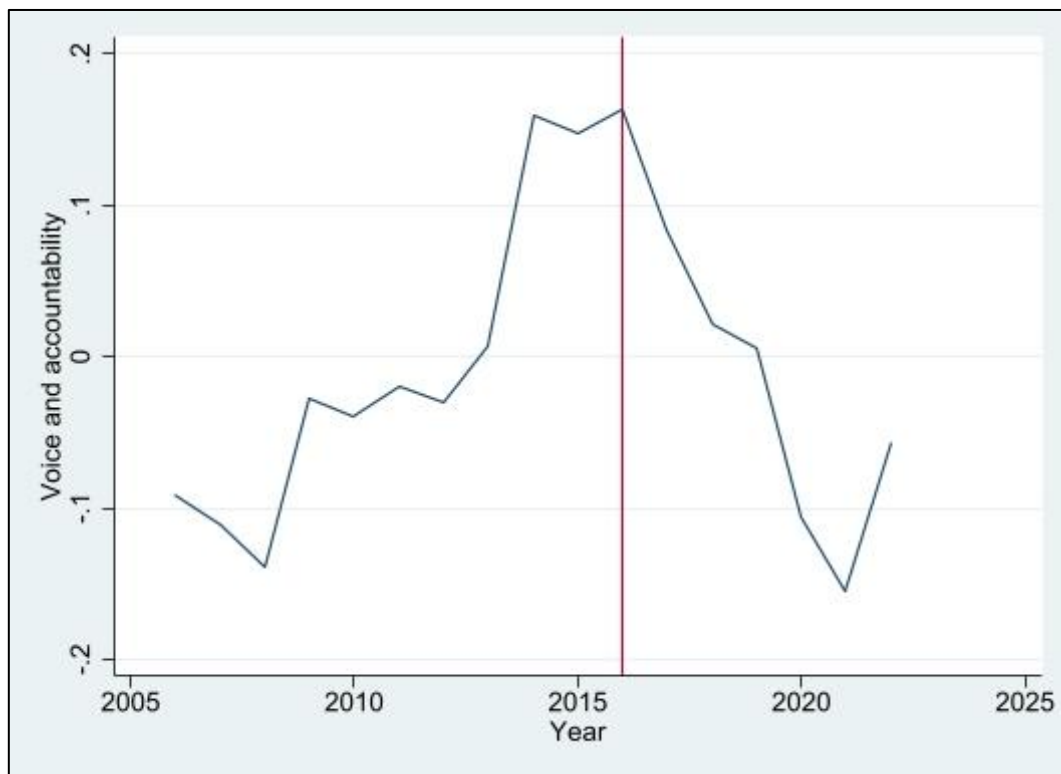
Two other policies have further affected institutional quality in the Philippines, namely the Anti-Communist Insurgency Campaign and the National Task Force to End Local Communist Armed Conflict (NTF-ELCAC), along with the government's response to the COVID-19 pandemic (Regilme and Parthenay 2024; Simangan and Melvin 2019), which have further reduced the rule of law in the Philippines by eroding civil liberties, creating an atmosphere of repression, and weakening institutional checks and balances. The NTF-ELCAC, created to reduce communist insurgency in the country, has faced criticism for its controversial tactics. The task force has often linked activists, journalists, and human rights advocates to communist groups, labeling them as terrorists without sufficient evidence. This broad labeling creates an environment of fear and censorship, where individuals and organizations are targeted for exercising their rights to free speech and assembly (Amnesty International 2024; Icking 2019). The approach has increasingly blurred the line between legitimate security concerns and political persecution, weakening the rule of law.

In addition, the Philippine government's handling of the COVID-19 pandemic has further compromised legal protections (Regilme and Parthenay 2024). During the health crisis, emergency powers were granted to the president, which resulted in extensive decrees that restricted movement, imposed curfews, and limited personal freedoms under the guise of public health measures. While necessary to contain the pandemic, these measures were often enforced

with excessive force by police and military personnel, leading to reports of arbitrary arrests, violence against citizens, and violations of basic human rights. Additionally, the government's uneven distribution of aid and its failure to address corruption in relief programs have further demonstrated the weakness of state institutions and the lack of accountability.

