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THESIS

**IS THE PHILIPPINES PROFITING
FROM THE WAR ON TERRORISM?**

by

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June 2004

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IS THE PHILIPPINES PROFITING FROM THE WAR ON TERRORISM?

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Submitted in partial fulfillment of the
requirements for the degree of

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ABSTRACT

The Philippines is one of the foremost supporters of the Global War on Terrorism (GWOT), responding to the call for robust counter-terrorism (CT) measures through policy and legislation, intelligence-sharing, and military and law enforcement cooperation. As a strategic ally, the United States (US) has renewed political and security relations with Manila, strained since the base closures in 1991; Washington has given hundreds of millions of dollars in military and economic aid since 9/11. However, instead of improving the country's CT capabilities to eradicate terrorism, the GWOT and related US policy have created a cyclical incentive structure: certain actors within the government, military, and insurgency groups in the Philippines profit politically and financially from US aid and the warlike conditions, and thus sustain, at a minimum, a presence of conflict and terrorism in order to continue drawing future benefits. This paper will investigate how such actors profit from the GWOT and perpetuate conflict, as well as examine the implications of these findings and recommendations on future US policy and Philippine counter-terrorism efforts.

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I. INTRODUCTION: US POLICY TOWARDS THE PHILIPPINES VIS-À-VIS THE GLOBAL WAR ON TERRORISM

In 2004, the United States (US) has entered its third year of waging the Global War on Terrorism (GWOT) which began with coordinated attacks on American soil by Al-Qaeda¹ operatives the morning of 11 September 2001. This event has not only impacted American hearts and minds; it dramatically shifted the national focus onto international terrorism. 9/11² has reshaped US priorities and policy. President George W. Bush stated, "...we will prosecute the war on terror with patience and focus and determination. With the help of a broad coalition, we will make certain that terrorists and their supporters are not safe in any cave or corner of the world."³ National Security Advisor Condoleezza Rice claimed, "[September 11th] also threw into sharp relief the nature of the threats we face today. Today's threats come less from massing armies than from small, shadowy bands of terrorists – less from strong states than from weak or failed states."⁴

Washington has taken on a multi-leveled approach to countering terrorism, melding a military component with active bilateral and multilateral diplomacy and foreign aid packages. The United States is also leading a coalition of allied nations, spanning both hemispheres and stretching from Western Europe to the Middle East to Southeast Asia.⁵ Many countries have

¹ Also spelled Al Qaeda, Al-Qaida, and Al Qaida.

² "9/11" refers to the events as well as the date of 11 September 2001 (also known to as "September 11th")

³ Office of the Coordinator for Counterterrorism. *Patterns of Global Terrorism 2002*. 30 April 2003, Section A: Introduction. (<http://www.state.gov/s/ct/rls/pgtrpt/2002/> accessed January 2004).

⁴ Office of the Press Secretary. "Dr. Condoleezza Rice Discusses President's National Security Strategy, Waldorf Astoria Hotel, New York." 1 October 2002. (<http://www.whitehouse.gov/news/releases/2002/10/20021001-6.html> accessed January 2004).

⁵ Countries providing support in the GWOT include: Australia, Bahrain, Belgium, Canada, the Czech Republic, Denmark, Egypt, Finland, France, Germany, Great Britain, Greece, Italy, Jordan, the Netherlands, New Zealand, Norway, Portugal, the Republic of Korea, Romania, Russia, Spain, Turkey, the United Arab Emirates and Uzbekistan. Source: Gerry J. Gilmore. "Rumsfeld Praises Coalition Contributions in Anti-terror War." DefenseLINK News. (http://www.defenselink.mil/news/Feb2002/n02262002_200202262.html accessed May 2004)

condemned the terror acts of 9/11, and have pledged their support to the United States and its war on international terrorism. In Southeast Asia, the strongest response came from Philippine President Gloria Macapagal-Arroyo: “The Philippines stands together with the United States and the community of nations in a common effort to contain and to destroy terrorists and their global networks.”⁶ Hers was the first voice in Asia to support US action in Afghanistan by offering access to Philippine airspace, former American military installations Clark Airbase and Subic Bay Naval Base, as well as deploying combat troops and humanitarian relief towards the war effort (Appendix A contains maps of the Republic of the Philippines). Terrorism is an acute threat extending throughout the archipelago; since independence in 1946, Manila has struggled against its fair share of domestic uprisings, guerilla warfare, and terror tactics from various insurgent groups, especially Muslim separatists and communist rebels. Now the war against terror has ushered in a global forum in which to focus on combating terrorist and rebel groups on an international level.

A. TERRORISM DEFINED

Before delving into the controversial topic of terrorism, it is important to first explore the definitions – or in some cases, lack thereof – of this and associated terms. In regards to “terrorism,” incidentally, the international community itself does not have a uniform definition. Take the touch-in-cheek adage “one man’s terrorist is another man’s freedom fighter;” a terrorist in one area may be ideologically considered a freedom fighter elsewhere. Merriam-Webster defines terrorism simply as “the systematic use of terror especially as a means of coercion.”⁷ The working definition for terrorism and associated words within US government circles is found in Title 22 of the United States Code, Section 2656f(d): “Terrorism,” it states, is “premeditated, politically motivated violence perpetrated against noncombatant targets by subnational groups or

⁶ Office of the President. “PGMA’s Message Reiterating the Philippine Government Support on the US Action Against Terrorism.” 8 October 2001. (<http://www.opnet.ops.gov.ph/ops-speeches2001.htm> accessed January 2004)

⁷ Merriam-Webster Online Dictionary (<http://www.m-w.com/cgi-bin/dictionary?book=Dictionary&va=terrorist> accessed January 2004)

clandestine agents, usually intended to influence an audience.” Thus a “terrorist group” practices terrorism. Subsequently, “international terrorism” involves citizens or territory of more than one country.⁸ The Philippine government’s definition of terrorism is analogous to the US proposition:

The premeditated use or threatened use of violence or means of destruction perpetrated against innocent civilians or non-combatants, or against civilian and government properties, usually intended to influence an audience. Its purpose is to create a state of fear that will aid in extorting, coercing, intimidating, or causing individuals and groups to alter their behavior. Its methods, among others, are hostage taking, piracy or sabotage, assassination, threats, hoaxes, and indiscriminate bombings or shootings.⁹

The United Nations (UN) has still to formulate its official definition within the new international environment: “The General Assembly’s Sixth Committee is currently considering a draft Comprehensive Convention on International Terrorism which would include a definition of terrorism if adopted.”¹⁰ However, the United Nations Office on Drugs and Crime compiled its own position, in use since 1988:

Terrorism is an anxiety-inspiring method of repeated violent action, employed by (semi-) clandestine individual, group or state actors, for idiosyncratic, criminal or political reasons, whereby – in contrast to assassination – the direct targets of violence are not the main targets. The immediate human victims of violence are generally chosen randomly (targets of opportunity) or selectively (representative or symbolic targets) from a target population, and serve as message generators. Threat- and violence-based communication processes between terrorist (organization), (imperiled) victims, and main targets are used to manipulate the main target (audience(s)), turning it into a target of terror, a target of

⁸ Office of the Coordinator for Counterterrorism. *Patterns of Global Terrorism 2002*. 30 April 2003, Section A: Introduction. (<http://www.state.gov/s/ct/rls/pgtrpt/2002/> accessed January 2004).

⁹ Francisco L. Tolin. “The Response of the Philippine Government and the Role of the AFP in Addressing Terrorism.” National Defense College of the Philippines online featured paper. (<http://www.ndcp.edu.ph/tokyopaper.htm> accessed May 2004).

¹⁰ Counter Terrorism Committee of the United Nations. “A Definition of Terrorism.” 2003. (<http://www.un.org/Docs/sc/committees/1373/definition.html> accessed January 2004).

demands, or a target of attention, depending on whether intimidation, coercion, or propaganda is primarily sought.¹¹

The countries of Southeast Asia, which collectively form the Association of Southeast Asian Nations (ASEAN), can not agree on a single definition. Instead of directly defining the term, ASEAN 2001 Declaration on Joint Action to Counter Terrorism, signed 5 November 2001, operationalizes the effects of terrorism as a “direct challenge to the attainment of peace, progress and prosperity of ASEAN...” and denounces terrorist acts as “profound threat to international peace and security which require concerted action to protect and defend all; peoples and the peace and security of the world.”¹² Indeed, terrorism does not have a uniform definition even amongst coalition partners. Moreover, some countries do not recognize some organizations as terrorist-related. Thus combating terrorism can become somewhat contentious when working within an ambiguous and debated paradigm.

B. OVERALL US GOALS AND PRIORITIES IN THE WAR ON TERROR

Since the events of 9/11, there has been a clear shift in Washington’s focus on international terrorism. Three key governmental documents outline and publicize the Bush administration’s top goals and priorities in the GWOT: the National Security Strategy of the United States (NSS), the National Strategy for Combating Terrorism (NSCT), and the Department of State’s annual Patterns of Global Terrorism. Most controversial of these three reports is the NSS, released 17 September 2002; it was not only the first official post-9/11 document, but also the first strategy statement of the Bush administration. According to John Lewis Gaddis, this particular NSS could very well be the most sweeping shift in US grand strategy since the Cold War.¹³ Dubbed the “Bush Doctrine,” it states a clear transitioning from deterrence, as prescribed by Clinton’s presidency, to a

¹¹ United Nations Office on Drugs and Crime. “Definitions of Terrorism.” 2004. (http://www.unodc.org/unodc/terrorism_definitions.html) accessed May 2004).

¹² Rommel C. Banlaoi. *The War on Terrorism in Southeast Asia*. Quezon City: Strategic and Integrative Studies Center, 2003, p. 9

¹³ John Lewis Gaddis. “A Grand Strategy of Transformation.” *Foreign Policy*. Iss. 133. November/December 2002, p. 50

policy of preemption. The strategic aim of this report is “to help make the world not just safer but better,” a clear reflection of a new “distinctly American internationalism that reflects the union of our values and our national interests.”¹⁴ While the NSS is a more general strategy, the NSCT focuses on combating and defeating terrorist organizations and those regimes or sponsors who harbor them, as well as stresses the role of international cooperation, law enforcement, and economic development in countering terrorism. The document’s aim is “identifying and diffusing threats before they reach our borders.”¹⁵ Lastly, *Patterns of Global Terrorism*, published by the US State Department, emphasizes the international scope of the war on terrorism, claiming that its ultimate success “will hinge in large part on two factors – sustained international political will and effective capacity building.”¹⁶ Based on these three key documents, we can ascertain US goals and priorities in the war on terrorism as the following (in no rank order):

- Defeat terrorists and their networks, while denying their sponsorship, support, and sanctuary, and diminishing underlying conditions in which they can survive, thrive, and spread.
- Secure and prevent future terrorist acts against American citizens and interests at home and abroad.
- Forge and strengthen relations with other states in order to combat international terrorism and prevent attacks.
- Assist states in bolstering their capacity to fight terrorism.
- Promote and emphasize international cooperation in key areas, such as border security, information-sharing, and improved legislation.

¹⁴ The White House. *The National Security Strategy of the United States of America*. Washington D.C.: The White House, September 2002, p. 1

¹⁵ The White House. *The National Strategy for Countering Terrorism*. Washington D.C.: The White House, February 2003, p. 2

¹⁶ Office of the Coordinator for Counterterrorism. *Patterns of Global Terrorism 2002*. 30 April 2003, Section A: Introduction. (<http://www.state.gov/s/ct/rls/pgtrpt/2002/> accessed January 2004).

