

Aquino installed as Philippine president

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Benigno ‘Noynoy’ Aquino was inaugurated yesterday as the fifteenth president of the Philippines. Large sections of the Philippine bourgeoisie and middle classes have greeted his installation as president with giddy euphoria. He has been hailed in the mainstream media as the embodiment of change, reform, and the redemption of Philippine politics.

Noynoy paraphernalia sells everywhere: yellow ribbons, t-shirts, ‘Precious Moments’ dolls wearing Aquino glasses, posters—today’s memorabilia and tomorrow’s fishwrap. President Aquino has adopted the moniker P. Noy; the appellation is yet another attempt to endear himself to the working class, a populist posturing by nickname.

The press has cast Aquino, often quite explicitly, as the Philippines’ Obama. That is to say, he is depicted as a political outsider, a visionary, and the harbinger of change. The comparison to Obama is perhaps more apt than the Aquino’s media supporters realise, although certainly not in the manner in which they intend. Like US President Barack Obama, Aquino assumes office while a hated political figure steps down. Lurking behind his insipid rhetoric of change and an end to corruption is a continuation of the anti-working class economic policies of his predecessor.

Aquino is the scion of the Aquino political dynasty and the Cojuangco oligarchy. Both his parents served at crucial moments in Philippine history to stabilize capitalism and to prevent revolution. First his father, Ninoy, and then his mother, Cory, labored to ensure that in the aftermath of the Marcos dictatorship, power would pass into the hands of the bourgeoisie, specifically those sections which had been excluded under Marcos’s crony capitalism, and that it would not be seized by the proletariat. Corazon Cojuangco

Aquino protected her own vast landholdings and repelled attempts at genuine land reform. Benigno ‘Noynoy’ Cojuangco Aquino will do precisely the same, and in just as brutal a fashion as his mother.

Aquino takes office with a vice president from a rival political party. The president and vice-president are voted for separately in the Philippines. Last minute political machinations led to the surprise victory of former president Joseph Estrada’s running mate, Jejomar Binay, who defeated Aquino’s vice presidential choice, Mar Roxas. Binay’s victory underlines the fact that support for Noynoy is far from universal, particularly among sections of the urban and rural poor.

While he is being presented as “a change” from the deeply unpopular Arroyo, Aquino’s choice of cabinet members demonstrates that his administration is committed to the same agenda. Confronted with a growing sovereign debt crisis in Europe and internationally, Aquino is already under pressure to rein in the debt.

Former cabinet members of the Arroyo administration, the deputy governor of the Philippine Central Bank, and numerous editorials in both the local and international press have called on the incoming administration to take strong measures to lower the budget deficit and to service the Philippines’ large international debt. Aquino must, they argue, enact sharp austerity measures and raise the regressive Value Added Tax (VAT) from 12 to 15 percent.

The *Financial Times* pointedly remarked yesterday: “For investors watching sovereign risk after the Greek debt crisis, the main concern is Mr Aquino’s lack of a credible plan to prevent a possible blow-out in the

budget deficit, which last year hit a record 298.5 billion pesos (\$US6.44 billion), 3.9 percent of gross domestic product.” The article highlighted the government’s low revenue base, pointing out that the country’s tax-to-GDP ratio fell last year to 12.4 percent from 14.2 percent in 2008.

Attempting to capitalize on his parents’ perceived legacy, Aquino campaigned on an anti-corruption platform, running under the light-minded slogan, “kung walang corrupt, walang mahirap” / “if there is no corruption, there is no poverty”. Aquino insisted that he would not raise the VAT, claiming that he would increase government revenue by rooting out corruption. In the aftermath of the election, he revised his statement, claiming that raising taxes would be a “last step” for his administration. At the prodding of international finance capital, this last step will be quickly taken.

The cabinet which Aquino has chosen clearly indicates the direction his administration will take and its continuity with the platform of the Arroyo administration. Many of his cabinet members previously served under Arroyo. Several belong to the so-called Hyatt Ten. This was a group of Arroyo’s advisors who resigned in 2005 to protest what was widely seen as massive electoral fraud on the part of Arroyo in the 2004 election. They left Arroyo because of her unpopularity, not because of her agenda, which they were responsible for implementing. Reinstalled to their former positions by Aquino, they will carry forward the same mission of protecting the interests of finance capital and of imposing ever sharper austerity measures on the working class.

This has not escaped the attention of international finance capital. The *Financial Times* noted: “Mr Aquino has ruled out more or higher taxes ... But many economists doubt whether his plan is sufficient.” It observed that “while many experts disagree with Mr Aquino’s views on taxes, they give him credit for picking good people to head the finance department and its revenue collection units”. It praised Aquino’s cabinet picks as “well-known and highly regarded professionals with strong track records.”

The newspaper singled out finance secretary Cesar Purisima for praise. Purisima was finance secretary under Arroyo, head of the Hyatt Ten, and recently donated 10 million pesos to Aquino’s campaign. Purisima, the article noted, “successful lobbied Congress to pass new and higher taxes five years ago.”

As foreign secretary, Aquino has retained Alberto Romulo from the Arroyo cabinet. He worked for Arroyo as finance secretary, executive secretary, and finally as foreign secretary until the end of her presidency. Throughout her presidency Arroyo attempted to manipulate various international capitalist interests to further her own ends. She courted first the United States, then China. Aquino is clearly allied with segments of the Philippine bourgeoisie with strong ties to US capital, yet the appointment of Romulo is an indication that he will be attempting the same diplomatic balancing act. As tensions mount between China and the US over currency controls, exports and international markets, these tensions will find their reflection in divisions within Aquino’s administration.

Like governments around the world, the newly installed Aquino administration is under pressure to offload the impact of the continuing global economic crisis onto working people. He is already under pressure to lower the budget deficit. That can only mean further inroads into public spending, higher taxes on the working class, a new round of privatizations, or a combination of all three. Working people will resist this onslaught and Aquino will attempt to suppress them just as brutally as Arroyo did. As he does so, the rhetoric of change so bandied about in the mainstream press will rapidly be exposed as political chicanery.



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