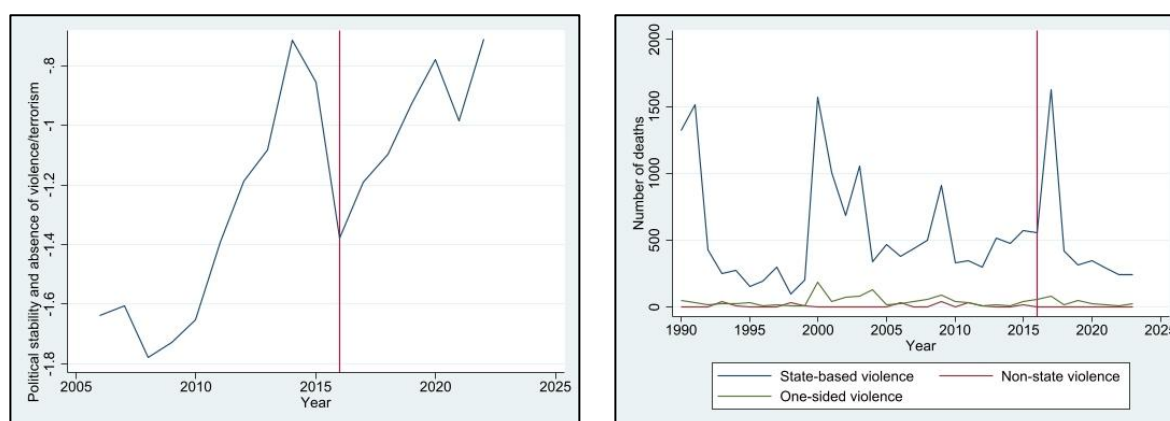
Overall, all discussed security policies have strengthened the security apparatus while reducing rule of law and accountability. The latter is also reflected in the Worldwide Governance Indicator (WGI 2024) “voice and accountability” as presented in Figure 3.

*Figure 3: Development of voice and accountability before and after Duterte's election*



The figure shows that not just rule of law has deteriorated since the start of the Duterte presidency but also voice and accountability. Overall, we can see that Duterte kept his promises in terms of domestic security policy, and his populist agenda was put into action. However, his new approach to security did not improve the “political stability and absence of violence/terrorism” compared to the time before his presidency, as Figure 4a shows. After an initial drop in the year of his election, it returned to pre-Duterte levels. Additional data from Uppsala Conflict Data Program (UCDP) show that the majority of conflict-related deaths in the Philippines are the result of state-based violence, as presented in Figure 4b. In the period 1990 to 2023, about 86% of violent events are labelled as state-based violence (UCDP 2024).

*Figure 4: Development of violence before and after Duterte's election*



a) Political stability and absence of violence/terrorism (from WGI).

b) Number of conflict-related deaths, best estimate (from UCDP).

## 5.2 Foreign policy

Another set of policies is related to a shift in foreign policy and especially in improving relations with China. Duterte sought to improve relations with China, prioritizing economic cooperation over disputes in the South China Sea (Camba 2023). This shift in foreign policy included negotiations for infrastructure investments and Chinese business ventures in the country, though it drew criticism for downplaying territorial disputes (Fang and Li 2022). Duterte argued with the shift towards an “independent foreign policy” (Song and Velasco 2024), because it would distance the Philippines from traditional partners such as the United States. Moving away from partners such as the United States means also more independence in terms of international accountability, because the United States often demand certain reforms, for example democratization efforts, before investments or other support will take place. Therefore, this new independence would serve a similar purpose than the exit from the International Criminal Court (ICC).

However, the foreign policy did not change that drastically as Duterte's speeches and promises would suggest. Takagi (2022) shows that after six years since the start of the Duterte presidency, the Philippines has remained an allied partner of the United States. The Philippines' defense establishment even strengthened its navy due to financial and technical support from the United States. In reality, Duterte's administration was responsible for modest diplomatic shifts, such as acquiring greater Chinese economic assistance in the country, in the form of FDI, development finance, grants, and no-interest loans (Camba 2023). Therefore, we can see that the populist agenda did not cause a major shift in foreign policy.