- Promote and ensure political freedom, open societies, and democratic institutions, along with economic development, opportunity, and growth through free markets and free trade.
- Defuse regional conflicts by building international relationships and institutions to help manage local crises.
- Champion aspirations for and respect of human dignity and rights.

It is clear the United States recognizes that this war on terrorism is waged on the global scale, through international dialogue, bilateral relations, and military operations. With increased instances of and connections with transnational terrorism, its porous borders, and rise in domestic rebel militancy, Southeast Asia has become an ever-important focus of US counter-terrorism (CT) efforts, and thus shifting foreign assistance priorities towards Asia.¹⁷ Foreign aid has become one of the main tools in extending US GWOT goals and policy to the region. Since 9/11, aid levels accelerated. According to Larry Nowels in a 2003 Congressional Research Service (CRS) study for Congress on foreign operations and aid appropriations, just prior to 9/11, total development and security assistance to the region was originally suppose to increase from 6.5% in fiscal year (FY) 2001 to 8% in FY2002. After the onset of the GWOT, Washington pledged increases in foreign aid of upwards of 250%, depending on country and situation.¹⁸ If the Middle East is the front line of the war on terror, then Southeast Asia, in particular the Philippines, is considered the “second front.”

C. US GWOT GOALS IN THE PHILIPPINES

For much of the last decade, the Philippines has been below the US political radar. Since the closures of American military installations in 1991, including Clark Airbase and Subic Bay Naval Base, US-Philippine relations have been somewhat strained. Additionally, the country had not received the level of strategic, anti-communism attention it once held during the Cold War. Numerous

¹⁷ Thomas Lum. *US Foreign Aid to East and South Asia: Selected Recipients (RL31362)*. Washington DC: Congressional Research Service, 10 April 2002, p. 1

¹⁸ Larry Nowels. *Appropriations for FY2004: Foreign Operations, Export Financing, and Related Programs (RL31811)*. Washington DC: Congressional Research Service, 21 July 2003, summary

acts of terror and violence prior to 9/11 in many Southeast Asian countries were regarded as local uprisings and insurgencies; the region was not considered a major center of transnational terrorism, unlike the Middle East.¹⁹

However, 9/11 has reshaped perception of the terrorist threat in Southeast Asia, culminating with the rise in international terror groups and the Bali bombing. According to Rommel C. Banlaoi, the region is vulnerable to terrorist penetration because of its porous borders, weak law enforcement capabilities and governmental institutions, as well as its ties with the United States and other Western states.²⁰ The Philippines, as a “country of convenience,”²¹ has long been a breeding ground for international terrorist cells and radical jihadists. Intelligence sources unearthed evidence linking organization within the Philippines with Osama Bin Laden’s Al-Qaeda network. Al-Qaeda had been using the country as a major planning bed for many international acts of terror. It was reported that Muhammad Jamal al-Khalifa was directed by his brother-in-law, Bin Laden, to recruit Muslim Filipinos to fight against the Soviet forces in Afghanistan in the 1980s. Supposedly, the Moro Islamic Liberation Front (MILF) sent thousands to Afghanistan to train and fight.²² Since then, Filipino radicals have been training in Al-Qaeda-run camps, returning to the Philippines with renewed vigor and expertise.²³ Furthermore, they forged comradery with other (non-Filipino) radicals and jihadists, who in turn came to the archipelago to hide, train, organize, and plan. It was also reported that Ramzi Yousef, the Al-Qaeda ringleader of 1993 World Trade Center bombing, planned in the Philippines the

¹⁹ Rommel C. Banlaoi. *The War on Terrorism in Southeast Asia*. Quezon City: Strategic and Integrative Studies Center, 2003, p. 16

²⁰ Ibid, p. 17

²¹ According to Zachary Abuza, the Philippines is a “country of convenience” for terrorists due to its fluid borders, lack of governmental penetration into the Muslim-controlled region, and ease of hiding. Source: Zachary Abuza. *Militant Islam in Southeast Asia: Crucible of Terror*. Boulder: Lynne Rienner, 2003, p. 18

²² Rommel C. Banlaoi. “The Role of Philippine-American Relations in the Global Campaign Against Terrorism: Implications for Regional Security.” *Contemporary Southeast Asia*. Vol. 24, no. 2, August 2002, p. 300

²³ Zachary Abuza. *Militant Islam in Southeast Asia: Crucible of Terror*. Boulder: Lynne Rienner, 2003, p. 11

Bojinka plots, which included the assassination of Pope John Paul II, who visited Manila in 1995, as well as the bombing and/or crashing of 11 American airliners into various significant landmarks, including the World Trade Center and the Pentagon – as some would claim, an eerie precursor to the 9/11.²⁴ In addition, Al-Qaeda is reported to have funneled money, weapons, and training to local Muslim extremists, including Abu Sayyaf Group (ASG).²⁵ Thus far, transnational organizations Al-Qaeda and Jemaah Islamiya (JI), as well as the home-grown ASG, Communist Party of the Philippines (CPP) and its armed wing, the New People's Army (NPA), are all active in the Philippines and have been designated Foreign Terrorist Organizations (FTOs) by the US State Department.²⁶

With Manila on board as a major coalition partner, what are the specific US goals and priorities towards the Philippines in the GWOT? While the NSS, NSCT, and Patterns of Global Terrorism communicate general and overarching goals and priorities, they can also be extended to countering terrorism in the Philippines. Based on these three key documents, US GWOT goals toward the Philippines are the following (in no rank order):

- Eradicate terrorists, their networks, and their activities within the Philippines, including Al-Qaeda, ASG, and JI.
- Secure and prevent future terrorist acts against American and Philippine citizens and interests.
- Strengthen bilateral relations with the Philippines in order to combat terrorism.
- Bolster the Philippine government's CT capacity.
- Promote multilateral cooperation with Southeast Asian states in key areas, such as border security, information sharing, improved legislation, and law enforcement.

²⁴ Rommel C. Banlaoi. "The Role of Philippine-American Relations in the Global Campaign Against Terrorism: Implications for Regional Security." *Contemporary Southeast Asia*. Vol. 24, no. 2, August 2002, p. 301

²⁵ Brian Nichiporuk. "Regional Demographics and the War on Terrorism." *RUSI Journal*. Vol 148, no. 1, February 2003, p. 26

²⁶ The MILF is not designated an FTO.

- Promote socio-economic development within the Philippines.
- Assist in the resolution of conflict within the Philippines.
- Champion the protection and respect of human rights within the Philippines.

However, many scholars and pundits claim that these above points are not the only priorities for the United States. In fact, major goals for the region are indirectly tied to the GWOT, or even go beyond its scope, using the war on terror discourse as a cover for or facilitator of other non-CT goals or quasi-official objectives, including the following (in no rank order):

- Promote American strategic and economic interests in both the Philippines and greater Southeast Asia. With the region back in Washington's scope, Rommel Banlaoi contends that the war on terrorism provides an excellent justification to re-assert its strategic presence. Since 1991, US military footprint in the region has decreased. With the onset of the GWOT, the military can re-establish its presence in the Philippines. Moreover, economics and trade are at stakes; not only is the Philippines a major trading partner, it is also a major destination for American investment.²⁷
- Contain China. As a potential peer competitor in world affairs, the People's Republic of China (PRC) poses significant economic, military, and political challenges to the United States.²⁸ Long-term regional hegemony may be up for grabs.
- Control of the sea lanes of communication (SLOCs). The South China Sea is one of the most significant and busiest international sea lanes. According to Banlaoi, an increased US presence due to the war on terror in the region can enhance military and economic control over of

²⁷ Rommel C. Banlaoi. *The War on Terrorism in Southeast Asia*. Quezon City: Strategic and Integrative Studies Center, 2003, p. 77-78

²⁸ Ibid, p. 70

the SLOCs, which are critical to the movement of forces, as well as a potentially important oil reserve.²⁹

According to critics of the war on terrorism, the GWOT has opened up opportunities for Washington to pursue these non-direct CT objectives by linking them to the greater CT campaign. Containing China and managing the SLOCs can be construed as heightened security concerns by relating them to the rising threat of international terrorism within the region, therefore justifying an increased US presence.

D. US INVOLVEMENT IN PAST PHILIPPINES INSURGENCIES

Despite the GWOT, the issue of terrorism and insurgency in the Philippines and US involvement is nothing new. Throughout Philippine history of Spanish colonialization, American annexation, Japanese occupation, and independence, local rebels and insurgents have been challenging the central government. Since its initial involvement in the Philippines in 1898, the US government has implemented differing counter-insurgency (CI)/CT policies rooted in US national interest and the global environment. Three key movements have been met with strong and distinct US CI/CT goals and policies: the Katipunan nationalist rebel uprising, the Huk rebellion, and the communist insurgencies under martial law; the latter two cases were a combined Manila-Washington approach to combating insurgencies.

1. Katipunan and the Philippine-American War

The 1898 Spanish-American War in the Philippines islands not only saw combat between the Spanish empire and US military; the Katipunan, an organization of Filipino nationalists, had already been engaged in their own liberation struggle for several years. This insurgency movement allied itself with American military forces towards a common goal of overthrowing the Spanish colonial government, believing that the United States would help them in their fight for independence. On 12 June 1898, Katipunan leaders declared the Philippines independent from Spain, and established its revolutionary

²⁹ James Reilly. "The U.S. 'War on Terror' and East Asia." *Foreign Policy In Focus Policy Report*. February 2002, p. 4 (http://www.foreignpolicy-infocus.org/papers/asia2002_body.html accessed March 2004),

government in the new capital city of Malolos, a market town located thirty-two kilometers north of Manila.³⁰ Unbeknownst to the rebel leaders, the United States was in negotiations with Spain to end their war. After months of talks, the Treaty of Paris was signed on 10 December 1898, resulting in annexation of the Philippines³¹ to the United States for the sum of \$20 million.³² President William McKinley declared that the new American policy would be one of "benevolent assimilation," in which "the mild sway of justice and right" would be substituted for "arbitrary rule."³³ Thus the Philippines became a US colony; the nationalists found themselves under a new colonial administration.

The treaty settlement enraged many Filipinos. Katipunan leaders issued their own counter proclamation to the Treaty of Paris, condemning the "violent and aggressive seizure" by the United States and threatening war with their one-time ally.³⁴ Thus the Philippine-American War, also known as the Philippine Insurrection, began on 4 February 1899, a bloody and protracted battle lasting almost three years, much longer than the initial war with Spain.

US national interests were best served with the preservation of the Philippine colony, and policy focused on combating nationalist insurgents through traditional military CI means. Although the Filipino rebels proved to be formidable opponents in guerrilla warfare due to years of experience against the Spanish, they were still no match for Americans in open combat. The US army stepped up their CI operations and captured the revolutionary capital Malolos on 31 March 1899.³⁵ The war continued until the capture of top Katipunan leaders;

³⁰ Nelson Delgado. "The Philippine Insurrection." *Naval History*. Vol. 2, iss. 3, Summer 1988, p. 28

³¹ Also included was the annexation of Puerto Rico and Guam to the United States and independence for Cuba.

