

# Marcos cronies support Joseph Estrada - Business-backed populist leads in Philippine presidential race

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Counting in the Philippines national elections held on May 11 is unlikely to be completed before next month, but vice-president and former film star Joseph Estrada appears certain to win the key post of president, ahead of 10 other candidates.

With only a fraction of the vote counted, Estrada has 38 percent of the total, close to the figure predicted by exit polls. He is well ahead of his nearest rivals--Senator Raul Roco of Aksiyon Demokratiko with 14 percent, and Jose de Venecia, backed by outgoing president, ex-general Fidel Ramos, with 12 percent. There is no runoff election, and the candidate with the highest vote total will take office June 30.

Nicknamed 'Erap,' or 'buddy' in Filipino slang, Estrada ran a demagogic populist campaign, trading on his film persona as the tough underdog, to make an appeal to the impoverished masses in the city slums and rural areas of the Philippines. One of his main campaign slogans was 'Erap is for the poor.' He promised to boost jobs and to establish rural development schemes to help struggling farmers.

Estrada's populist image has been greatly assisted by the backing of former members of the Stalinist Communist Party of the Philippines (CPP), leftist academics and social activists. He is supported by the Citizens' Movement for Justice, Economy, Environment and Peace (JEEP), which includes Horacio Morales, ex-chairman of the Stalinist-backed National Democratic Front.

But Estrada's financial backers and chief advisers are anything but poor and downtrodden. They include some of the richest businessmen and bankers in the Philippines, who, as the *Far Eastern Economic Review* commented, 'would probably laugh uproariously if asked whether, like Estrada, their hearts were for the poor.'

At the top of the list is the billionaire tycoon Eduardo Cojuangco, a long-time crony of the former dictator Ferdinand Marcos. When Cojuangco stood against Ramos in the 1992 elections, Estrada was his vice-presidential running mate.

After Marcos was toppled by the so-called 'People's Power' movement led by Cory Aquino in 1986, Cojuangco's 17 percent shareholding in the beer and food giant San Miguel was suspended pending an investigation into allegations of corruption. Estrada has hinted that he will drop the charges against Cojuangco.

Manual Zamora, a wealthy mining magnate, is one of Estrada's closest advisers and campaign fund manager. He and his younger

brother Ronaldo, who is likely to fill the powerful post of Executive Secretary, have been closely associated with Estrada since he became mayor of San Juan, in metropolitan Manila, during the 1960s.

Manual Zamora has mobilised support for Estrada from wealthy Chinese-Filipinos, including Lucio Tan, a tobacco and beer billionaire; George Ty, owner and chairman of the country's biggest bank, Metropolitan Bank and Trust; and George Go, chairman of Equitable Bank.

## Business concerns

Support for Estrada in ruling circles has been far from unanimous, however. International financial markets initially reacted unfavourably when he became the election front-runner. Sections of the media, the influential Roman Catholic Cardinal Jaime Sin, and Estrada's political opponents have branded him variously as a naive and uneducated fool, a corrupt politician, a womaniser and a gambler.

These personal attacks reflect both a deeply fractured Filipino ruling class, and serious doubts among bankers and corporate chiefs, at home and abroad, that Estrada can carry forward the policies begun under Aquino and Ramos of opening up the economy to global investment. Concerns also exist that his populism will arouse expectations among the poor, leading to social unrest.

Throughout his campaign, Estrada and his advisers have gone out of their way to reassure big business that his administration will meet the demands of international investors. The man tipped to be Estrada's finance secretary, Westmont Bank chairman Edgardo Espiritu, recently told the press: 'We need to continue with the present reform agenda. Globalisation and liberalisation of markets is an irreversible world trend.'

Espiritu has promised further free-market reforms. He pledged to attempt to change the constitution to allow foreigners to own land, and to open up retail trade and the finance sector to international corporations.

In April, Estrada sent a team of his economic advisers to Washington to convince the Clinton administration and the financial markets that he would not reverse the policy course set

by Ramos. As mayor of San Juan, Estrada provided certain limited subsidies and benefits to the poor. But he now rules out any such measures on a national scale.