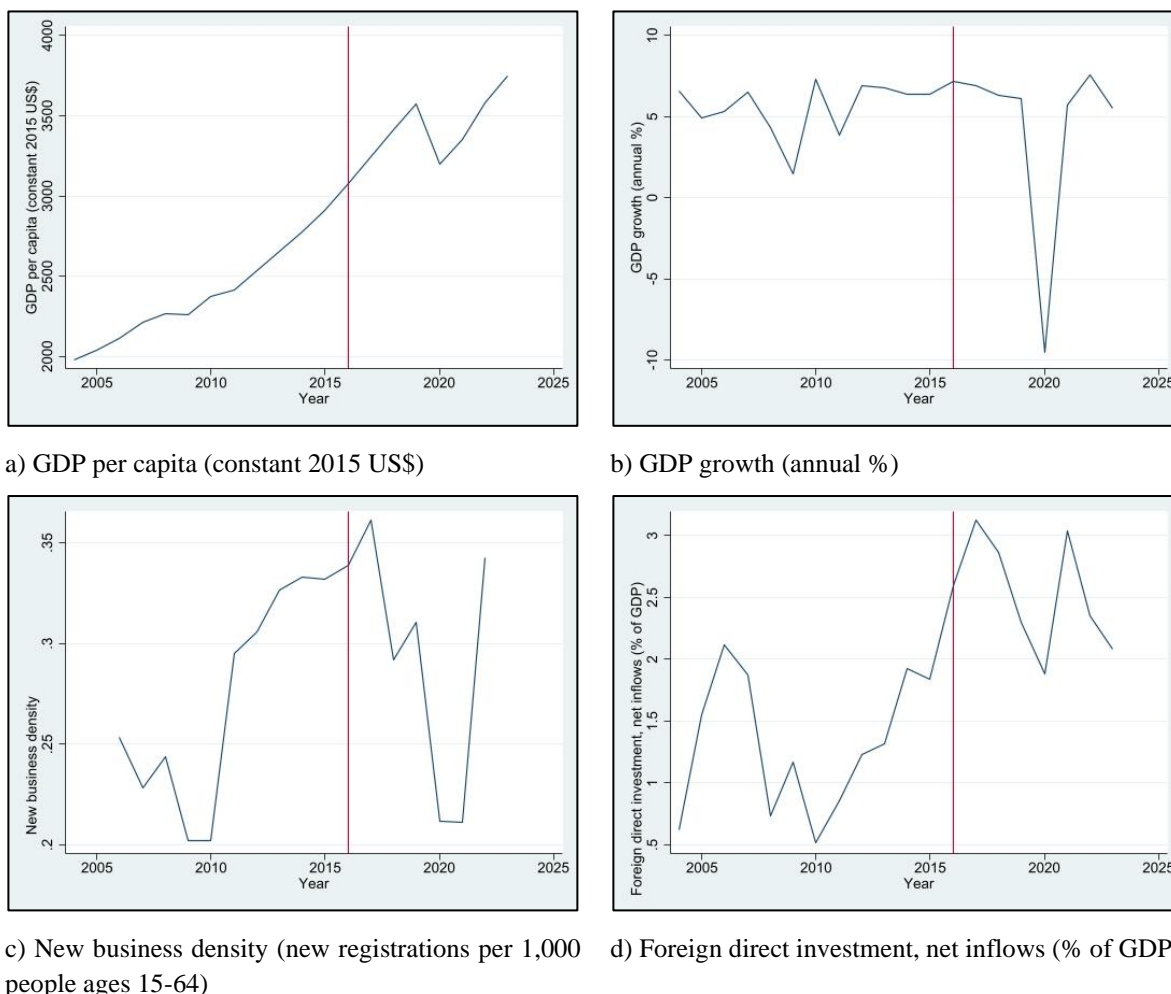
### *5.3 Economic policy*

Another set of policies that are related to institutional quality are Duterte's economic policies. He formulated several reforms to strengthen the economy and improve the country's infrastructure (Cororaton, Tiongco, and Eloriaga 2019; Cuenca 2021). The main policies include his "Build! Build! Build!" Infrastructure Program (BBB), the Tax Reform for Acceleration and Inclusion (TRAIN) Law and the Comprehensive Tax Reform Program (CTRP), the Ease of Doing Business Law (Republic Act No. 11032), the Reform of the National ID System (Philippine Identification System Act; Republic Act No. 11055) and other digital transformation initiatives. He also supported local coconut and rice farmers with the Coco Levy Fund (Coconut Farmers' Trust Fund Act; Republic Act No. 11524) and Rice Tariffication Law (Republic Act No. 11203). Duterte pushed for policies aimed at boosting regional development to address inequality between Metropolitan Manila and the rest of the country. This included efforts to decentralize resources and focus on improving infrastructure and services outside the capital region, such as in Mindanao.