³² Daniel Schirmer. "How the Philippine-U.S. War Began." *Monthly Review*. Vol. 51, iss. 4, September 1999, p. 45

³³ Ronald E. Dolan, ed. "Philippines: A Country Study." Washington DC: Library of Congress Federal Research Division. June 1991. (<http://lcweb2.loc.gov/frd/cs/phtoc.html#ph0000> accessed January – June 2004).

³⁴ Ibid.

³⁵ Ibid.

thus on 4 July 1902, President Theodore Roosevelt declared that the Philippine insurrection was over.³⁶ From the beginning of the Spanish-American War to the end of the Philippine-American War, US policy and national interests had shifted from alliance with the insurgents against a common enemy, Spanish colonial power, to military suppression of the same movement.

2. The Huk Rebellion

After World War II, the onset of the Cold War, and Philippine independence in July 1946, the country was well-entrenched as an integral part of the American security umbrella. Top on US Cold War priority was the signing of the Military Bases Agreement (MBA) in March 1947 and control of twenty-three military installations, including Clark Airbase and Subic Bay naval facilities, through a ninety-nine year lease.³⁷ The Cold War had elevated the “Red Menace” – the Soviet Union and its communist system – as the highest threat to American safety and national interest. Thus US CI goals in the Philippines involved suppressing anti-communist insurgencies and maintaining global stability.³⁸

In the newly independent Philippines, the main source of domestic unrest came from the Huks. Established as the People’s Anti-Japanese Army, the Hukbun ng Bayan Laban Sa Hapon (Hukbalahap for short), originally comprised of anti-Japanese communists and socialists, was in fact the strongest force against the occupying enemy at the height of World War II.³⁹ The Huks, members of the Hukbalahap movement, successfully fought against Japanese forces, seized the abandoned farm land and plantations left by the landlord elites who fled to Manila for safety, and took over local governance.⁴⁰ These Huks also proved to be

³⁶ Nelson Delgado. “The Philippine Insurrection.” *Naval History*. Vol. 2, iss. 3, Summer 1988, p. 30

³⁷ Carl H. Lande, ed. *Rebuilding a Nation: Philippines Challenges and American Policy*. Washington, D.C.: Washington Institute Press, 1987, p. 467-472

³⁸ Donald W. Hamilton. *The Art of Insurgency: American Military Policy and the Failure of Strategy in Southeast Asia*. Westport: Praeger, 1998, p. 39

³⁹ Ibid, p. 40

⁴⁰ Stanley Karnow. *In Our Image: America’s Empire in the Philippines*. New York: Random House, 1989, p. 310

extremely helpful to the American war effort by acting as guides and intelligence sources for US troops.⁴¹ However, after the war, anti-government sentiments grew in the rural area. The Huks and their peasantry supporters refused to turn over land and governance to the returning landlords and elite. Instead, they embraced socialist and communist ideals, including economic equality, and called for political and economic reforms from Manila. Amidst reports of political corruption and police brutality in rural villages, Huk-led insurgencies increased.

There is still much debate over the true nature of the Huk movement. Some scholars maintain that the Hukbalahap was merely an anti-Japanese, anti-corruption, anti-poverty, and pro-land reform organization comprised of poor peasants and farmers. Other experts, including many American intelligence sources at the time of the insurgencies, suggested that the Huks sought “to further the objectives of world Communism.”⁴² Thus due to their communist affiliation, the Huks were viewed as a threat to US interests and to the Philippine government in the Cold War, and were targets for anti-communist and CI campaigns.

As the rebellion spread across the country, Minister of National Defense Ramon Magsaysay, turned to Washington for assistance in defeating this insurgency. The 1950 Truman Doctrine stated that the United States would help stabilize legal foreign governments threatened by revolutionary minorities and outside pressures. Moreover, Washington formulated a new CI policy, one that emphasized political initiatives over military efforts which ended the Katipunan rebellion.⁴³ Central Intelligence Agency (CIA) operative and US Air Force Colonel Edward Geary Lansdale was sent to the Philippines in September 1950, and developed a plan to defeat the insurgents militarily while winning popular support for the government – in effect, turning the tables on the Huks and their reform agenda. With US aid and advisers, he could improve the quality,

⁴¹ Ibid, p. 340

⁴² Ibid, p. 336

⁴³ Walden Bello. “Counterinsurgency’s Proving ground: Low-Intensity Warfare in the Philippines.” *Low Intensity Warfare: Counterinsurgency, Proinsurgency, and Antiterrorism in the Eighties*. New York: Pantheon Books, 1988, p. 160

effectiveness, and CI techniques of the Philippine armed forces.⁴⁴ In order to draw popular support away from the Huks, Lansdale focused his political strategy around two key platforms: the “clean” congressional elections of 1951 to restore the damaged reputation of the government, and Magsaysay’s program of “free land” for the rebels who would lay down their arms.⁴⁵ This new policy directly countered Huk’s reform agenda upon which much of the popular support laid. Slowly, the rebellion crumbled as Lansdale’s strategy diffused Huk ideology until the final surrender of top leadership. As David Sturtevant, an expert on peasant movements, claimed, “The [Huk] movement was not shattered by reforms; rather, it was shattered by the promise of reforms. That was enough.”⁴⁶ Again, the United States played an active role in CI campaigns in the Philippines, this time working closely with Manila to focus on a political- and economic-based strategy rather than a purely military approach to defeat the insurgents.

3. The CPP and NPA Under Martial Law

Amidst the Cold War and the Marcos administration emerged the Communist Party of the Philippines (CPP), established in December 1968 by young revolutionaries and former Hukbalahap. This organization rooted in Maoist ideals, along with its armed wing, the New People's Army (NPA), embraced a land reform agenda, led insurgencies throughout the archipelago, and conducted guerilla operations against Armed Forces of the Philippines (AFP).⁴⁷ Philippine President Ferdinand Marcos blamed the communists and other leftist uprising for the rash of violence in the country, and declared martial

⁴⁴ Ronald E. Dolan, ed. “Philippines: A Country Study.” Washington DC: Library of Congress Federal Research Division. June 1991. (<http://lcweb2.loc.gov/frd/cs/phtoc.html#ph0000> accessed January – June 2004).

⁴⁵ Walden Bello. “Counterinsurgency’s Proving ground: Low-Intensity Warfare in the Philippines.” *Low Intensity Warfare: Counterinsurgency, Proinsurgency, and Antiterrorism in the Eighties*. New York: Pantheon Books, 1988, p. 160

⁴⁶ Ibid, p. 161

⁴⁷ Ronald E. Dolan, ed. “Philippines: A Country Study.” Washington DC: Library of Congress Federal Research Division. June 1991. (<http://lcweb2.loc.gov/frd/cs/phtoc.html#ph0000> accessed January – June 2004).

law in 1972.⁴⁸ Quietly, the United States supported his proclamation; in a classified 1972 US Senate memo, Washington agreed with Marcos's action, citing "that these objectives are in our interests; and that military bases and a familiar government in the Philippines are more important than the preservation of democratic institutions."⁴⁹ Both the status of US military bases and a strong anti-communist government were high on the American priority list for the Philippines. Hundreds of millions of dollars in military and economic aid were given to the Marcos administration. According to Donald Hamilton, deputy chief of mission in Manila during the Nixon administration, American policy towards the Philippines in the early 1970s was intended to serve US national interests.⁵⁰ Despite the imposition of martial law, the Nixon administration, determined to retain key military posts, increased military assistance; from 1972 to 1975, aid grew by 100 percent. And although repeated urges for restored democratic processes and human rights practices, President Jimmy Carter signed the new 1979 basing agreement which guaranteed to President Marcos \$300 million in military aid and \$200 million in economic support funds (ESF) over the next five years. President Ronald Reagan was an avid supporter of Ferdinand Marcos, granting \$425 million in military aid in 1983.⁵¹

One justification for martial law was the suppression of leftist insurgencies; however, communist uprisings increased. CPP leader Jose Marie Sison declared that the Philippines was being "ruthlessly exploited" by American imperialists, as well as its own "comprador big bourgeoisie" landed elites, capitalists, and governmental bureaucrats. He believed that the only way to overthrow the US-Marcos regime was an armed proletariat revolution targeting

⁴⁸ Carl H. Lande, ed. *Rebuilding a Nation: Philippines Challenges and American Policy*. Washington, D.C.: Washington Institute Press, 1987, p. 16

⁴⁹ William I. Robinson. *Promoting Polyarchy: Globalization, U.S. Intervention, and Hegemony*. Cambridge: Cambridge University Press, 1996, p. 121

⁵⁰ Donald W. Hamilton. *The Art of Insurgency: American Military Policy and the Failure of Strategy in Southeast Asia*. Westport: Praeger, 1998, p. 505

⁵¹ Walden Bello. "Counterinsurgency's Proving ground: Low-Intensity Warfare in the Philippines." *Low Intensity Warfare: Counterinsurgency, Proinsurgency, and Antiterrorism in the Eighties*. New York: Pantheon Books, 1988, p. 162-163

the exploiting classes and imperialists, freeing peasants and workers from their oppression.⁵² The communists' message found much support throughout the country; by the time Corazon Aquino took office in 1986, there were an estimated 22,500 NPA rebels, and the CPP controlled 20 percent of the archipelago's 40,000 villages.⁵³ Subsequent administrations inherited the communist insurgency problem from President Marcos, although CPP popular support has waxed and waned over the decades. Today, both the CPP and the NPA are still well entrenched in many interior villages and actively engaged in terrorist and insurgent activities; both organizations have been placed on the US State Department's FTO list. Moreover, CI policy during the Marcos administration encompasses large amounts of foreign aid to combat communist rebels.

Thus before the current international war on terror, the United States played an active role against insurgencies, guerilla tactics, and terror activities in the Philippines. In each of the three cases, US CI policy shifted depending on national interests and the global environment: traditional military operations to confront and defeat Katipunan rebels, political strategizing to placate and diminish support of the Huks, and large military and economic aid packages to the Marcos administration to eradicate communist insurgencies. Clearly, since 1898, the Philippines has been a key state in US foreign policy and CI/CT efforts.

E. US GWOT POLICY TOWARDS THE PHILIPPINES

President Bush has declared Southeast Asia, especially the Philippines, the second front in the war against terrorism: "The Philippine government is strongly committed to defeating terrorists operating in its own part of the world. The United States is committed to helping when asked."⁵⁴ The Bush administration considers the archipelago one of the major centers of current anti-terrorism efforts due to its strategic importance, concentrated Muslim population,

⁵² Ronald E. Dolan, ed. "Philippines: A Country Study." Washington DC: Library of Congress Federal Research Division. June 1991. (<http://lcweb2.loc.gov/frd/cs/phtoc.html#ph0000> accessed January – June 2004)

⁵³ Ibid.

⁵⁴ "Bush 'Upgrades' Philippines." CNN Online, 20 May 2003 (<http://www.cnn.com/2003/ALLPOLITICS/05/19/bush.philippines/index.html> accessed March 2004).

and insurgency movements.⁵⁵ Thus, based on its GWOT goals and priorities, Washington has created a comprehensive CT/CI policy package towards the Philippines, one that includes political, military, and economic aid components.

