

Philippines Congress rushes through impeachment of President Estrada

Peter Symonds

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Under pressure from big business to rapidly end the country's political impasse, the Philippines House of Representatives on Monday impeached President Joseph Estrada on four charges of corruption, bribery, betrayal of public trust and culpable violation of the constitution. The impeachment—the first in the country's history—was rushed through the House without debate, or a vote, in eight minutes flat.

The House Speaker Manuel Villar, until two weeks ago a loyal supporter of Estrada, asserted that no vote was necessary as the impeachment petition already had the necessary signatures of more than one third of the House. He opened the session with a prayer, proceeded immediately to read the impeachment articles, and then, ignoring points of order and protests from Estrada supporters, declared: "It's now official that the impeachment rap is with the Senate. We have indicted the president." Amid uproar in the chamber, he banged his gavel and ended the session.

The impeachment articles, which were only filed in mid-October and processed by the House Committee on November 6, are now in the hands of the Senate where Estrada will be tried. Two-thirds or 15 out of the 22 senators are needed to remove the president from office. The House has already selected a prosecution team of 11 congressmen to present the case against Estrada. Senate President Aquilino Pimentel said he expected the trial to begin by December 1 and could finish as early as the end of the year.

The charges against Estrada relate to allegations made by his former political ally, provincial governor Luis Singson, that he paid the president over \$US8.6 million from an illegal gambling racket known as "jueteng" as well as a cut of \$2.8 million from provincial tobacco taxes. Singson, who is known as a "jueteng lord," claims the payoffs were in return for political protection.

Estrada has vigorously denied the charges but until last week refused to make any statement. On November 10, he mounted a threadbare defence, admitting that he had received \$4 million from Singson but denying that he had touched the money, which had been deposited by one of his aides in the bank account of a charitable foundation. But the charity known as the Erap Muslim Youth Scholarship Foundation ("Erap" or "Buddy" is Estrada's nickname) is little more than a front run by the president's brother-in-law. Former presidential adviser Edward Serapio testified in the Senate this week that there is no written record of the money and the foundation has never distributed any scholarships.

Last week Estrada faced fresh allegations that he received kickbacks of one billion pesos (\$20 million) from the sale of a stake in the domestic telephone firm Philippine Long Distance Telephone Co to Hong Kong-based First Pacific Co. Former Securities and Exchange

Commission chairman Perfecto Yasay claimed on local TV on November 9 that the president had used inside knowledge to cash in on a substantial rise in the share price of gaming firm BW Resources—an accusation described by Estrada as "complete lies".

The rush to remove Estrada is bound up with broader issues than the accusations of corruption or with the moral condemnations of his own self-confessed drinking, gambling and womanising. Big business and the markets have become increasingly impatient with the president for not implementing vigorously enough the economic deregulation required by the IMF and World Bank. Estrada and his team of big business advisers have begun to restructure the banking sector and the stock exchange but failed to push through changes opening up land, the media and other sections of the economy to foreign investors. Now the political deadlock has compounded the country's economic problems, sending the peso and the share index plummeting.

Fearing the economic impact of a prolonged impeachment process, all of the major business groups have called on Estrada to resign immediately. Early last week rumours of secret negotiations between Estrada and opposition leaders to allow the president to make "a graceful exit" sent the stock market soaring by 16.5 percent—one of its largest one day gains—and strengthened the peso. But the swing quickly began to reverse when Estrada made clear that he intended to tough out the situation.

An editorial in the British *Economist* magazine this week called for Estrada to go stating that he had "become a liability to this country and the region". "In the two-and-a-half years since he was elected, by a landslide, Mr Estrada had proved to be a big disappointment. Economic reform has stalled, contracts and favours go to his cronies, and he seems powerless to stamp out a fundamentalist insurgency in the south... If he is removed, it will be impossible to avoid the conclusion that he earned his dismissal."

Behind the scenes, the US, the former colonial power in the Philippines, has been engaged in discussions with Vice President Gloria Macapagal Arroyo, who will take over the reins of power if Estrada resigns or is impeached. She resigned her cabinet post last month and now heads the coalition of opposition parties demanding the president's resignation.

Acting US ambassador Michael Malinowski admitted that discussions have taken place but denounced as "irresponsible and completely false" any suggestion that the US was interfering in Filipino political affairs. However, according to the *Philippine Daily Inquirer*, US officials held discussions with Arroyo last month and urged her to form a united front against Estrada as one of the "requisites laid down by Washington before it will support the opposition".

Powerful sections of the ruling elite have lined up behind Arroyo's bid to oust Estrada, including former presidents Cory Aquino and Fidel Ramos, and Roman Catholic Archbishop Jaime Sin. The opposition has played on Estrada's close connections with the business cronies of former dictator Ferdinand Marcos such as billionaire tycoon Eduardo Cojuangco, and has sought to capitalise on the impact of the country's economic decline on the living standards of working people.