Figure 5 presents several economic indicators from the World Bank's World Development Indicators (WDI 2024) that aim to capture different dimensions of the economy which are related to Duterte's reforms and policies. The GDP per capita followed the upwards trend which already existed before the Duterte presidency, and we can see a drop during the pandemic years. Annual GDP growth shows an almost identical behavior, namely similar levels before and after the election of Duterte with the exception of the pandemic years. This suggests that his presidency had neither an improving nor a damaging effect on the economy. A part of his policies aimed at improving the business environment in the Philippines which can be measured by the new business density (new registrations per 1,000 people ages 15-64), as presented in Figure 5c. The Ease of Doing Business Act (Republic Act No. 11032) was enacted in 2018, but it could not improve the new business registrations, especially due to the pandemic.

However, despite the pandemic, the foreign direct investment (FDI) inflows have on average a larger share of the GDP after the election of Duterte which can be seen in Figure 4d. This increase is a consequence of several reforms that attracted FDI inflows such as the BBB Program, the TRAIN law, and other pro-business policies. Additionally, Duterte improved the economic relations to China and other Asian countries with his foreign policy shift, which also resulted in more investment inflows (Camba 2023).

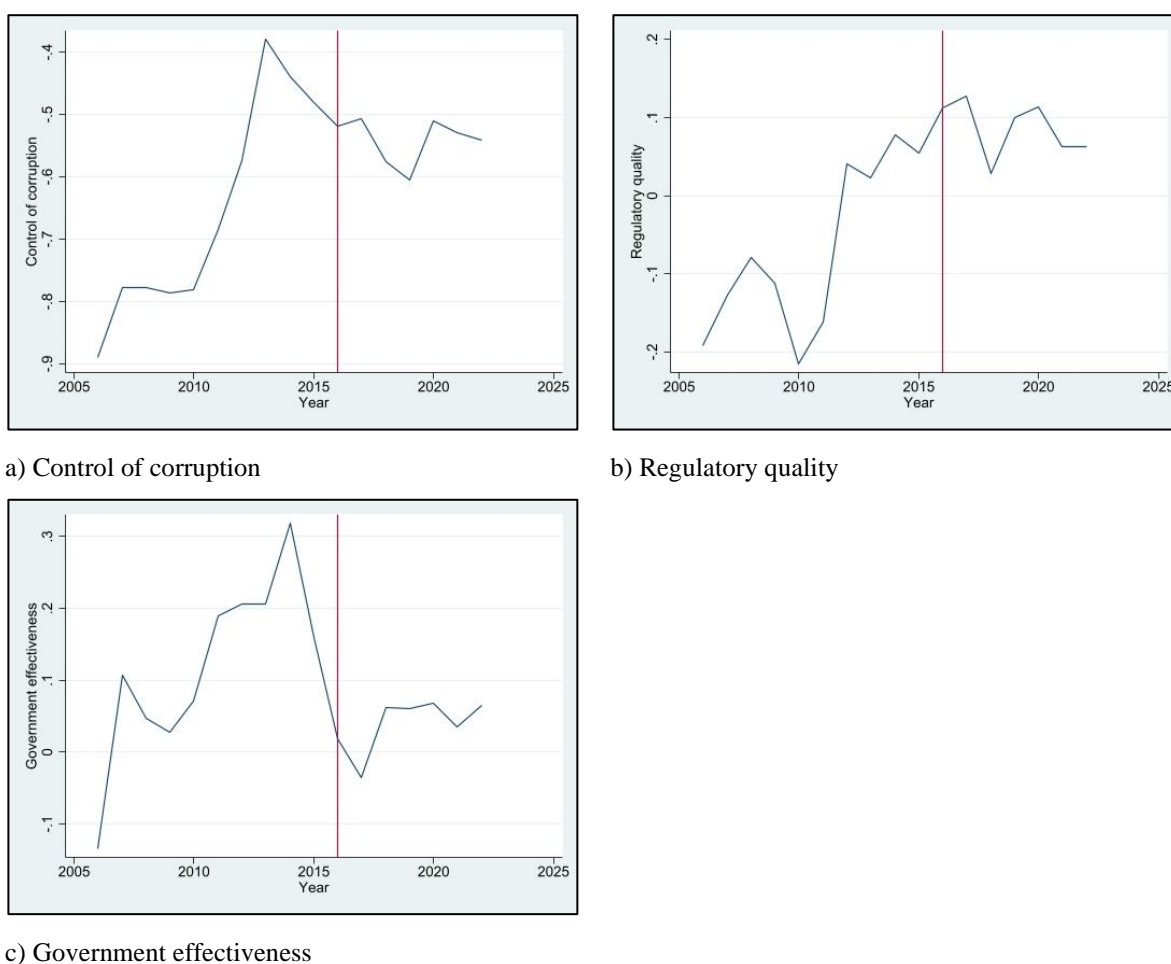
Figure 5: Economic indicators before and after Duterte's election



