

# US-China rivalry drives corruption scandal in the Philippines

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Former Philippine President Gloria Macapagal Arroyo has been charged on five counts of plundering the economy during her tenure as president and with election fraud. The unfolding corruption scandal is being pursued by the current Aquino administration in a bid to consolidate power. Behind the allegations, back-room deals and machinations of the Philippine elite lie the increasingly volatile geopolitical tensions between China and the United States.

Corruption scandals break upon the public through the breathless reports of the mainstream press; developments unfold in a sort of ‘who said what and to whom’ slapdash journalism that hides the wood for the trees. The conspiracy-mongering and daily revelations disguise what is actually at stake: rival sections of the bourgeoisie are settling scores. Aquino, with the full backing of Washington, is carrying out an assault on Arroyo, who, during her presidency, dramatically reoriented Philippine foreign policy toward China.

Arroyo has been charged with the rigging of major public infrastructure contracts with Chinese corporations and the exclusion of bids from several US firms. She is charged with the malversation of funds. She is also accused of the wholesale theft of the 2004 presidential election through ballot rigging, bribery, and fraud.

The facts presented in these cases are not new. Conversations between Arroyo and a key political ally at the head of the Commission on Elections were recorded and subsequently broadcast in 2004. The conversations provided evidence of the blatant manipulation of election returns. Taken together, the evidence presents a damning case that Arroyo stole the election from her political rival at the time, the immensely popular movie star Fernando Poe Jr.

There is no question that charges should have been

brought against Arroyo. The real question is why are they being brought now? The answer lies in the dramatic realignment of Philippine foreign policy under Aquino. He has not only reoriented away from China, but has, through the series of confrontations which have occurred on a nearly weekly basis in the South China Sea, placed himself squarely within the ambit of US imperialist interests.

The most recent charges of election fraud emerged last week, when it was revealed in the Philippine press that the former governor of Maguindanao province, Zaldy Ampatuan, charged with the murder of 57 journalists and political rivals on Mindanao, had negotiated a deal with the Aquino administration. In exchange for immunity from charges of mass murder, Ampatuan had agreed to testify on behalf of the State that he had rigged the elections in his province in 2004 and again in 2007 on behalf of Arroyo.

Aquino was caught out. His administration was negotiating with a fascistic thug—guilty of the worst mass murder of journalists in history—to bring politically convenient corruption charges against Arroyo prior to Aquino’s July 25 State of the Nation Address. Aquino quickly dropped the negotiations.

Ampatuan has made his charges against Arroyo public, and there are widespread rumors that Aquino has quietly concluded a deal with him. Aquino is conducting his ‘anti-corruption’ campaign by means of a back-room deal with one the most despicable politicians operating in a country where politicians are popularly referred to as ‘dirty rags.’

On July 25, Aquino delivered his second State of the Nation Address. The speech raised two major issues: the fight against the corruption of the previous administration, and Philippine sovereignty in the South China Sea.

The US Pacific Commander Admiral Robert Willard met with Aquino the day after his speech to congratulate him. Ernest Bower, director of the Southeast Asia program at the Center for Strategic and International Studies (CSIS), wrote two articles in response to Aquino's speech. "There are clear signals that U.S.-Philippine ties have vastly improved since his election," Bower stated. "The Aquino administration has filed five plunder cases against Arroyo and despite snags in many investigations over the past year, the investigations are now intensifying. To follow through on his commitments, President Aquino will need to enact judicial reform. Corruption in courts has been a major obstacle to social justice and expanding investment in the Philippines."

Washington played a crucial role in the prosecution of corruption charges against members of the upper echelons of the Philippine military with ties to Arroyo, supplying evidence to the prosecutors and advising them in their conduct of the case.

Arroyo took office in 2001 with firm US support for her and for the military-backed constitutional coup which removed her predecessor, Joseph Estrada. She sent Philippine troops to Iraq, to help Washington project a façade of international support for its war of aggression against Iraq. Despite clear evidence of electoral fraud by Arroyo in 2004, Washington gave its full support to her continuation in office. In July 2004, however, Arroyo withdrew Philippine troops from Iraq.

As the global economic position of the US declined and China's rose sharply, the orientation of the Arroyo administration shifted. The economic interests of the Philippines were increasingly turning toward China, and a number of important infrastructure projects were awarded to Chinese corporations, despite lower bids from US companies. These affronts to US interests in the region are what are now being prosecuted by the Aquino administration.

The mounting tensions between the United States and China currently find sharpest expression in the looming conflict over the South China Sea. Arroyo, in March 2005, signed a tripartite deal with China and Vietnam, called the Joint Marine Seismic Undertaking (JMSU). The JMSU authorized the joint exploration and drilling of 142,000 square kilometers of previously disputed seabed in the South China Sea.

A marked shift back to a focus on the Asia-Pacific

region occurred in US policy in the wake of the 2008 economic crisis and with the rise to the presidency of Barack Obama. Massive pressure was brought to bear upon Arroyo and her administration.

Impeachment bids and allegations of corruption against Arroyo rapidly emerged. Petty-bourgeois nationalists of the various "left" groups denounced the JMSU as an assault on Philippine sovereignty. Arroyo backed away from the JMSU agreement in February 2010, at the very end of her presidency.

Under President Aquino diplomatic ties with China have rapidly soured. Conflicts have emerged over the handling of a hostage crisis; China's execution of Filipinos accused of drug smuggling; and, above all, the escalation of Philippine claims to the South China Sea with the strong backing of the United States.

Aquino represents sections of the local bourgeoisie whose economic and historical ties bind them to the interests of the United States. The current corruption accusations against Arroyo represent the prosecution of their class interests and those of US imperialism.

Over the past months, entire political blocs have broken from Arroyo's party and allied themselves with Aquino's Liberal Party. Arroyo's political star, at present, has fallen. That Imelda Marcos—the wife of former Philippine dictator Ferdinand Marcos—is currently a congresswoman demonstrates, however, that no political dynasty in the Philippines is ever irreparably tarnished by charges of corruption.



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