1. Political Component of GWOT Policy

Post 9/11 political and diplomatic relations between the two countries are strong, both on a state-to-state level, as well as on an individual level; these presidents consider each other personal friends. Political support and state visits have increased on both sides. During President Arroyo's May 2003 visit to Washington, President Bush toasted her "unwavering" partnership in the war on terrorism: "For your leadership and friendship, I thank you."⁵⁶ He followed her trip with an official visit to Manila in October 2003, marking the first State Visit of an American President in over 30 years. Moreover, the two presidents have highlighted the shared history and values between Filipinos and Americans, as well as a commitment to global peace, security, and prosperity.⁵⁷

In addition, both countries have increased their intelligence sharing and law enforcement cooperation to root out terrorist cells. The US government has frozen the assets of and banned funding to FTOs active in the Philippines, including Al-Qaeda, JI, ASG, and CPP/NPA.⁵⁸ Moreover, President Bush openly supports the current peace negotiations between Manila and the MILF mediated by Kuala Lumpur, pledging more development aid "when a lasting peace is established."⁵⁹ At the behest of the White House, the United States Institute of Peace (USIP), an independent federal organization, is facilitating dialogue to help

⁵⁵ Thomas Lum. *US Foreign Aid to East and South Asia: Selected Recipients (RL31362)*. Washington DC: Congressional Research Service, 10 April 2002, p. 2

⁵⁶ "Bush Toasts Arroyo on Her Partnership" USA Today Online, 20 March 2003. (http://www.usatoday.com/news/washington/2003-05-20-bush-state-dinner_x.htm accessed January 2004).

⁵⁷ Embassy of the United States in Manila. "Joint Statement Between the Republic of the Philippines and the United States of America." 18 October 2003. (<http://usembassy.state.gov/manila/www/hr132.html> accessed January 2004).

⁵⁸ Raphael Perl. *Terrorism and National Security: Issues and Trends (IB10119)*. Washington DC: Congressional Research Service, 2 October 2003, p 6

⁵⁹ Sheldon W. Simon. "President Bush Presses Antiterror Agenda in Southeast Asia." *Comparative Connections*. October-December 2003, p. 68

create an “equitable and durable peace agreement.”⁶⁰ Washington acknowledges that regional peace is key to effectively counter terrorism in the Philippines.

2. Military Component of GWOT Policy

Both presidents have discussed security challenges facing each country, agreeing that the US-Philippine partnership has taken on new vitality and importance in the context of the global war on terrorism.⁶¹ For the Bush administration, this security alliance is a “rock of stability in the Pacific,” and the United States is charged with providing “technical assistance and field expertise and funding” to help modernize the Philippine army.⁶² Both governments have developed a five-year plan to “modernize and reform” the AFP, as well as reforming and strengthening the Philippine National Police (PNP).⁶³ Not only do both countries share the 1952 Mutual Defense Treaty (MDT), but the Philippines has been recently elevated to that status of a Major Non-North Atlantic Treaty Organization (NATO) Ally of the United States⁶⁴. This designation will enable the Philippines to purchase surplus military equipment and supplies on a priority basis, as well as procure military-related loans, research and development, and training from the United States.⁶⁵

Washington was quick to deploy thousands of military personnel to train and assist the AFP in counter-terrorism operations. The 2002 Balikatan (Balikatan 20-1), meaning “shoulder-to-shoulder” in the Tagalog language, was joint exercises aimed at training and assistance in Philippine CT capabilities

⁶⁰ USIP Philippine Facilitation Project information sheet

⁶¹ Embassy of the United States in Manila. “Joint Statement Between the Republic of the Philippines and the United States of America.” 18 October 2003. (<http://usembassy.state.gov/manila/www/hr132.html> accessed January 2004).

⁶² Mark Manyin, coordinator. *Terrorism in Southeast Asia (RL31672)*. Washington D.C.: Congressional Research Service, 18 November 2003, p. 14

⁶³ Sheldon W. Simon. “President Bush Presses Antiterror Agenda in Southeast Asia.” *Comparative Connections*. October-December 2003, p. 68-69

⁶⁴ Other countries designated as Major Non-NATO Allies include Argentina, Australia, Egypt, Israel, Japan, Jordan, New Zealand and South Korea.

⁶⁵ Sol Jose Vanzi. “RP Benefits As A Major Non-NATO Ally.” Philippine Headline News Online. 21 May 2003. (<http://www.newsflash.org/2003/05/hl/hl018000.htm> accessed June 2004).

through intelligence gathering, planning operations, professionalizing the forces, and supplying much needed weapons and supplies in order to target the ASG. More than 1,000 US troops as trainers and advisors participated in exercises throughout the southern region of the Philippines, including Basilan Island, Zamboanga City, Mactan, and Cebu. As a result, AFP operations improved and greatly diminished ASG's stronghold in key locations, including Basilan. However, negotiations for the next Balikatan have been stalled; both governments have found difficulties in drafting the new "rules of engagement" and roles for American personnel on the ground.⁶⁶ Moreover, Manila does not want to jeopardize the current peace negotiations with MILF, also inhabiting the conflict-ridden southern islands.

In addition to training and exercises, Washington has pledged millions in military aid and advanced military equipment, from night-vision goggles to combat helicopters. The main intent of this aid is to improve AFP counter-terrorism capabilities and self-sufficiency. Post-9/11 military assistance programs, including grants, loans, and equipment, to the Philippines have increased ten-fold since previous levels. In November 2001, total US military assistance amounted to \$92 million. In May 2003, the United States announced another \$65 million AFP training program.⁶⁷ And in his 18 October 2003 trip to Manila, President Bush pledged an additional \$340 million aid package for increased AFP CT training against the ASG and other Al-Qaeda-linked operations in the southern Philippines.⁶⁸

Table 1 shows key military aid programs for the Philippines. Foreign Military Financing (FMF) funds are earmarked for improving AFP capabilities.⁶⁹ FMF levels jumped dramatically since 9/11. While FMF may have totaled \$19

⁶⁶ Mark Manyin, coordinator. *Terrorism in Southeast Asia (RL31672)*. Washington D.C.: Congressional Research Service, 7 April 2004, p. 14

⁶⁷ Ibid, p. 10-14

⁶⁸ Sheldon W. Simon. "President Bush Presses Antiterror Agenda in Southeast Asia." *Comparative Connections*. October-December 2003, p. 68

⁶⁹ Thomas Lum. *US Foreign Aid to East and South Asia: Selected Recipients (RL31362)*. Washington DC: Congressional Research Service, 10 April 2002, p. 14

million in 2002, an additional \$25 million was allocated in emergency support, accompanied by over \$100 million towards enhancing military equipment and capabilities, including cargo aircraft, helicopters, two-and-a-half ton trucks, patrol vessels, grenade launchers, and M-16 rifles.⁷⁰ In fact, the Philippines is the largest recipient of FMF; in 2002, the country received 80% of all FMF funds to East Asia.⁷¹ FY05 estimate is currently \$30 million.

Another form of security assistance is International Military Education and Training (IMET), geared towards improving civilian control of military and military-to-military contacts.⁷² IMET levels have been consistently comparable, with on-going training and professionalization programs and Balikatan exercises targeting terrorist organizations. Ranging from \$1.5 million to just under \$3 million in the 2000s, IMET aid to the Philippines is the highest in Asia, and second highest in the world.

⁷⁰ Frida Berrigan. "Terror and Torture in the Philippines." *Foreign Policy in Focus*. 21 February 2003. (www.fpiif.org accessed May 2004).

⁷¹ Thomas Lum. *US Foreign Aid to East and South Asia: Selected Recipients (RL31362)*. Washington DC: Congressional Research Service, 10 April 2002, summary

⁷² Ibid, p. 14

Table 1. US Economic and Security Assistance to the Philippines, 2000-2005 (in million dollars) (After: CRS Reports *US Foreign Aid to East and South Asia: Selected Recipients* by Thomas Lum and *Terrorism in Southeast Asia* by Mark Manyin)

Account	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005 requested
Child Survival Health (CSH)	7.20	9.45	25.60	22.92	29.35	28.00
Development Assistance (DA)	22.50	30.34	24.46	28.21	22.07	26.08
Economic Support Funds (ESF)	0.00	7.20	21.00	45.00	17.65	35.00
Foreign Military Financing (FMF)	1.42	2.00	19.00	49.87	19.88	30.00
Intl. Military Education/ Training (IMET)	2.00	1.44	2.03	2.40	2.70	3.00
Peace Corps	1.72	2.05	2.17	2.09	2.60	2.88
P.L.480 Title I USDA Loan (Food Aid, USDA loans)	40.00	20.00	---	---	---	---
Totals	74.84	72.48	94.26	150.49	94.25	124.96

3. Economic Aid Component of GWOT Policy

Economics have not been overlooked as a challenge to security. President Arroyo is a strong advocate of the linkages between political extremism and poverty in the Philippines: "Poverty and terrorism are twin evils that we must fight."⁷³ Post-9/11 economic assistance to the country has also accelerated, as per Table 1. Much of this development aid is earmarked for the southern islands in conflict. Both Development Assistance (DA) and Economic Support Funds (ESF) aid target sustainable economic growth, health care, living conditions in

⁷³ "Bush 'Upgrades' Philippines." CNN Online, 20 May 2003. Accessed March 2004) (<http://www.cnn.com/2003/ALLPOLITICS/05/19/bush.philippines/index.html>)

Mindanao.⁷⁴ DA levels have been steady throughout the 2000s, while ESF has climbed rapidly to \$45 million in FY03. FY05 projected estimates for DA and ESF are roughly \$26 million and \$435 million, respectively. Child Survival Health (CSH) programs to improve infant and child health and nutrition have also increased since 9/11. Since FY02, aid has exceeded \$20 million, from \$7.20 million and \$9.45 million for FY00 and FY01, respectively.

The United States Agency for International Development (USAID), under the auspices of the Secretary of State, is the principal federal agency “to extend assistance to countries recovering from disaster, trying to escape poverty, and engaging in democratic reforms” and has been active in the Philippines since the organization’s inception in 1961. As a response to 9/11, USAID has reshaped “development assistance to a nation that is one of the US government’s most important allies and development partners.”⁷⁵ Figure 1 shows USAID assistance to the Philippines since 1991. Per this chart, aid substantially dropped from previous levels after the end of the Cold War and the military base closures. However, since 2001, development assistance levels have begun to climb back up. USAID assistance to Mindanao has more than doubled since 9/11, from \$18.90 million in 2001 to \$47.40 million and \$41.9 million in 2002 and 2003, respectively. Moreover, per Figure 2, Congress has mandated that at least 50% of USAID funds to the Philippines go towards development programs in Mindanao, as a strategic objective in regional conflict and poverty alleviation. Appendix C outlines the various USAID programs in the Philippines.