To improve the efficiency of government services, Duterte also introduced the Philippine Public Service Act (Republic Act No. 11659) and created the Anti-Red Tape Authority (ARTA). The Philippine Public Service Act, which modernizes the country's approach to foreign investments, is aiming at boosting economic growth and attracting global capital. This new law allows, for example, up to 100% foreign ownership of public services in the country, and opens up sectors like telecommunications, transport, and retail to greater foreign ownership. This increased access allows for a more competitive market environment, where foreign companies can bring in advanced technologies, capital, and expertise that can support local industries' development. In addition, ARTA has the task of promoting transparency, efficiency, and accountability in government services, and aims to reduce bureaucratic inefficiencies and combat corruption in government offices. This should also help to improve the business environment in the Philippines.

Figure 6 presents the remaining three Worldwide Governance Indicators (WGI 2024) from World Bank which reflect different dimensions of institutional quality that Duterte's policies tried to improve. The results suggest no major improvement in all three governance indicators, but rather a decrease in all indicators. Control of corruption has decreased since the election of Duterte. Regulatory quality has approximately the same levels (or slightly decreased), and government effectiveness has decreased since Duterte took power. Overall, we can see that Duterte's institutional reforms and policies affected different dimensions of governance in different ways, but none of his policies have strengthened institutional quality.

*Figure 6: Development of governance before and after Duterte's election*



## 6. Conclusion

This study provides new empirical evidence for the impact of the Duterte presidency on the rule of law in the Philippines. According to the results of the synthetic control approach, the rule of law significantly dropped during the Duterte presidency, compared to the counterfactual scenario where Duterte was not elected president. This could happen due to several country-

specific factors, such as the strong role of the president and the relatively weak judiciary, as well as the populist agenda and policies by Duterte which did not harm his popularity. The rule of law indicator suggests that institutions in the Philippines were not completely dismantled, but the results suggest a large decrease compared to the counterfactual scenario.

When looking at the policies during his presidency, it becomes clear why the rule of law decreased in the Philippines. His domestic security policies helped to strengthen the security apparatus and reduce the rule of law and accountability, but did not reduce violence in the country. Some of the major security policies include his War on Drugs, the National Action Plan on Anti-Terrorism, the Anti-Communist Insurgency Campaign, and the COVID-19 response. In this context, he brought his penal populism into action. However, in the context of his foreign policy, the promises about an “independent foreign policy” were not fulfilled, but a more balanced approach was applied.

Duterte’s pro-business policies in combination with institutional reforms can neither be interpreted as particularly damaging nor improving of the economy and institutional framework. The economic indicators discussed did not show a major difference before and after his election, with the exception of FDI inflows which seem to have benefited from the new policies. Some policies are also aimed at improving institutional quality, but the data on control of corruption, regulatory quality, and government effectiveness suggest the opposite. All indicators have decreased since Duterte took power.

