

Behind the façade of People Power

Philippine military and big business join hands to oust Estrada

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The ousting of Philippine President Joseph Estrada on January 20 has been widely presented in the media as the outcome of People Power II—a re-run of the protest movement headed by Cory Aquino that brought down the dictator Ferdinand Marcos in 1986.

But unlike in 1986 when a mass movement against Marcos began to emerge, prompting sections of the military to swing behind Aquino, so-called People Power in 2001 was largely a façade. The removal of Estrada, who was elected in 1998 by a large majority, and insertion of Vice President Gloria Macapagal Arroyo had the character of a coup orchestrated by the military chiefs and rubberstamped by the Supreme Court with the open backing of substantial sections of big business.

The protests against Estrada organised by Aquino, former president Fidel Ramos and Archbishop Jaime Sin were relatively limited in size—40,000 to 50,000 people in Manila swelling to around quarter of a million—and, as many commentators noted, largely middle class in character. For the most part, the working class and urban poor sat on the sidelines.

The immediate trigger for Estrada's ouster was an 11-10 vote by senators on January 16 to suppress the records of a key bank account allegedly belonging to him. Estrada was being tried in the Senate over allegations that he had taken more than \$7.7 million in bribes from the operators of an illegal gambling racket known as "jueteng" and another \$2.5 million from provincial tobacco taxes. Immediately after the Senate vote, the prosecution team resigned en masse, effectively shutting down the trial.

The January 16 vote provoked immediate protests at Edsa—the site of mass demonstrations in 1986—and a sharp slump in the peso and share values. According to the *Philippine Daily Inquirer*, at least 450 sizeable companies encouraged their employees to take part in the protests. Others supplied free food, coffee and telephone lines to the crowds. The influential Makati Business Club and other corporate groupings had been demanding Estrada's resignation and a swift end to the political crisis since October when the scandal erupted.

Behind the scenes, furious preparations were underway among the military chiefs, in constant contact with the Arroyo camp, for Estrada's removal. The turning point came on January 20, just three days after the Senate vote, when Estrada's Defence Secretary Orlando Mercado and Armed Forces chief General Angelo Reyes along with the heads of all the branches of the police and military, turned up at Edsa and said they were "withdrawing their support" from Estrada. At the same time, 11 cabinet secretaries, two undersecretaries, three assistant secretaries and two bureau chiefs resigned, leaving the administration in a shambles.

Estrada attempted to cut a deal with Arroyo, first offering to open the disputed bank records and then proposing to hold fresh presidential elections in May, in which he would not stand. Arroyo and her supporters

dismissed both proposals out of hand and set a deadline of 6am the following day for Estrada to resign. On January 21, Estrada left the presidential place and issued a short statement that explained he was departing "for the sake of peace and in order to begin the healing process of our nation" but fell short of a formal resignation.

The Supreme Court met on the same day. Without hearing arguments from Estrada's lawyers, it declared unanimously the presidency to be vacant. The court's one-page statement referred to an "urgent request" from Arroyo to consider Estrada's removal but gave no reasons for its decision. Later in the day, Chief Justice Hilario Davide swore in Arroyo as the new president.

As legal commentators have since pointed out, the Supreme Court had no constitutional basis for its decision. The Philippine constitution specifies that the vice president replaces the president only in cases of resignation, death or incapacity. For his part, Estrada maintains that Arroyo is simply acting as president because he is "unable to exercise the powers and duties of office". His legal advisers have now asked the Supreme Court to explain the legality of its decision.

Months of intrigue

The full story of the backroom manoeuvres that led to Estrada's ouster has yet to come to light but a number of articles have pointed to the military's key role. One of the more detailed accounts, published in the *Los Angeles Times* on January 22, indicated that a group of retired and active generals had been planning for months to replace Estrada.

One of the conspirators, retired air force General Ed Abenina, contemptuously dismissed the significance of the anti-Estrada demonstrators saying: "The Philippine people like to call it 'people power,' but in fact it was a coup. It was the overthrow of the government." Former congressman and provincial governor Homobono Adaza, also said to be closely involved in organising the ouster, added: "We were grateful the protest took place. But even without the protests, we had a plan."