In addition, in 2003, Congress passed the Emergency Wartime Supplemental Appropriations Act (H.R. 1599/Public Law 108-11), in which \$30 million in ESF was earmarked “for assistance for the Philippines to further prospects for peace in Mindanao.”⁷⁶ Moreover, Section 578 of the Consolidated

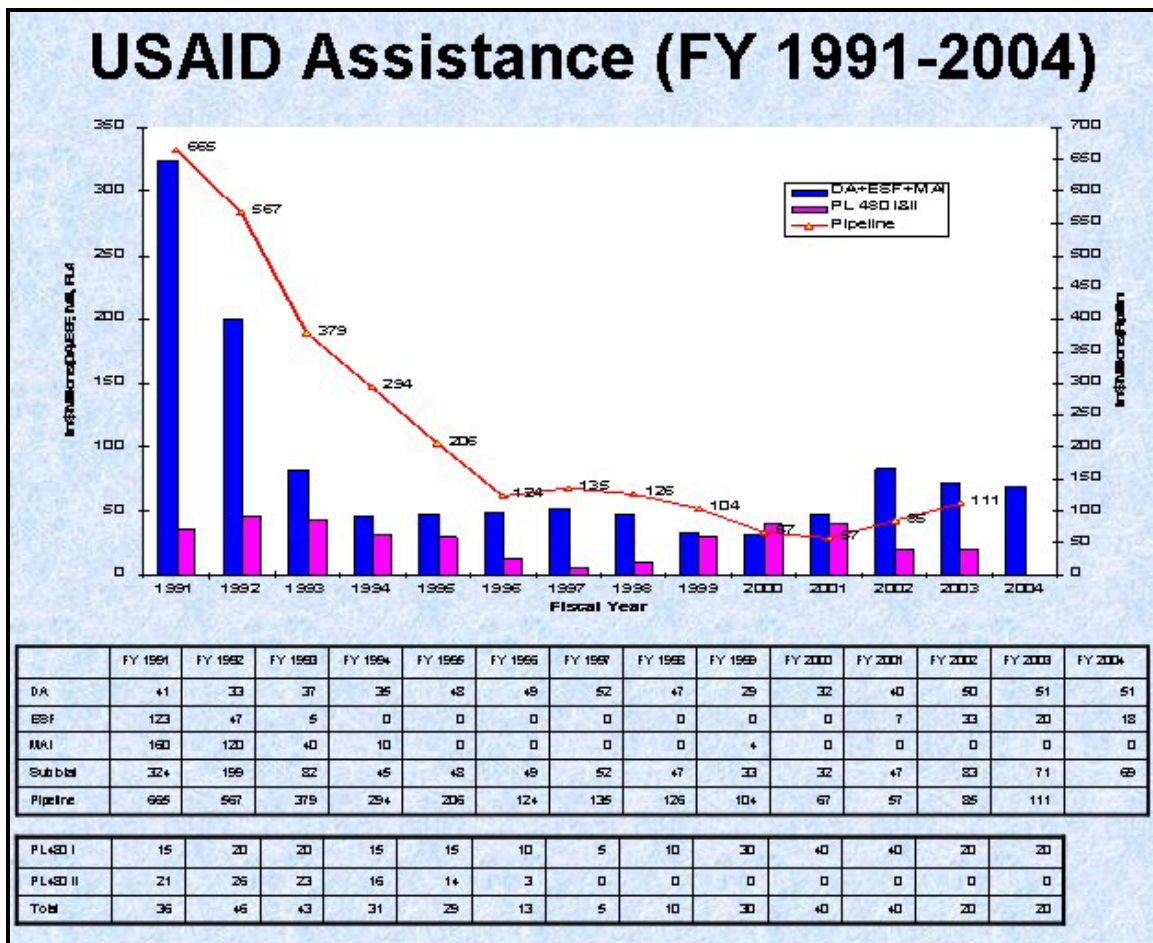
⁷⁴ Thomas Lum. *US Foreign Aid to East and South Asia: Selected Recipients (RL31362)*. Washington DC: Congressional Research Service, 10 April 2002, p. 14

⁷⁵ USAID Mission in the Philippines. (<http://www.usaid-ph.gov/> accessed April-June 2004)

⁷⁶ United States Congress, 108th Congress. Emergency Wartime Supplemental Appropriations Act, 2003 (H.R.1559/Public Law No. 108-11). Accessed from THOMAS. (<http://thomas.loc.gov/> accessed May 2004).

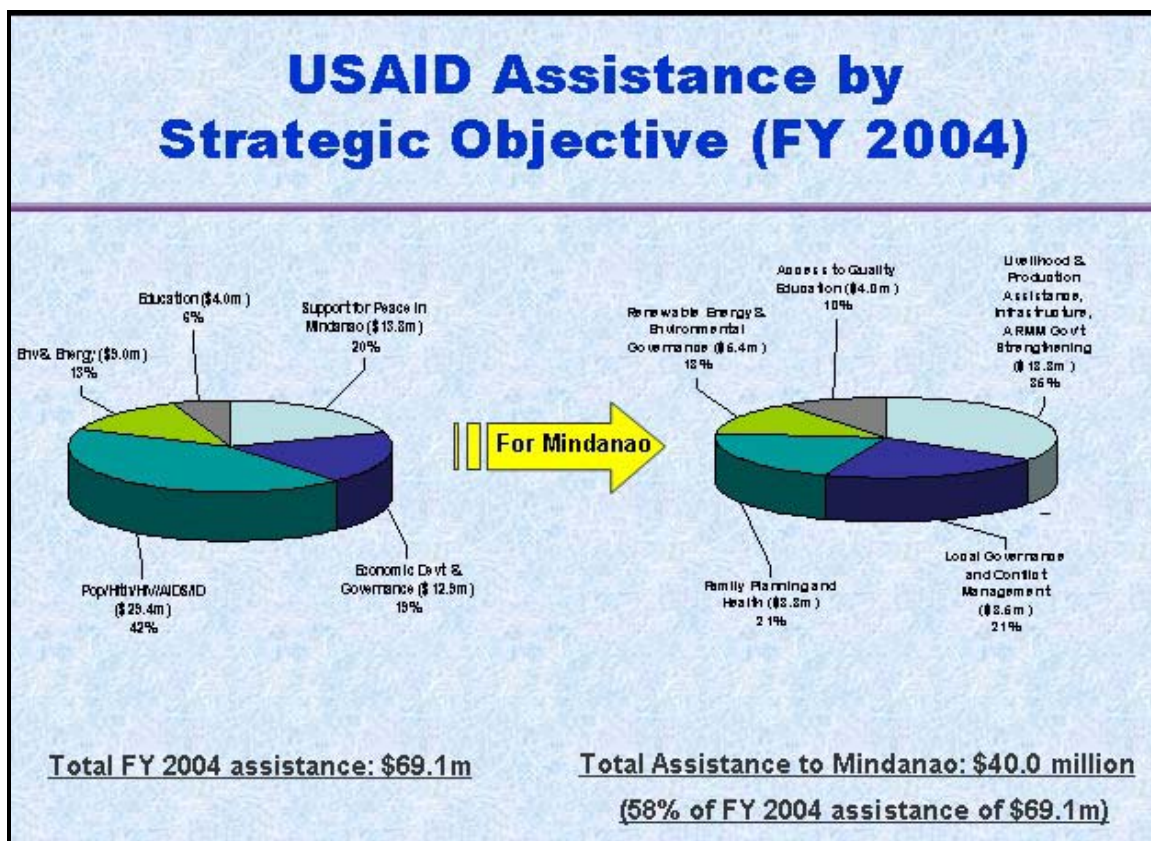
Appropriations Act 2004 (H.R.2673) designated \$600,000 of the \$30 million ESF funds “be available only for upgrading education and health infrastructure in the Sulu Archipelago.”⁷⁷ Clearly, Washington is also committed to the economic welfare of the Philippines, particularly the conflict areas in the south.

Figure 1. USAID Assistance Levels to the Philippines, 1991-2004
(From: USAID Assistance for the Philippines http://www.usaid-ph.gov/assistance_usaid.htm)



⁷⁷ United States Congress, 108th Congress. Consolidated Appropriations Act, 2004 (H.R.2673). Accessed from THOMAS. (<http://thomas.loc.gov/> accessed May 2004).

Figure 2. USAID Assistance to Mindanao
(From: USAID Assistance for the Philippines http://www.usaid-ph.gov/assistance_usaid.htm)

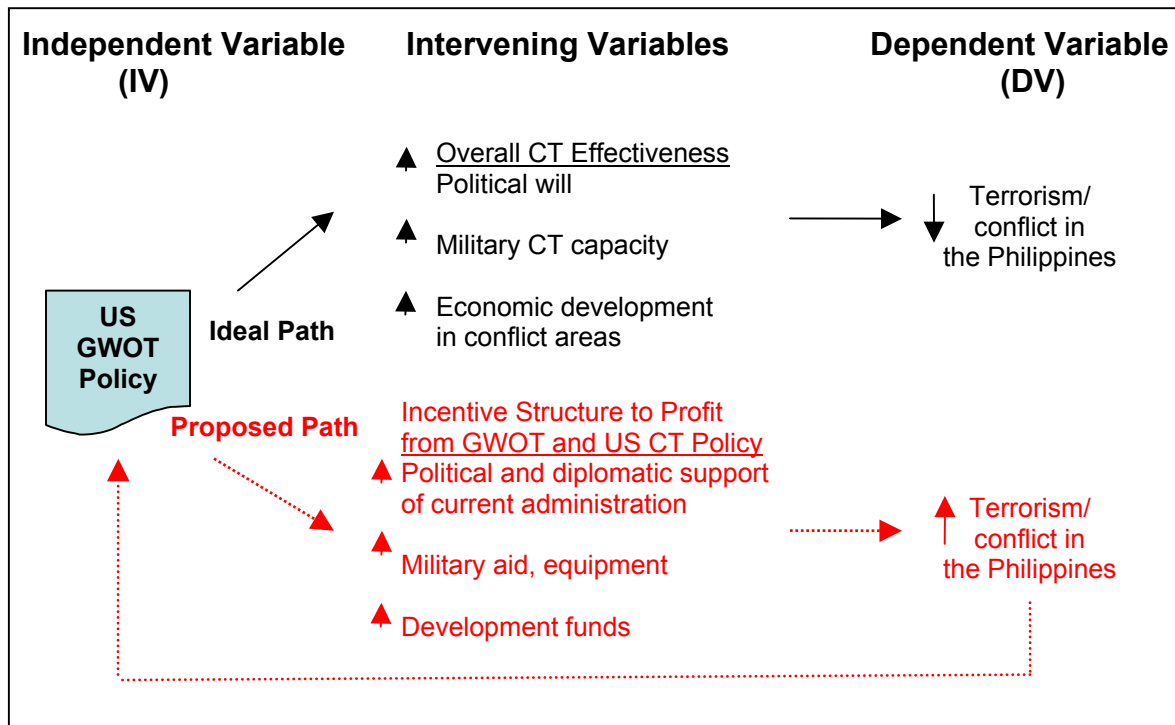


F. PROPOSED HYPOTHESIS AND THESIS ARGUMENT

Since partnership and staunch public support of the war against terrorism, the Philippines has received hundreds of millions of dollars in military and economic aid as an extension of US GWOT policy, not to mention renewed diplomatic and political support from Washington. Given this level of political and financial commitment, I propose the following hypothesis: individuals and/or units within the Philippines find utility in sustaining low levels conflict in order to continue benefiting from current US policy vis-à-vis economic aid and political support. This proposition runs contrary to the purpose of US GWOT goals and policies, as mention in previous subsections. Figure 3 is a basic graphical representation of both the ideal cause and effect relationship between US CT

policy and terror levels, as well as the proposed relation based on the hypothesis.