The presidency of Rodrigo Duterte ended in 2022, and Ferdinand Marcos Jr. became president, who is the son of the former dictator Ferdinand Marcos. The vice president of the new government is Sara Duterte who is the wife of Rodrigo Duterte. This constellation has led to fears that the Philippines is again shifting towards dictatorship. The return of the Marcos family to power is the first heritage of the Duterte presidency. The weakened institutions, especially the rule of law, which was investigated in this study, can also have wider implications for the socio-economic development of the country which gives room for future research.



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## Appendix

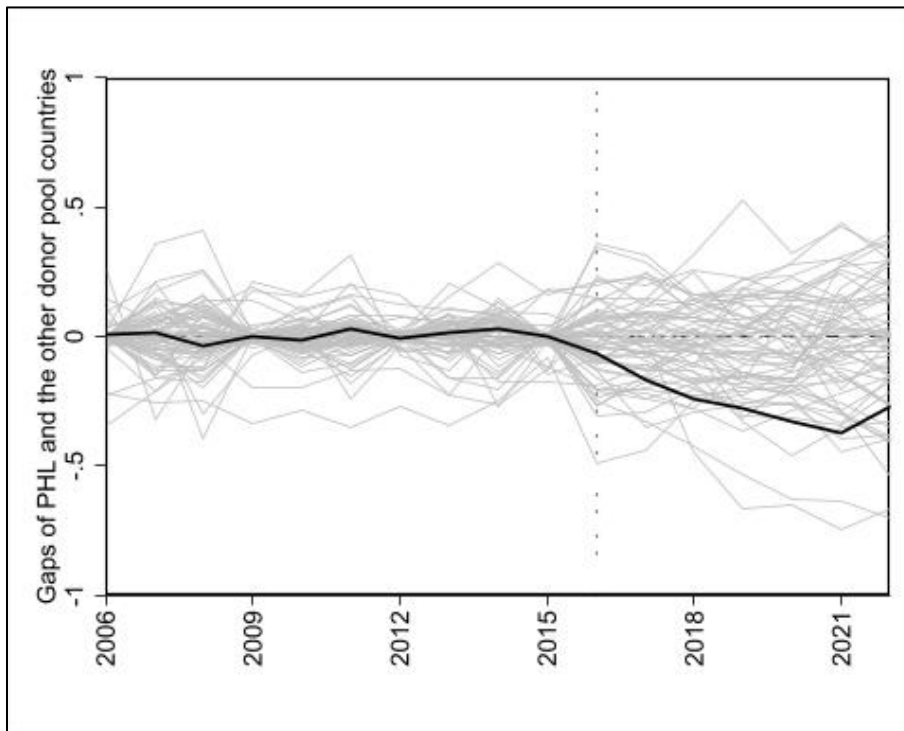
*Table A1: Countries in the donor pool and their weights in the synthetic Philippines*

No.	Country	Weight	No.	Country	Weight
1	Algeria	0	33	Lesotho	0
2	Angola	0	34	Macao	0
3	Australia	0	35	Malaysia	2.3%
4	Bangladesh	0	36	Marshall Islands	0
5	Benin	0	37	Mauritania	0
6	Bhutan	0	38	Mongolia	0
7	Bolivia	7.9%	39	Morocco	0
8	Brunei Darussalam	0	40	Myanmar	0
9	Cabo Verde	0	41	Nepal	0
10	Cambodia	0	42	New Zealand	0
11	Cameroon	0	43	Nicaragua	0
12	China	0	44	Nigeria	0
13	Comoros	0	45	Pakistan	0
14	Congo Republic	0	46	Papua New Guinea	0
15	Egypt	0	47	Samoa	0
16	Eswatini	0	48	Sao Tome and Principe	0
17	Fiji	2.7%	49	Senegal	0
18	Ghana	0	50	Singapore	0
19	Guinea	0	51	South Korea	0
20	Haiti	0	52	Sri Lanka	0
21	Honduras	12.1%	53	Tajikistan	0
22	Hong Kong	0	54	Tanzania	0
23	India	11.9%	55	Thailand	36.8%
24	Indonesia	0	56	Timor-Leste	0
25	Iran	0	57	Tonga	0
26	Ivory Coast	0	58	Tunisia	0
27	Japan	0	59	Tuvalu	0
28	Jordan	0	60	Ukraine	0
29	Kenya	26.3%	61	Uzbekistan	0
30	Kyrgyz Republic	0	62	Viet Nam	0
31	Lao	0	63	Zambia	0
32	Lebanon	0	64	Zimbabwe	0