Estrada came to power in May 1998 under the slogan "Erap for the poor," promising to help those who had been hard hit under the previous Ramos administration and its policies of economic restructuring. Since then the economy has been affected by the Asian financial crisis and more recently by rising oil prices that, combined with the government's restructuring policies, have led to job losses and falling wages. According to official figures, 86,281 workers lost their jobs between January and August as a result of factory closures and retrenchments—56 percent lost their jobs permanently and the rest were temporarily laid off or had their work hours reduced.

Arroyo has enlisted trade union groups in her anti-Estrada front, including the leftist Kilusang Mayo Uno (KMU) and the Bagong Alyansang Makabayan (Bayan) connected to the Communist Party of the Philippines (CPP). On Tuesday, an estimated 100,000 people took part in rallies and strikes in cities across the country calling for Estrada to step down. A report in the *Philippine Daily Inquirer* described the "unusual alliance of leftist and conservative groups" taking part in the protests in Manila: "Labour leaders locked arm-in-arm with congressmen, professionals in designer clothes, urban poor, bosses and their workers, students with cell phones, hard-core activists and local politicians".

In a statement in late October, CPP leader Jose Maria Sison justified his uncritical support for Arroyo with the hoary old opportunist line that the movement "can best fight only one enemy at every given time" and denounced critics of the vice president as "agents provocateur" and "paid agents of Estrada". Arroyo, he explained, will "become the enemy if and when she actually turns out as bad as Estrada or even worse and becomes accountable as the chief political representative of the local ruling classes".

In 1986, Sison, the CPP and its allied organisations uncritically backed Cory Aquino, who comes from the one of the country's wealthy elite families, during the so-called Peoples Power movement to oust Marcos. Now they are drumming up support for Arroyo who is as much "a political representative of the local ruling classes" as Estrada, and who, if she does eventually come to power, will be just as ruthless in imposing the requirements of big business on working people.

It is not as if Arroyo's connections to the ruling elites are unknown. She is the daughter of a former president Diosdado Macapagal and the wife of Miguel Arroyo, an influential businessman and lawyer. She studied economics at Georgetown University, where one of her classmates was Bill Clinton. In recent interviews in the *Far Eastern Economic Review* and *Time* magazines, she has emphasised her fidelity to the agenda of market reform pushed by IMF and World Bank, calling for a "level playing field" so that "Filipino businessmen have the ability to compete in the global economy". She has already selected key establishment figures for her cabinet such as Alberto Romulo, budget secretary under Aquino.

The heterogeneous character of the anti-Estrada protests signifies that powerful sections of big business have lined up behind Arroyo. On Tuesday, a number of employers gave their workers the day off to take part in the demonstrations. When the protest passed through

Manila's central business district of Makati, 300 to 400 stockbrokers and analysts staged a 15-minute walkout, clapping their hands and shouting "Erap resign". Since Estrada's impeachment, four of Manila's largest and most prestigious law firms have offered the House prosecution team the services of about 100 lawyers and researchers to build the "best and strongest case" against the president.

All of this provides ammunition for Estrada who is attempting to portray himself as the victim of a conspiracy by the political establishment against a champion of the poor. His claim to be a representative of the downtrodden masses is, of course, completely bogus. Estrada has close connections to sections of big business and during his two years in office has offered nothing more than token handouts to the poor. He has, however, retained significant support—the latest polling from the Social Weather Station found that 44 percent of Filipinos did not agree with calls for Estrada's resignation, as compared to only 29 percent who agreed.

Estrada has been pulling out all stops to try to maintain his standing with frequent visits to the poor neighbourhoods in Manila where he casts slurs on his middle and upper class critics as "insulare" and "peninsulares". He has brought forward the payment of Christmas bonuses for civil servants and suspended a planned 3 percent tariff on oil imports in a bid to keep fuel prices down.

Last Sunday, with the assistance of his political allies and the Catholic evangelical El Shaddai movement, Estrada mobilised nearly one million people for a "prayer meeting" at the Luneta stadium in Manila—a figure far outstripping even the largest opposition rally. It is undoubtedly true, as the anti-Estrada *Philippine Daily Inquirer* claimed, that many of those present had come as a result of various inducements and bribes. But whatever the exact reasons for the size of the rally, it is a further indication that there is no deeply felt sentiment among working people and the poor for the replacement of Estrada by Arroyo.

There are already concerns in ruling circles that Estrada's decision to cling onto office and appeal to the poor may unleash social forces that neither the president nor his opponents can control. The *Philippine Daily Inquirer* warned that Estrada was engaged in "a dangerous rich-against-poor campaign that incites the poor against the metropolitan dynamos of trade and industry". It is another reason, along with the weak peso, falling share prices and a faltering economy, why big business is insisting that Congress proceed with the impeachment against Estrada as rapidly as possible.



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