Dr. Pagtakhan was optimistic about the recent changes in the Philippines. During his visit there, President Gloria Macapagal Arroyo, the leader of the People Power Coalition, showed her determination to change the politics of her country. Her commitment to good governance was also reflected in her inaugural speech. (Dr. Pagtakhan was the first Minister-level dignitary to meet the new administration.)

The Government of Canada has a role to play in strengthening good governance in the Philippines, he said. Promoting responsible governance is one priority in programming assistance, besides supporting social and economic development. Canada could capitalise on its position as a world leader in ICTs and use these technologies to further its foreign policy goals. He encouraged the participants to think about his proposition and other ways to help the Philippines on its road to democracy.

Canada's Ambassador to the Philippines, Robert Collette, noted the high level of civil society interest in the events leading to the ousting of the former Philippine President Joseph Estrada (Power of the Masses), and the accession of Gloria Macapagal Arroyo as his constitutional successor in January this year. The movement to oust Mr. Estrada was wide-spread. It extended to the countryside and included the business sector, the middle class, as well as some segments of the poor. The political shift was accompanied by intrigue, growing corruption, fear and an economic downturn. The vast majority of people expressed their desire for a democratic change and an end to corruption.

Ambassador Collette outlined the main challenges facing the new administration:

- Creating a credible government, including the selection of Cabinet members. President
  Macapagal Arroyo is under a tremendous pressure from a variety of interests (i.e.,
  business, civil society, armed factions) and the way she chooses her Cabinet will be
  indicative of her future directions.
- With the view to the May 14<sup>th</sup> mid-term congressional elections, efforts are being made to introduce politics of parties with legitimate (and credible) platforms to replace politics based on personalities.
- The new administration is tasked with a challenge to signal to the rest of the world that the way politics and business are done in the Philippines has changed. There also seems to be an enhanced interest in international relations, which was missing in the previous administration.
- President Macapagal Arroyo and her government may also face a challenge of legitimacy from the ousted President Estrada, who offered no letter of resignation and who has gone to court to challenge the legality of his dismissal.