*Table A2: Means of predictors during the pre-treatment period (2006-2015)*

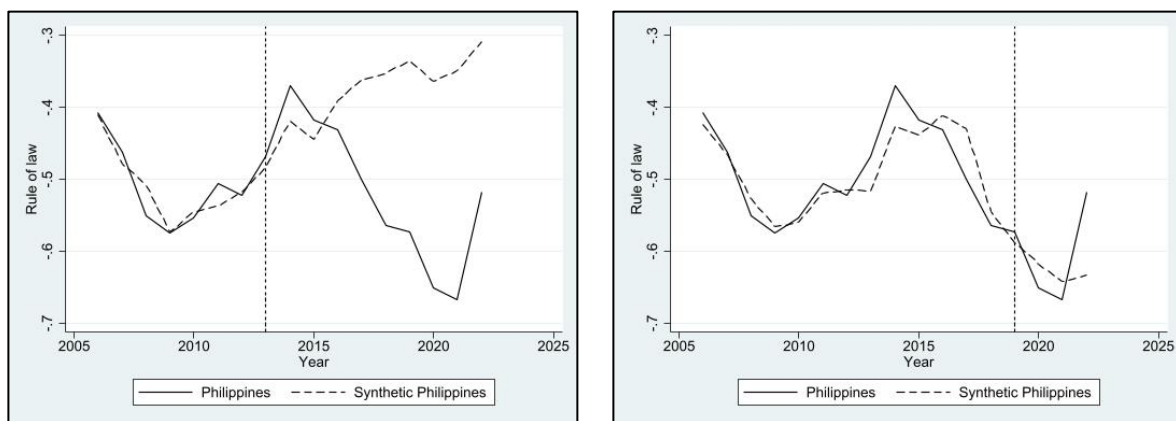
	(1)	(2)	(3)	(4)	(5)
	<b>Factual Philippines</b>	<b>Synthetic Philippines</b>	<b>Unweighted average of variables for countries with weight &gt; 0</b>	<b>Difference (1-2)</b>	<b>Difference (1-3)</b>
Rule of law (2006)	-0.4171	-0.4172	-0.3020	0.0001	-0.1151
Rule of law (2009)	-0.5224	-0.5182	-0.5379	-0.0042	0.0155
Rule of law (2012)	-0.5750	-0.5736	-0.5033	-0.0014	-0.0717
Rule of law (2015)	-0.4069	-0.4116	-0.4043	0.0047	-0.0026
Control of corruption (2006-2015)	-0.6572	-0.6072	-0.4271	-0.0500	-0.2301
Government effectiveness (2006-2015)	0.1198	-0.1928	-0.1857	0.3126	0.3055
Political stability and absence of violence/terrorism (2006-2015)	-1.3636	-1.0048	-0.6331	-0.3588	-0.7304
Regulatory quality (2006-2015)	-0.0692	-0.1761	-0.2391	0.1069	0.1700
Voice and accountability (2006-2015)	-0.0144	-0.2981	-0.2733	0.2837	0.2589
Natural logarithm of GDP per capita (2006-2015)	8.7905	9.0316	9.0829	-0.2410	-0.2924
Natural logarithm of population size (2006-2015)	18.3731	17.7191	17.0762	0.6540	1.2969

Figure A1: In-space placebo test



Note: The bold line is the gap between the factual and synthetic versions of the Philippines (PHL). The remaining lines represent the gaps of all other donor pool countries which have also been treated in the same year.

Figure A2: In-time placebo test



a) Treatment year 2013 (three years before the beginning of Duterte's term).

b) Treatment year 2019 (three years after the beginning of Duterte's term).