No section of the Philippines ruling class can any longer afford to make even token concessions to the poor. Little attention has been paid in the international media to the impact of the Asian economic collapse on the Philippines, yet it has been profound. After the Thai baht plunged last July, the Bangko Sentral ng Pilipinas (BSP) spent \$US1.8 billion in just 11 days propping up the Filipino peso, before abandoning the strategy. The currency has since lost around 40 percent of its value against the US dollar.

There are other signs of a deep-seated economic crisis. Exports of manufactured goods, concentrated in electronics and transport equipment, have stagnated. Direct foreign investment has declined. The current account trade deficit has mushroomed from 1.6 percent of GDP in 1992 to 4.5 percent in mid-1997, leading to inflows of short-term and highly speculative capital. Private foreign debt has more than trebled from \$4.7 billion in 1993 to \$17.9 billion in June 1997.

#### A fractured political framework

No longer buoyed up by rapid economic growth in Asia, the big business cliques which have long dominated Filipino society are increasingly at each other's throats. Indeed, the very fact that the elections involved a record number of presidential candidates reveals that the capitalist class is deeply divided, with each of the nominees backed by competing regional and sectional interests.

Four of the candidates have close associations with Ramos. As well as his endorsed candidate de Venecia, they were Renato de Villa, his former defence secretary; Emilio Osmena, his economic adviser and 1992 vice-presidential running mate; and Manuel Morato, head of the Philippine Amusement and Gaming Corporation.

Just weeks before the election, de Villa's backers urged Ramos to dump de Venecia and to throw his support behind their candidate. De Villa is backed by the Ayulas, one of the key Spanish-descended business clans, who are facing fierce competition from the Chinese-Filipino tycoons supporting Estrada.

Osmena comes from a family grouping of rich merchants on the central island of Cebu. His campaign centred on providing funds for economic development in outlying provincial areas rather than Manila.

Despite their election rhetoric, none of the candidates have any solution to the deepening social crisis confronting millions of workers and small farmers. Around 35 percent of the population, or 25 million people, live below the official poverty line of 8,885 pesos (just over \$US200) a year. This has driven many Filipinos, often young women, to work overseas as domestic servants and in other menial and low paid jobs.

Now the working class is being hit by rising prices and huge job cuts. Official labour department figures put job losses since January at 40,000, but others estimate that at least 200,000 workers have been thrown out of work. According to the Kilusang Mayo Uno (KMU) union grouping, 300,000 people have been laid off in Southern Mindanao alone since last year.

#### The dead-end of 'People's Power'

Twelve years after the 'Peoples Movement' ousted the dictator Marcos, none of the political and economic issues facing the working class have been resolved. In 1986, Cory Aquino, with the backing of the US, General Ramos and key sections of the military, was able to manipulate the legitimate aspirations of the Filipino masses for democratic rights and better living standards to install a capitalist regime more suited to the requirements of international financiers and companies.

Political and economic power is wielded by the same few wealthy family groupings at the expense of the working class and rural masses. Even those closest to the brutal Marcos dictatorship have retained their wealth and influence, as witnessed by the ability of Marcos' wife Imelda to stand as a presidential candidate.

Another candidate was Juan Ponce Enrile, defence secretary under Marcos before switching sides to Aquino at the last moment. Enrile, who established his wealth as a close crony of Marcos, is today one of the country's richest men, through his Jaka group of companies.

Aquino herself is part of a rich Filipino family. In the elections, she threw her political weight behind the right-wing Alfredo Lim, the Liberal Party candidate and current Manila mayor. Lim, a former Manila police chief, notorious for the arbitrary murder of suspected criminals, is known by the nickname 'Dirty Harry.'

Whatever the final outcome of the elections, the next government, faced with an ongoing economic crisis, will intensify the exploitation of workers and peasants. Now, as in 1986, the major political obstacle confronting the working class is the lack of a party that fights for its independent class interests, based on a socialist program to meet social need not private profit.

Over a decade ago, the Stalinist CPP and various leftist elements backed Aquino, and subordinated working people to the interests of the capitalist class and major powers like the US. Today, these political tendencies are doing the same with Estrada, claiming he represents a more progressive section of the ruling elite. But 12 years on, the Filipino economy is stagnating, not expanding. The requirements of big business will only be imposed by suppressing the resistance of the working class.

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