Figure 3. Ideal and Proposed Effect of US GWOT Policy on Philippine Terrorism and Insurgency Levels



In this scenario, US GWOT policy, including its political, military, and aid components, is the independent variable (IV) which affects the levels of terrorism and insurgency in the Philippines, the dependent variable (DV). In the top causal chain, the introduction of the IV affects the intervening variables by bolsters Philippine political will, military capabilities, and assistance levels, to include the passing of CT legislation, effective operations by the AFP and PNP to combat terrorist cells, and development programs in high conflict area to improve local living conditions to discourage the presence of terrorist groups and further recruitment. Thus with these increases in CT effectiveness, terrorism and insurgency levels should diminish.

However, the reality on the ground is that terrorism has not diminished in the Philippines. Why? Let us consider the second causal chain based on the hypothesis. The introduction of the IV does not have the “ideal” or intended effects on the intervening variables as hoped by Washington through its GWOT policy. Instead of raising CT capabilities in order to defeat terrorism, individuals and/or units in the Philippines find utility in and profit from US GWOT policy, thus perpetuating a minimum level of conflict in order to secure future benefits of the policy components. The IV creates a cyclical incentive structure with leads to sustained or even increased levels of terrorism and conflict. Actors within the incentive structure profit from the war on terror. Thus the intended outcome of decreased levels or even the eradication of terrorism is never achieved.

Economic and political opportunism in war is not a new assertion, nor is it just a GWOT or Philippine phenomenon. Paul Collier found that economic agendas are key to understanding why civil wars and internal conflicts arise in certain countries (and not in others): despite grievance rhetoric, rebel groups are far more likely to engage in conflict if they can benefit from economic opportunities.⁷⁸ States can also benefit from conflict as it relates to foreign aid levels. For instance, states find utility in allowing some minimum level of terrorism to exist. If some minimum level of terror exists, the state will receive a certain level of aid to combat the problem; if more terror persists, then more aid is received. However, if terror is eradicated, then the state will no longer receive counter-terrorism aid.⁷⁹ Thus, it is in the state’s best interest to preserve a certain level of terror to ensure the receipt of aid.

This paper will explore and test this hypothesis of utility and incentives in continuing conflict to reap economic and political benefits from the war on terrorism and subsequent US CT policy. Unfortunately, little if any empirical data is available on this topic. Thus, we will draw from subject-matter expertise, non-

⁷⁸ Paul Collier. “Doing Well Out of War.” Prepared for Conference on Economic Agendas in Civil Wars, London, 26-27 April 1999. World Bank. 10 April 1999, p. 1. (<http://www.worldbank.org/research/conflict/papers/econagendas.pdf> accessed April 2004).

⁷⁹ Notes from “Terrorism in Southeast Asia,” 4th Conference on Asian Security Issues at West Point, 26-28 February 2004.

governmental organization (NGO) findings, news reports, and scholarly publications to derive, apply, and test this argument. There are four main chapters to this paper. The first chapter examined US goals and priorities in the war on terrorism, response to Philippine 9/11 support, and current GWOT policy, to include military and economic aid. Moreover, it introduced and set the logical framework for the overall argument of this paper. The second chapter will focus on the Philippine response to 9/11 and its criticisms, as well as a background of counter-terrorism/counter-insurgency campaigns since independence. The third chapter will explore the proposed hypothesis, investigating how the Philippine government, military, and insurgency groups profit from the war on terrorism and perpetuate conflict within the borders. And the last chapter will summarize key findings and provide recommendations for future US policy and Philippine CT efforts in the Global War on Terrorism.

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II. PHILIPPINE RESPONSE TO TERRORISM

The growing threat of international terrorism has ushered in a renewed relationship between Washington and Manila, strained since the US military base closures in 1991. The Arroyo administration replied with one of the most robust responses to call for a multilateral front against terrorist organizations and regimes. Not only did Manila condemn the attacks on 9/11; the Philippines has had its own history of internal struggles with insurgents, separatists, and terror groups. This chapter will first review the decades of civil strife against the state by two main insurgency groups: Muslim separatists and Communist rebel. Appendix D provides a much more detailed and in-depth look at these insurgent groups, their history, goals, and tactics. The next section will examine the responses to the US-led global war on terrorism by the Philippine government and military, as well as address key criticism of these responses.

A. HISTORY OF INSURGENCIES AND GOVERNMENT POLICY

1. Colonialization, Independence, and Moro Separatism

Although the Philippine population is overwhelmingly Catholic,⁸⁰ Islam in fact predates the arrival of Christianity. Arab and Indian spice traders along with Muslim proselytizers introduced this new monotheistic religion to the archipelago as early as the eighth century; by the early 1500s, Islam was well entrenched in the southern region, specifically in Mindanao and the Sulu Archipelago (see Appendix A for a detailed map of the southern islands).⁸¹

When the Spanish traders and colonizers arrived in the Philippines in the mid-sixteenth century, they had high hopes of acquiring a large share of the spice trade. However, their most successful endeavor was the conversion the indigenous population, particularly the northern islands for Luzon and the Visayas, to Christianity. The southern regions, where Islam had taken root,

⁸⁰ Roman Catholic 83%, Protestant 9%. Source: CIA Worldfact Book. "Philippines." (<http://www.cia.gov/cia/publications/factbook/geos/rp.html> accessed June 2004).

⁸¹ Syed Serajul Islam. "The Islamic Independence Movements in Patani of Thailand and Mindanao of the Philippines." *Asian Survey*. Vol. 38, No. 5. May 1998, p. 443-444

never came under colonial control and conversion. Under Spanish administration, the Muslim Filipinos (collectively called the Moros) from the Spanish word for Moor, were politically, economically, and socially disenfranchised and alienated, in favor of their Christian counterparts, who were generally more educated and held governmental posts.⁸² According to Pute Rahimah Makol-Abdul, colonial rule and policies sowed the seeds of socioeconomic and political degeneration of Muslim community and unleashed divisive forces of Muslim-Christian alienation in the country.⁸³ This alienation and animosity did not spring from competing religious views; the Moros felt that the converted Filipinos were Christianized allies to the Spanish enemy in the struggle against Islam and tools of colonial power.⁸⁴ Moreover, Islam had been spreading towards the north, and the Moros believed that if the Spanish had not intercepted it, Islam would have proliferated throughout the whole country.⁸⁵

With the American victory over Spain in the 1898 war and the signing of the Treaty of Paris, the United States gained Spanish territories, including the Philippines. Although Mindanao and the Sulu islands were never completely succumbed to Spanish rule, the region was included in the concessions. The Moro community refused to acknowledge American annexation, and tried to reassert their ownership or rights to Mindanao through armed resistance, but were quickly defeated by the powerful US military.⁸⁶ Initial American policy showed signs that Moro conditions would improve under this new arrangement than previous Spanish colonial administration; “non-interference” policies gave

⁸² Ronald E. Dolan, ed. “Philippines: A Country Study.” Washington DC: Library of Congress Federal Research Division. June 1991. (<http://lcweb2.loc.gov/frd/cs/phtoc.html#ph0000> accessed January – June 2004)

⁸³ Pute Rahimah Makol-Abdul. “Colonialism and Change: The Case of Muslims in the Philippines.” *Journal of Muslim Minority Affairs*. Vol. 17, iss. 2. October 1997, p. 323

⁸⁴ Federico V. Magdalena. “Intergroup Conflict in the Southern Philippines: An Empirical Analysis.” *Journal of Peace Research*, Vol. 14, No. 4. 1977, p. 299

⁸⁵ Pute Rahimah Makol-Abdul. “Colonialism and Change: The Case of Muslims in the Philippines.” *Journal of Muslim Minority Affairs*. Vol. 17, iss. 2. October 1997, p. 313

⁸⁶ Daniel Joseph Ringuet. “The Continuation of Civil Unrest and Poverty in Mindanao.” *Contemporary Southeast Asia*. Vol. 24, iss. 1. April 2002, p. 35

authority to Sultans to govern their own people and freedom to practice Islam.⁸⁷ However, the policy of non-interference was short-lived, and in its place came the creation of the Moro Province in 1903 and direct rule from the American colonial government in Manila.⁸⁸ Many Moro believed that the motives for earlier non-interference policies were efforts to placate and neutralize Muslim mobilization during the Philippine-American War from 1899 to 1901, instead of the stated goal of Muslim incorporation into the greater political system.⁸⁹

Similar to Spanish control, direct rule over the Moro Province had disastrous effects on the Muslim population. First, the colonial government supported Christian settlement into the Moro Province, despite Muslim resistance.⁹⁰ As a result, rapid migration of Americans and Christian Filipinos reduced the Moro population to a numeric minority.⁹¹ In addition, the Public Land Acts asserted that all land, including the Moro Province, was in fact property of the state. This “legalized land grab,” as Syed Serajul Islam noted, allowed for individual settlers to apply for private land ownership from the central government. Moreover, federal loans were granted to settlers who lacked the finances to relocate to the south. Thus these policies displaced the Moros of what they considered proprietary ancestral lands in Mindanao.⁹²

Secondly, Western-style education was another point of contention between the Moros and the American colonists. Muslim Filipinos believed that this secular education taught by non-Muslim was a direct assault on traditional

⁸⁷ Peter Gordon Gowing. *Muslim Filipinos: Heritage and Horizon*. Quezon City: New Day Publishers, 1979, p. 36

⁸⁸ Syed Serajul Islam. “The Islamic Independence Movements in Patani of Thailand and Mindanao of the Philippines.” *Asian Survey*. Vol. 38, No. 5. May 1998, p. 445

⁸⁹ Pute Rahimah Makol-Abdul. “Colonialism and Change: The Case of Muslims in the Philippines.” *Journal of Muslim Minority Affairs*. Vol. 17, iss. 2. October 1997, p. 316

⁹⁰ Syed Serajul Islam. “The Islamic Independence Movements in Patani of Thailand and Mindanao of the Philippines.” *Asian Survey*. Vol. 38, No. 5. May 1998, p. 445

⁹¹ Daniel Joseph Ringuet. “The Continuation of Civil Unrest and Poverty in Mindanao.” *Contemporary Southeast Asia*. Vol. 24, iss. 1. April 2002, p. 37

⁹² Syed Serajul Islam. “The Islamic Independence Movements in Patani of Thailand and Mindanao of the Philippines.” *Asian Survey*. Vol. 38, No. 5. May 1998, p. 445

religious learning. Moreover, it was another attempt at placating the Moros, training them to be “good colonials” in order to easily control them and exploit the natural resources of their land.⁹³ Distrust and resentment in the education system had many Moros refused the American-style secular learning, which led to rampant illiteracy amongst the Muslim population and a widened education gap between the Muslims and the Christians, who embraced the educational system and gained government positions within the Moro Province administration.⁹⁴

Scholars assert that the legacy of colonialization left the Moro population disenfranchised from the political system, exacerbating the educational, employment, and socio-economic disparity between them and their Christian counterparts. As the country transitioned to an independent state in 1946, Muslims Filipinos protested against the inclusion of the Moroland in any independence talks. Moro leaders submitted a memorandum to the American government, stating “we do not want to be included in the Philippines Independence. For once independence is launched, there will be trouble between us and the Christian Filipinos because from the time immemorial these two peoples have not lived harmoniously...It is not proper [for two antagonistic] peoples [to] live together under one flag.”⁹⁵ The United States rejected their statement, and for the Moros, they felt they were effectively colonized again; this time by Christian Filipinos. The new government in Manila continued the policies and institutions of displacement and subjugation. Moro homeland, traditions, and opportunities were in jeopardy again, and again it was time to take up arms; this time not for the preservation of Moro cultures and traditions within the state, but for a new goal: succession.