Figure A3: Leave-one-out test

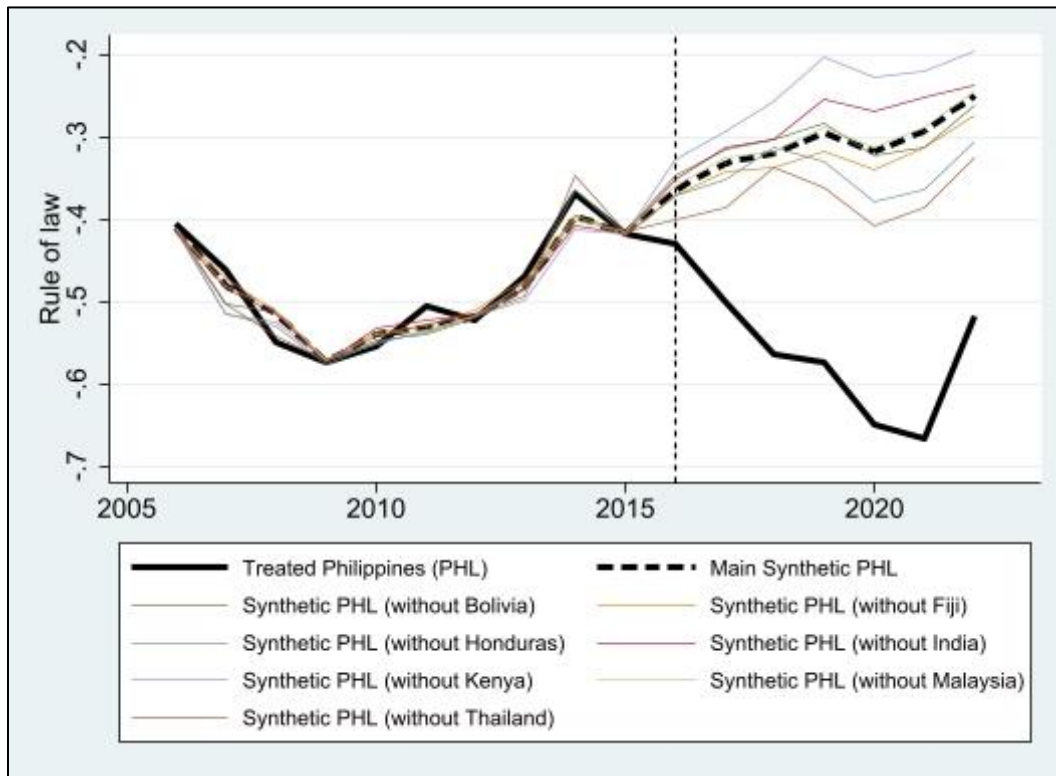
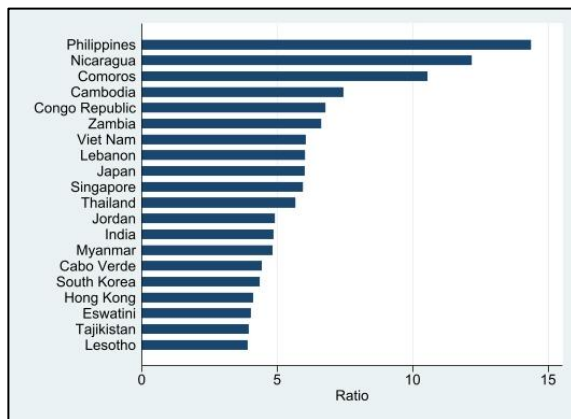
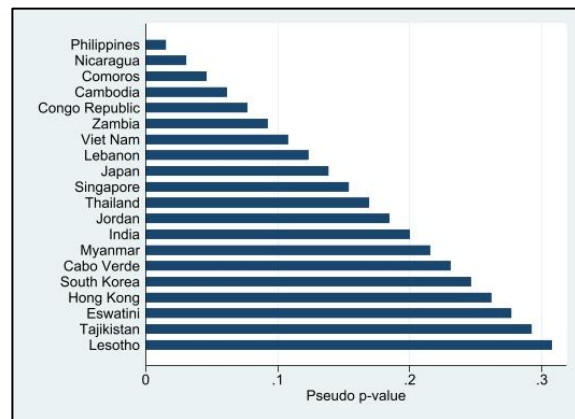


Figure A4: RMSPE ratio and pseudo p-value



a) Ratio of the post-treatment root mean square prediction error (RMSPE) to the pre-treatment RMSPE. The value for the Philippines is 14.37.



b) Pseudo p-value. The value for the Philippines is 0.015.



Figure A5: Bias-corrected synthetic controls

