

# Philippine president bolsters police powers and foreshadows new austerity measures

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In her second State of the Nation speech on July 23, Philippine President Gloria Arroyo laid out a prescription for tougher economic austerity measures, further inroads into democratic rights under the banner of fighting “corruption,” “crime” and “terrorism” and closer relations with Washington.

Just 18 months after coming to power through the ousting of former president Joseph Estrada, Arroyo is facing growing unpopularity over her policies. As she was addressing the House of Representatives, thousands of workers and students were embroiled in a pitched battle outside with riot police backed by water cannon.

Around 7,000 people attempted to march to the legislature building to protest against her government’s policies, to demand more jobs, cheaper electricity and pay increases, and to denounce the presence of US troops in the country. At least 11 people were injured and another 11 arrested in the clash.

Arroyo used her speech to urge Congress to support a continued US military presence. Over the last six months, nearly 1,000 US troops have been engaged in a “training exercise” in southern Mindanao aimed against the Islamic separatist group, Abu Sayyaf. The US forces were due to leave on July 31, but the president is pushing for their continued presence, in the face of growing criticisms.

Arroyo argued to Congress: “[W]e shall enhance our strategic relationship with the United States through continuing training exercises to sharpen our soldiers’ capabilities to move and communicate, to fix and finish off their targets.” However, the purpose of the US presence was never simply “training”. Arroyo has supported the Bush administration’s ambitions to reestablish a permanent military presence in the former American colony as the price for economic assistance and political support.

Arroyo confronts growing opposition over plans to extend the stay of US troops. She was forced to sack Vice

President Teofisto Guingona as foreign minister over his criticisms of the US military presence. The president lost a majority in the Senate and has been engaged in weeks of wheeling and dealing to finally reestablish it.

In her speech, Arroyo linked the “war against terrorism” to a fight against crime and corruption in order to justify an appeal to Congress to support the anti-democratic provisions of a proposed anti-terrorism bill. She called for tough measures not only to deal with common criminals but “those masquerading as political advocates”. She called for “all the weapons in our democratic arsenals” to be brought to bear, adding that criminal syndicates will be treated as “direct threats to national security.”

Under the anti-terrorist legislation, the military will be given powers to assist the police in civilian law enforcement. A new anti-terrorist body will be created that will have expanded powers to intercept communications and text messages and to investigate and freeze the accounts and property of suspects.

Just 24 hours after her speech, Arroyo denounced the July 23 protests and warned: “That will be the last of the maximum tolerance.” In preparation for last weekend’s visit of US Secretary of State Colin Powell, authorities in Manila announced that protests would be restricted to designated areas and that no marches would be permitted, particularly on the US embassy or presidential palace. Any attempt to do so would result in the arrest of all marchers.

The “left” groups that organised the protest condemned Arroyo’s speech as a return to the Marcos era. Rafael Mariano, chairman of Kilusang Magbubukid ng Pilipinas (KMP), said it was “a declaration of war, an iron fist against the people [except for] big landlords and compradors like businessman Eduardo Cojuangco.” The anti-terrorism bill, he said, would be used to “establish an open fascist rule in the country.” Bayan Muna

representative Liza Maza declared that “the president’s strong republic will be anchored on measures such as the anti-terrorism bill as well as the [joint US-Philippine] Balikatan war games.”

Bayan Muna and other “left” parties, however, played a crucial role in putting Arroyo in power in the first place. These groups provided the political camouflage for sections of big business, the military, the judiciary and the state bureaucracy who drummed up a “People Power” movement to oust Joseph Estrada over allegations of corruption and install Arroyo in January, 2001. At that time, it was democratically elected Estrada who was being compared to the dictator Marcos while Arroyo, who is intimately connected to the ruling elites, was being painted as the country’s saviour.

Since coming to power, Arroyo has stepped up the implementation of economic restructuring measures demanded by the IMF and international investors. Following the September 11 attacks on the US, she visited Washington agreeing to allow US troops into the country under the guise of “training” in return for economic and military assistance. Her speech was aimed at trying to buoy an economy that is facing growing difficulties.

The Makati Business Club and Employers Confederation of the Philippines were low key in their response to the State of the Nation speech. Foreign brokers said the address would have little or no positive impact on the stock market which has been on the decline. Ed Bancord, research head of BNP Paribas Peregrine, commented: “It will be completely ignored, there’s nothing there that the market doesn’t already know, something else is affecting the stock market and it’s the global markets.”

Business has already called on Arroyo to rein in the budget deficit which blew out to \$US2 billion in the first six months of the year—91 percent of the deficit set down for the entire year. The value of the peso has fallen to 50.60 against the US dollar and the stock market, which was being hailed as a bright sign, has begun to slide.

A glaring omission from the speech was the 2003 budget, which is traditionally tabled along with the president’s address. Arroyo faces increasing opposition in the Congress and there is no guarantee that she will be able to press ahead with her economic agenda, which includes further privatisation of the power industry and other state-owned enterprises.

US Ambassador Francis Ricciardone made clear that the Bush administration would not tolerate any backtracking. In a breach of protocol, he launched a public broadside in

the week prior to the presidential address, calling on the government to take action against corruption, which, he said, was stifling investment and trade. He said there as an urgent need to end the constitution ban on foreign investors becoming majority shareholders, and restrictions on foreign ownership of land and telecommunications.

Arroyo claimed that fighting “corruption” and privatisations were necessary to attract investment and create jobs. In reality, more than a decade of economic restructuring under successive administrations has deepened the huge gulf between the rich and poor in the Philippines. Already 32 million people are living on less than 50 cents a day and the average national income for a family of six is just \$80 a month. Over the past year unemployment has increased half a million to five million. According to one estimate six million workers need a second job to survive. More than one in three Filipino children under the age of 10 are malnourished.

Arroyo has already begun to privatise the power industry, resulting in rate rises. The poorest families now spend 8 percent of their monthly income on electricity. Water rates have gone up by 150 percent with further increases pending. At the same time, Arroyo’s administration has opposed any demands for pay increases. The average daily wage in the Philippines stands at around \$4 and the cost of living is estimated at \$7 per day.

Further austerity measures will inevitably lead to a surge in protests as the majority of people find it increasingly impossible to buy the bare essentials. While tough new police powers are being implemented on the pretext of fighting corruption and terrorism, their prime purpose is to crack down on any opposition to Arroyo and her big business agenda.



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