⁹³ Pute Rahimah Makol-Abdul. “Colonialism and Change: The Case of Muslims in the Philippines.” *Journal of Muslim Minority Affairs*. Vol. 17, iss. 2. October 1997, p. 317

⁹⁴ Syed Serajul Islam. “The Islamic Independence Movements in Patani of Thailand and Mindanao of the Philippines.” *Asian Survey*. Vol. 38, No. 5. May 1998, p. 445 and Pute Rahimah Makol-Abdul. “Colonialism and Change: The Case of Muslims in the Philippines.” *Journal of Muslim Minority Affairs*. Vol. 17, iss. 2. October 1997, p. 315

⁹⁵ Syed Serajul Islam. “The Islamic Independence Movements in Patani of Thailand and Mindanao of the Philippines.” *Asian Survey*. Vol. 38, No. 5. May 1998, p. 445-446

The influx of Christian Filipinos and encouragement from the state inflamed Moro hostilities. Muslims, now a minority, had to compete with immigrant Christians over land, economic resources, and political power within their traditional ancestral territories. Moros continued their resistance of Manila's rule, and throughout the 1970s, widespread violence targeting ethnicity and religion subsumed much of Mindanao and the Sulu Archipelago.⁹⁶ Amidst this ethno-religious strife, Philippine President Ferdinand Marcos declared martial law in 1972, citing rampant violence as the main cause of his decision. According to Daniel Joseph Ringuet, the oppressiveness of martial law and the Marcos regime made Muslims realize their own situation; the Moros demanded recognition from Manila as a distinctive ethno-religious group.⁹⁷ As a response to political and economic neglect from Christian leaders and perceived anti-Muslim policies from Manila, three major separatist organizations emerged: the Moro Nationalist Liberation Front, the Moro Islamic Liberation Front, and the Abu Sayyaf Group.

The Moro National Liberation Front (MNLF) was created to seek out complete liberation of the Moroland from the Philippines state. Founder Nur Misuari believed in Moro self-determination and independence through armed revolt.⁹⁸ According to the MNLF, martial law threatened the Muslim way of life. The organization lead a jihad against Marcos regime and engaged the AFP in many bloody battles; at the height of violence between 1973-1975, an estimated 50,000 military and civilians were killed.⁹⁹

In 1984, the Moro Islamic Liberation Front (MILF) emerged as a new separatist group, stemming from a political rift between MNFL leaders Misuari

⁹⁶ Ronald E. Dolan, ed. "Philippines: A Country Study." Washington DC: Library of Congress Federal Research Division. June 1991. (<http://lcweb2.loc.gov/frd/cs/phtoc.html#ph0000> accessed January – June 2004)

⁹⁷ Daniel Joseph Ringuet. "The Continuation of Civil Unrest and Poverty in Mindanao." *Contemporary Southeast Asia*. Vol. 24, iss. 1. April 2002, p. 40

⁹⁸ Ibid.

⁹⁹ Syed Serajul Islam. "The Islamic Independence Movements in Patani of Thailand and Mindanao of the Philippines." *Asian Survey*. Vol. 38, No. 5. May 1998, p. 448

and Hashim Salamat, who accused Misuari of corruption and abuse of power.¹⁰⁰ Where the two rival organizations differed was in the desired political end-state: the MNLF pushed for the creation of a separate Moro state from the Philippine government (ethnic nationalist identity), while the MILF sought to establish a separate Islamic Moro state (ethnic Muslim identity).¹⁰¹ Salamat declared: “We want an Islamic political system and way of life and can be achieved through effective Da’wah, Tarbiyyah, and Jihad.”¹⁰²

The Abu Sayyaf Group (ASG) may be the smallest separatist organization, with only a few hundred members, but is considered the most radical and violent. Since the group split from the MNLF in 1992, Ringuet claimed that the ASG believes it is continuing the 300-years long tradition of armed Muslim opposition against Christians.¹⁰³ Its founder, Aburajak Janjalani, declared that the organization’s goal was establishing an independent Islamic state in Mindanao.¹⁰⁴ Because the group engages in kidnappings for ransom, bombings, assassinations, and extortion, many, including Moros themselves, contend that the ASG is just a band of rogue thugs and extreme bandits looking for a quick profit and have no real ideology.

Each Philippine president addressed the Moro separatist issue differently. The first attempt at reconciliation between the MNLF and Manila after years of intense fighting came under the Tripoli accord. Under the auspices of the Organization of the Islamic Conference (OIC), the Marcos administration met with MNLF leadership in Tripoli. The signed agreement on 23 December 1976 granted autonomy to the Muslim-dominated areas in the south, while foreign

¹⁰⁰ Daniel Joseph Ringuet. “The Continuation of Civil Unrest and Poverty in Mindanao.” *Contemporary Southeast Asia*. Vol. 24, iss. 1. April 2002, p. 41

¹⁰¹ Thomas M. McKenna. *Muslim Rulers and Rebels: Everyday Politics and Armed Separatism in the Southern Philippines*. Berkeley: University of California Press, 1998, p. 208

¹⁰² Syed Serajul Islam. “The Islamic Independence Movements in Patani of Thailand and Mindanao of the Philippines.” *Asian Survey*. Vol. 38, No. 5. May 1998, p. 450

¹⁰³ Daniel Joseph Ringuet. “The Continuation of Civil Unrest and Poverty in Mindanao.” *Contemporary Southeast Asia*. Vol. 24, iss. 1. April 2002, p. 41

¹⁰⁴ John Gee. *The Washington Report on Middle East Affairs*. Vol. 19, iss. 7. September 2000, p. 60

policy, national defense, and resource management remained under Manila's jurisdiction. Moros could establish shariah laws, their own administrative, economic, and financial systems, and Special Regional Security Forces.¹⁰⁵ However, the Tripoli agreement failed. Some believe that both sides could not agree over means of implementation. Others blamed President Marcos's lack of commitment, noting that he used Tripoli to defuse armed conflict and weaken the MNFL.¹⁰⁶ Since the agreement was never implemented, fighting resumed between the AFP and rebel soldiers. Yet despite this failure, Tripoli provided the benchmark for future negotiations between the central government and separatist groups.

Corazon Aquino's People Power movement against the Marcos administration found support in the Moro groups, who staunchly advocated regime change.¹⁰⁷ With her election, a new era of cooperation and negotiation emerged. In efforts to resolve conflict with the separatists, President Aquino proposed the creation of the "Autonomous Region of Muslim Mindanao" (ARMM). But only two Mindanao provinces (Maguindanao and Lanao del Sur) and two Sulu provinces (Sulu and Tawitawi) approved this proposal; and on 6 November 1990, the fragmented four-province ARMM was inaugurated, granting Muslims in the region control over some aspects of government, but not to include national security and foreign affairs.¹⁰⁸ The ARMM was not initially considered a success. First, only four provinces accepted the autonomous region. Secondly, the MNLF had abandoned negotiations after disputing the territorial basis of the ARMM. Lastly, rebels violated the cease-fire agreements.

¹⁰⁵ Jacques Bertrand. "Peace and Conflict in the Southern Philippines: Why the 1996 Peace Agreement is Fragile." *Pacific Affairs*. Vol. 73, iss. 1. Spring 2000, p. 38-39

¹⁰⁶ Daniel Joseph Ringuet. "The Continuation of Civil Unrest and Poverty in Mindanao." *Contemporary Southeast Asia*. Vol. 24, iss. 1. April 2002, p. 41

¹⁰⁷ Jacques Bertrand. "Peace and Conflict in the Southern Philippines: Why the 1996 Peace Agreement is Fragile." *Pacific Affairs*. Vol. 73, iss. 1. Spring 2000, p. 39

¹⁰⁸ Ronald E. Dolan, ed. "Philippines: A Country Study." Washington DC: Library of Congress Federal Research Division. June 1991. (<http://lcweb2.loc.gov/frd/cs/phtoc.html#ph0000> accessed January – June 2004)

President Fidel Ramos and his administration tried to restore MNLF confidence in the central government and offered a new peace settlement. The 1996 Agreement, signed on 2 September, emphasized peace and development in southern Philippines. It called for the establishment of the Southern Philippines Council for Peace and Development (SPCPD) and ARMM, representation in institutions of national government, creation of Special Regional Security Forces, inclusion of Islamic curriculum in education system, and authority of shariah court. Moreover, MNLF founder Nur Misuari was placed as governor of ARMM. This agreement ended not only the MNLF issue for Manila, but also two decades of conflict. However, problems still remained. The 1996 agreement had little support from the other Moro separatist groups. Both the MILF and ASG continued their armed struggle against the central government. Additionally, many Moros felt a lack of strong commitment and resources from Manila. The agreement like all the other attempts at peace did not improve the living standards of Muslim Filipinos; poverty rates were still high, infrastructure development was slow, and investments low.¹⁰⁹ Lastly, Misuari and other SPCPD officials were accused of mismanagement and corruption, lending little faith in the ARMM structure from the masses.

2. Manila and the Communist Rebels

The Huks were the forefathers of the current communist insurgents in the Philippines. Upon the rebellion's defeat in the early 1950s, the remaining members, along with young Marxist-Leninists and Maoist revolutionaries, joined the CPP and its guerrilla army, the NPA, formed December 1968 in central Luzon and lead by Jose Marie Sison. While first espousing political struggles over military warfare, the CPP began to turn more towards militancy and guerilla tactics as the means of revolution against the government and military.¹¹⁰

¹⁰⁹ Jacques Bertrand. "Peace and Conflict in the Southern Philippines: Why the 1996 Peace Agreement is Fragile." *Pacific Affairs*. Vol. 73, iss. 1. Spring 2000, p. 37-42

¹¹⁰ Ronald E. Dolan, ed. "Philippines: A Country Study." Washington DC: Library of Congress Federal Research Division. June 1991. (<http://lcweb2.loc.gov/frd/cs/phtoc.html#ph0000> accessed January – June 2004)

Martial law and governmental crackdowns under President Marcos could not stop the steady growth of the CPP and the NPA; discontent of Manila fueled popular support and membership for the communist movement. The government sanctioned major military anti-insurgency operations, and arrested and killed many rebels, including high level CPP and NPA officials. However, intensification of CI campaigns coupled with in anti-communism and military aid from Washington could not defeat the insurgencies; despite his attempts, the communist movement flourished under President Marcos. At the end of his regime, there were approximately 22,500 NPA soldiers, with nearly twenty percent of the country's villages under communist influence.¹¹¹

Ironically, President Aquino's rise to power hurt the communist movement. First, President Marcos's extreme unpopularity was a major CPP recruiting tool. Second, many cadre members sought open political participation in the new government. One of President Aquino's aims was to win over the communists with "economic progress and justice...for which the best intentioned among them fight."¹¹² She released political detainees, including CPP Chairman Sison, and agreed to a sixty-day cease-fire. At first, the CPP adopted conciliatory policies and collaboration with the government.¹¹³ However, in February 1987, the NPA picked up arms against the AFP again after a break in cease-fire agreement. Following suit, the CPP executive committee recommitted itself to a protracted people's armed struggle against the government.

This time, the movement was not as successful in carrying out its revolution as the rebels were during the Marcos years; the popular support, recruitment, and financial base had waned. One explanation of this was the popularity of the president, thus no longer lending itself to an ideological recruitment tool. Secondly, the government revised its CI strategy. Campaigns

¹¹¹ Ibid.