Retired General Fortnato Abat, a former defence secretary, army chief and ambassador to China, told Armed Forces chief Reyes of the plans as far back as November and began openly campaigning among the military for Estrada's removal. Abat made a speech to a group of officers in December, arguing that there were constitutional grounds for the military heads to order the president to step aside. "To focus merely on impeachment as the only constitutional process which we must entertain is to misinterpret the constitution," he said. "I have made my choice. You must make yours."

Pressure from the Abat group, as well as demands from middle-ranking officers, precipitated the decision of Reyes and Defence Secretary Mercado to switch sides. "Events unfolded more quickly than planned Friday [January 19] when Armed Forces Chief of Staff General Angelo Reyes learned that the coup attempt was imminent. He defected to the

opposition, leaving the president without military backing and prompting the government's collapse," the *LA Times* article stated.

The United States and other major powers quickly recognised Arroyo as the new president. The State Department declared that the US was "pleased that the presidential crisis in the Philippines has been resolved without violence and in accordance with democratic and constitutional procedures." The US Embassy in Manila issued a statement on the same day that Arroyo was installed emphasising its "exceptionally strong working relationship" with the new president.

A few commentators have cautiously acknowledged the anti-democratic character of the means used to oust Estrada and pointed to the dangers for the political stability of the Philippines. A column in the *Los Angeles Times* last week entitled "A Risky Move by Filipinos" warned: "We are witnessing the use of people power against a leader who was the winner of a legitimate democratic election. No matter how understandable it was, this outbreak of people power doesn't seem like an advance for the cause of democracy; quite the opposite."

Time magazine was more explicit: "[T]hey had mechanisms to legally change their head of state. The option they chose, popular uprising, while rousing and probably justified, could portend a troubling future for democracy. If 10 million text messages go out and 1 million protesters take to the streets at every crisis—when the elite become dissatisfied with the direction of the country, or the military feels that the president has lost his or her mandate or the Catholic church views the head of state as immoral—the result is a perfectly healthy, if rambunctious, version of democracy. But if those protests lead to constitutionally questionable successions, it becomes a subversion of democracy. Even now, we don't know what percentage of Filipinos wanted Erap [Estrada's nickname] to go."

Rupert Murdoch's *Australian* newspaper, on the other hand, had no qualms about the use of unconstitutional methods to get rid of Estrada. Foreign editor Greg Sheridan bluntly commented: "Talk of a military coup in the ouster of Estrada is overdone. The methods of his removal were not entirely constitutional (nor were they in the removal of Marcos) and there are dangers in that. But Estrada, a manifest drunken crook of wild incompetence, had lost the support of every significant institution in the Philippines, including his own cabinet."

The Arroyo administration

The nervousness in some ruling circles about the methods used to remove Estrada reflect concerns about the Arroyo administration's ability to impose the economic restructuring agenda demanded by international finance capital on the country's working class.

Estrada contested the 1998 elections under the populist slogan "Erap for the poor," exploiting the widespread hostility to the previous Ramos administration and its IMF-dictated austerity measures. At the same time, Estrada let it be known that he was prepared to continue economic deregulation. In the midst of the Asian financial crisis and growing levels of unemployment and poverty, he won a clear majority against the candidates supported by Ramos and Aquino.

Big business became increasingly dissatisfied with Estrada after his administration failed to press ahead with the restructuring agenda, began running up a substantial budget deficit and openly favoured close business cronies connected to the Marcos dictatorship. The scandal over the "jueteng" gambling racket was just one of a series that engulfed Estrada during his two and a half years in office. He was impeached in the House of Representatives last year as the political crisis precipitated a collapse of the peso and share prices and a chorus of business groups called for his resignation.

Yet, despite the mounting evidence that he had raked off huge sums of money, Estrada retained support among layers of the urban and rural poor. His administration had of course done very little to help the third of the country's population who eke out an existence on less than a dollar a day.

But there was considerable suspicion about Arroyo, a member of one of the handful of wealthy families that dominate Filipino politics. Her father was the late president Diosdada Macapagal who ruled in the 1960s and her husband, Miguel Arroyo, is a wealthy businessman and lawyer. She studied economics at Georgetown University, where one of her classmates was Bill Clinton.

