

Philippines president fails to stem political crisis

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The administration of Philippines President Gloria Macapagal Arroyo is sinking into deeper political trouble.

The immediate issue involves a scandal that erupted last month over her alleged rigging of the 2004 presidential election. An audiotape surfaced purportedly of phone conversations of her colluding with senior elections commissioner Virgilio Garcillano to obtain a winning margin against her rival Ferdinand Poe Jr. of not less than a million votes.

Arroyo's spokesmen immediately dismissed the tape as a concoction and threatened to prosecute anyone involved in its manufacture. Last week, however, Arroyo, speaking in a live nationwide broadcast, finally admitted to calling the election official at the height of the counting of election results and apologised for what she claimed to be "a lapse of judgement".

The abrupt about-face followed mounting public opposition, protests calling for her resignation and growing pressure from her own allies. Her statement, according to a Philippine Centre of Investigative Journalism (PCIJ) report, came after 12 members of her cabinet threatened to resign during a meeting held the previous Saturday, "if she did not speak up" on the issue.

Carefully crafted to skirt the immediate legal issues, Arroyo's statement did not confirm nor deny the authenticity of the audiotapes. She insisted she had sought only "to protect her votes" and denied any intent "to influence the outcome." Moreover, she stated, "the election had already been decided and the votes counted" by then and so her calls could not have influenced the outcome anyway.

This begged the question of why, in the first place, would her votes have needed any protection at all if it had already been counted?

Arroyo was desperate to win by a clear margin in last year's poll in order to legitimise her presidency. She was inserted in power in 2001 in what amounted to a political

coup that ousted elected President Joseph Estrada, allegedly for corruption. Her installation was backed by sections of business, the Roman Catholic Church and the military, masked by a so-called Peoples Power movement and rubberstamped by the Supreme Court.

Arroyo's televised address failed to stem the crisis. The De La Salle "Network of Educational Institutes" put out a full-page advertisement in the *Philippine Daily Inquirer* calling for Arroyo to resign. On Monday the law faculty of the University of the Philippines issued a statement, declaring that she had violated the constitution by interfering with the electoral commission. "Resignation is the best apology she can offer the Filipino people," it stated.

On Monday, armed forces spokesman Lieutenant Colonel Buenaventura Pascual, in an effort to quash rumours of a coup, declared that the military would "remain apolitical" and adhere to the chain-of-command headed by Arroyo as constitutional commander-in-chief.

On Tuesday, in a desperate attempt to quell the crisis, presidential spokesman Ignacio Bunye announced that the president would be prepared to face impeachment proceedings to put an end to the scandal. The move, he declared, was "uncalled for and will just be a waste of time" but the president would submit to the process if it "put a stop to the prevailing political grandstanding and mudslinging."

While public attention has focussed on alleged electoral fraud, the underlying basis for the political turmoil is the growing hostility of the Filipino working people to a regime that has implemented regressive taxes, gutted social services, privatised government corporations and curtailed democratic rights. The possibility that these measures are being implemented by a regime that brazenly cheated its way to a false mandate is compounding the popular contempt for Arroyo.

In her televised address last week, Arroyo justified her

policies claiming she had a clear mandate “to make the tough but necessary decisions” on the economy. In an appeal to business leaders, she declared that her administration had “passed a comprehensive fiscally responsible national budget,” “raised new and necessary revenues” and made the “highest collection of taxes in history.”

The social impact of her measures has been devastating. According to Makati Business Club Research, a massive 34.1 percent of the national budget, or \$US5.63 billion has been allocated to debt servicing, while funding for social services has been reduced to just 28 percent or \$4.62 billion. That money has to cover many items, including public education, health subsidies for the poor, drug rehabilitation, poverty alleviation, and subsidies for prescription drugs.

One of Arroyo’s main revenue raising measures is the extension of the country’s 10 percent value added tax (VAT) to, among other things, petroleum and electric power—a move that will certainly raise the price of all basic commodities. The tax changes also allow the president to lift the VAT rate to 12 percent at the beginning of next year.

Last Friday the country’s Supreme Court added to the pressure on Arroyo by imposing a temporary restraining order on the VAT changes, which her opponents are seeking to have declared unconstitutional. On Monday, the Philippine Stock Exchange index plunged by 4.2 percent, its biggest fall since September 2001, and the peso weakened to 56.09 to the US dollar, its lowest point in six months.

Ramon del Rosario Jnr, a former finance secretary and US-Philippine Business Council chairman, told the *Financial Times*: “Progress in addressing our fiscal problems was one bright spot in the current Philippine story. With this in question, the Philippines faces even darker economic prospects.” Arroyo is appealing to the court to lift its temporary order, but her actions only serve to highlight her support for the deeply unpopular tax.

At this stage, those who installed Arroyo in 2001 appear to be standing behind her. The social base of her administration is similar to that of Estrada: a few wealthy families who have long dominated Filipino politics, a section of the military top brass and a collection of so-called civil society groups that provide a populist façade. She has also sought to maintain support among the most impoverished layers by cultivating relations with evangelical organisations such as Inglesia Ni Cristo (Church of Christ) and the El Shaddai charismatic

movement.

Like Estrada, Arroyo has curried favour with international capital by slavishly following IMF and World Bank recommendations. In the wake of September 11, 2001, she ingratiated herself with Bush administration by unequivocally backing the “war on terror” and sending Philippine troops to Iraq. Last year Arroyo was compelled to withdraw the soldiers ahead of schedule amid mounting opposition that galvanised around the kidnapping of a Filipino contract worker in Iraq.

The extra-constitutional means used to install Arroyo in 2001 reflected the country’s economic crisis and the growing impatience of the ruling elites for faster economic “reforms”. Arroyo, a US-trained economist, made “fixing the economy” her top priority and sought to bolster her flagging popularity by appeals to nationalism and morality. She has promoted her administration as moral, hard working and against corruption and her goals as creating “One Philippines” and a “Strong Republic.”

Faced with not one, but two corruption scandals, Arroyo’s popular support has plunged. As well as the allegations of vote rigging, her husband, son and brother-in-law face accusations of receiving pay-offs in the millions of pesos from operators of an illegal lottery racket called *jueteng*. Significantly, the same accusation was the basis for ousting Estrada in 2001.

The crisis shows no sign of abating. A survey by Social Weather Stations among Filipinos in Metro Manila after the president’s speech last week found that 59 percent of respondents believed that Arroyo had asked the poll official to cheat. Asked about Arroyo’s televised appeal to close the issue, only 20 percent supported the president, while a massive 77 percent were dissatisfied and wanted something further done.



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