The *Economist* magazine expressed concern that Arroyo, lacking support among the poor, may quickly run into opposition. "They [the poor] had backed Mr Estrada—a drunken, womanising, film star who was kicked out of high school for brawling—as their champion against the elites that have run the Philippines since its independence in 1946. Many continued to do so, despite all the evidence that he was corrupt. That speaks volumes about the yawning gap between the haves and the have-nots: while the richest families thrive, the poor living in Manila's slums are often buried—sometimes literally—in the rubbish the system creates. A revolution that does not change this divide will hardly seem like people power to them."

The Communist Party of the Philippines (CPP) and its various front organisations—Bayan, the National Democratic Front and the Kilusang Mayo Uno (KMU) trade union body—played a key role in promoting Arroyo. Although Arroyo had no support among the poorest layers of society, the CPP went out of its way to back her throughout the course of her moves against Estrada. Last year CPP leader Jose Maria Sison issued a statement bitterly attacking rival groups in Manila that were somewhat critical of Arroyo and her connections.

Following the fall of Estrada, Sison issued a series of effusive statements hailing "our success in defeating an immoral, corrupt and repressive regime". Having previously suppressed all criticism of Arroyo and the CPP's rightwing business and military allies in the anti-Estrada movement, now, in order to cover himself after the event, he suggests that all may not be well with "the new set of reactionaries in power". His statement warns Arroyo it would be "foolhardy for the new regime to ignore the demands of the people or act against their national and democratic rights and interests".

Like Estrada, and previously Ramos and Aquino, Arroyo has made a series of empty promises about helping the poor. But at the heart of her program is the implementation of the IMF's demands for a further opening up of the Philippine economy, privatisation and the cutting of government spending. As a senator between 1992 and 1998, she authorised a series of bills on privatisation and export-promotion. In her inaugural speech, the new president set out the direction of the administration's program saying: "[W]e need an economic philosophy of transparency and private enterprise, for these are the catalysts that [nurture] the entrepreneurial spirit to be globally competitive."

Both the IMF and World Bank have welcomed the new administration. IMF Managing Director Horst Koehler said the fund was encouraged by her first policy pronouncements. World Bank President James Wolfensohn pledged the bank's "continued support and cooperation" and backed Arroyo's promise to fight poverty and restore good government.

The composition of Arroyo's cabinet is a payoff to the political, military and business establishment that brought her to power. One commentator Neil Cruz complained: "Too many trapos [a derogatory word for traditional politician] from the Aquino and Ramos administrations who were kicked out by the voters are coming back."

Ramos has been appointed Arroyo's special international emissary and represented her at the World Economic Summit at Davos. Renato de Villa, who served as defence secretary under Ramos and was defeated by Estrada in the 1998 presidential elections, has been appointed to the powerful post of executive secretary. The key position of finance secretary has gone to Alberto Romulo who served as budget secretary under Aquino.

Arroyo has kept Armed Forces chief Reyes in his post and may extend

his tenure by a year, even though he is due to retire in March. One of her first acts as president was to address active and retired officers at the military headquarters in Manila last weekend. While she has pledged to begin peace talks with Islamic separatists in Mindanao, she called on the military to reduce the separatists' "fighting capabilities" and pledged money to upgrade the armed forces.

Arroyo has been in power just over a week and there are already signs that the political euphoria will be short-lived. The peso picked up by 17 percent and share prices rose by 20 percent but the underlying economic weaknesses remain—falling foreign investment, a large budget deficit and a high level of government debt. The administration is under pressure to institute "reforms". *Businessweek* magazine set out what amounted to a detailed economic program of privatisation, tax reform and cutbacks to government spending and concluded with the comment: "Arroyo must make the most of her honeymoon."

Yet, to do so will rapidly bring Arroyo into conflict with the working class and urban and rural poor. Having come to power by riding roughshod over constitutional processes, she has made clear that she will not brook any opposition. In response to vague rumours of a plot to destabilise her administration, the president made a terse statement on national television promising to "crush" the plotters and to press ahead with charges against Estrada, one of which—economic plunder—carries the death penalty.

It is not a question of sympathising with or supporting Estrada. But the working class needs to draw the essential political lesson from the events of the last fortnight: the methods used by the ruling class to remove Estrada and insert Arroyo will in the future be used to deal with the opposition that will emerge to the pro-market policies of the new administration and their impact on working people.



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