¹¹² Stanley Karnow. *In Our Image: America's Empire in the Philippines*. New York: Random House, 1989, p. 7

¹¹³ Ronald E. Dolan, ed. "Philippines: A Country Study." Washington DC: Library of Congress Federal Research Division. June 1991. (<http://lcweb2.loc.gov/frd/cs/phtoc.html#ph0000> accessed January – June 2004)

under President Marcos involved food blockades, search operations, and hamletting to flush out rebels, but often alienated the population and roused CPP-NPA support. Despite changes to counter-insurgency, the conventional military force utilized the same tactics as before. Thus, modifications to the CI strategy included deployment of special operations and improved military intelligence. This resulted in the capturing of top level party members and NPA leaders. These repeated arrests prompted the CPP to suspect each other of treason and conduct purges within the party ranks. Moreover, the military successfully conducted psychological operations against the communist rebels, including exposing mass graves of purged members.¹¹⁴

A third explanation of why the communists were less successful under President Aquino's administration was her restoration of democratic values and institutions, which significantly impeded the revolutionary fervor. In 1987, Peace and Order Councils were established to promote civilian cooperation at all levels of government with traditional military operations. However, despite a change in the political aspect, the CI campaign remained largely a military endeavor. By the early 1990s, communist strength had declined. The government estimated that insurgent numbers fell 18,000 rebels, although the AFP contended that there were still about 30,000 CPP members.¹¹⁵

The challenges posed by insurgency groups throughout Philippine history, most acutely in the past three decades, have shaped each president's approach to counter-insurgency and counter-terrorism, which have been predominantly military campaigns with injected assistance from the United States. As the new millennium ushers in a new international focus on terrorism, Manila continues to face threats from the MILF, ASG, and the CPP-NPA, as well as exposes itself to an international terrorist presence.

¹¹⁴ Ibid.

¹¹⁵ Ibid.

B. GOVERNMENT RESPONSE TO 9/11

While internal insurgencies and terror acts have always been a source of contention, international terrorism has also been elevated as a domestic concern within the Philippines. In recent years, Muslim separatist organizations have been linked to such transactional terrorist groups as Al-Qaeda and JI, both known to operate in the porous southern region. Now as a partner nation in the coalition against terrorism, the Philippines has garnered international support to combat this problem. President Arroyo stated that her country “stands together with the United States and the community of nations in a common effort to contain and to destroy terrorists and their global networks.”¹¹⁶ She was not only one of the first world leaders to condemn the 9/11 actions and to join the international coalition against terrorism; she was the first in Asia. Moreover, unlike much of the other ASEAN leaders, she openly supported the US-led War in Iraq, pledging a 175-member humanitarian mission to Iraq.¹¹⁷ Additionally, she offered Philippine airspace and seaports, including former US bases Clark Airbase and Subic Bay, intelligence sharing, law enforcement cooperation, and logistical support.

New policy and legislation were proposed and enacted as a result of 9/11 and terrorism as an international imperative. Almost immediately, President Arroyo announced her policy and action approach to combating terrorism through “14 pillars of policy and action against terrorism” (see Appendix B for an outline of each point). Per Francisco L. Tolin, retired AFP officer and vice-president for Research and Special Studies at the National Defense College of the Philippines, this national framework was aimed at strengthening internal anti- and counter-terrorism efforts through delineation of responsibilities, modernization of the military and police force, anticipation and preparation for future attacks, enlisting

¹¹⁶ Office of the President. “PGMA’s Message Reiterating the Philippine Government Support on the US Action Against Terrorism.” 8 October 2001. (<http://www.opnet.ops.gov.ph/ops-speeches2001.htm> accessed January 2004).

¹¹⁷ Deb Riechmann. “Philippine Leader Seeks More US Aid.” Monterey Herald Online. 18 May 2003. (www.bayarea.com/mld/montereyherald/5892303.htm accessed May 2004).

the cooperation of other sectors in the society such as the media, and addressing the varied underpinnings of terrorism.¹¹⁸

Legislatively, with presidential approval, Congress passed the Anti-Money Laundering Act on 29 September 2001, which froze financial assets of (alleged) international terrorists as well as targeted the flow of illegal monies from criminal activities.¹¹⁹ This act was the country's first-ever law to criminalize money laundering, meeting the deadline (by one day) and avoiding potentially disruptive sanctions by the international financial community. In addition, President Arroyo ordered the Securities and Exchange Commission and the Department of the Interior and Local Government to identify and neutralize "dubious personalities and organizations" that may be operating as fronts for terrorist and criminal activities.¹²⁰

In November 2002, Manila hosted the International Conference on Anti-Terrorism and Tourism Recovery, in which 18 countries including ASEAN countries, China, Japan, Australia, the United Kingdom, and the United States, passed a resolution for information sharing and security cooperation among themselves and the tourism industry.¹²¹ The government has also stepped up law enforcement and intelligence-gathering activities; improvements to the immigration system included implementation of computerized immigration checks

¹¹⁸ Francisco L. Tolin. "The Response of the Philippine Government and the Role of the AFP in Addressing Terrorism." National Defense College of the Philippines online featured paper. (<http://www.ndcp.edu.ph/tokyopaper.htm> accessed May 2004).

¹¹⁹ Rommel C. Banlaoi. *The War on Terrorism in Southeast Asia*. Quezon City: Strategic and Integrative Studies Center, 2003, p. 48

¹²⁰ The Philippines in America's War." Philippine Star Online. (www.philstar.com/philstar/newwar6.htm accessed May 2004).

¹²¹ Rommel C. Banlaoi. *The War on Terrorism in Southeast Asia*. Quezon City: Strategic and Integrative Studies Center, 2003, p. 52-53

at international airports.¹²² Moreover, Manila assures the international community 24-hour surveillance of sea and airports.¹²³

Shortly after the 9/11 attacks, the administration created the Inter-Agency Task Force Against International Terrorism.¹²⁴ With Defense Secretary Eduardo Ermita at the helm, this Task Force coordinates intelligence operations with other coalition allies, and identifies and neutralizes suspected terrorist cells in the Philippines.¹²⁵ In addition, the president also expelled three Iraqi diplomats per Washington's request of coalition allies.¹²⁶ Manila attests that the task force has been hard at work at CT efforts. Recent reports have arisen that a handful of foreign JI members are under surveillance in the Philippines. Of this, the president stated that "we are closely watching foreigners in the country who may have taught [Abu Sayyaf] to make bombs, and who may have laundered money for the Al-Qaeda and the JI into the pockets of local bombers."¹²⁷ Six suspected members of ASG were arrested and thus their terrorist plans thwarted, per recent accounts. Moreover, President Arroyo contended that a "Madrid-level" attack was prevented with arrest of four Al-Qaeda-linked extremists and the seizure of an 80-pound explosive cache intended for shopping malls and trains bombings throughout Manila. Among those arrested was a man who claimed the

¹²² Zachary Abuza. *Militant Islam in Southeast Asia: Crucible of Terror*. Boulder: Lynne Rienner, 2003, p. 210

¹²³ Marichu Villanueva and Christina Mendez. "Anti-Terror Task Force Keeps Watch on Foreigners in RP." Philippine Headline News Online. 8 April 2004. (<http://www.newsflash.org/2004/02/hl/hl100199.htm> accessed May 2004).

¹²⁴ Also referred to as the Anti-Terrorism Task Force

¹²⁵ Marichu Villanueva and Christina Mendez. "Anti-Terror Task Force Keeps Watch on Foreigners in RP." Philippine Headline News Online. 8 April 2004. (<http://www.newsflash.org/2004/02/hl/hl100199.htm> accessed May 2004).

¹²⁶ Deb Riechmann. "Philippine Leader Seeks More US Aid." Monterey Herald Online. 18 May 2003. (www.bayarea.com/mld/montereyherald/5892303.htm accessed May 2004).

¹²⁷ Marichu Villanueva and Christina Mendez. "Anti-Terror Task Force Keeps Watch on Foreigners in RP." Philippine Headline News Online. 8 April 2004. (<http://www.newsflash.org/2004/02/hl/hl100199.htm> accessed May 2004).

Superferry 14 explosion in Manila last 27 February, where over 100 were either killed or still missing.¹²⁸

Turning to the economy, President Arroyo clearly believes in the linkage between war on terrorism with war on poverty: "I see that the world needs to fight poverty as the highest of all priorities because it breeds division and conflict and terrorism...There is no denying that poverty provides the breeding grounds for the recruitment of terrorists." Her administration has put economic recovery at the top of the priority list. She lobbied that the developing world needs access to the West's markets, currently obstructed by agricultural subsidies.¹²⁹ She has sought to increase more open trade relations with the United States, seeking duty-free privileges for Philippine products such as dried mangos and tuna.¹³⁰ She also encourages much needed foreign investment into the Philippines; by actively combating terrorism, the risk to investors will decrease and allow new possibilities of funds flow into the country.¹³¹ Moreover, with her support and allegiance to the United States in the war on Iraq, she hopes the economy, Philippine businesses, and Filipino workers can gain from the overseas rebuilding projects. The president signed Executive Order 194 on 14 April 2003, creating the Public-Private Sector Task Force for the Reconstruction of Iraq, which would coordinate manpower and rebuilding efforts in public works, telecommunications, health services, and law enforcement. These economy-focused efforts are attempting to boost employment and poverty levels as part of the country's overall CT plan.

¹²⁸ "AFP: Arroyo Says Arrests of Abu Sayyaf Members Foiled Terrorist Attacks in Manila." Hong Kong AFP. FBIS Translated Text. 30 March 2004. (<https://portal.rccb.osis.gov> accessed April 2004).

¹²⁹ Arnaud de Borchgrave. "Arroyo to Warn Bush of Poverty-Terror Link." The Washington Times Online. 16 October 2003. (<http://www.washingtontimes.com/functions/print.php?StoryID=20031016-120033-8644r> accessed April 2004).

¹³⁰ Deb Riechmann. "Philippine Leader Seeks More US Aid." Monterey Herald Online. 18 May 2003. (www.bayarea.com/mld/montereyherald/5892303.htm accessed May 2004).

¹³¹ Francisco L. Tolin. "The Response of the Philippine Government and the Role of the AFP in Addressing Terrorism." National Defense College of the Philippines online featured paper. (<http://www.ndcp.edu.ph/tokyopaper.htm> accessed May 2004).

President Arroyo is also committed to peace and stability in the southern Philippines, amidst three decades of hostilities. While past administrations opened up dialogues with the MNLF, hers is engaged in peace and autonomy negotiations with the MILF. Third-party Malaysia, a member of the OIC, has agreed to help mediate the dialogue.¹³² The MILF demands independence modeled after the “East Timor” resolution, coupled with economic rehabilitation programs, while the Philippine government is pursuing negotiated regional autonomy.¹³³ Despite on-going talks and cease-fire agreements, the southern Philippines is still plagued with violence and hostilities. The MILF accuses the AFP of derailing the peace process. The AFP cites Muslim rebels with cease-fire violations and terror tactics. Moreover, rumors surround the separatist organization that there is dissension among the ranks over settlements with the central government. While many Muslims can comprise with autonomy, factions within the MILF believe that independence is the only solution. As of this paper, negotiations are on-going.

C. MILITARY RESPONSE TO 9/11

Along with a comprehensive response by the government, the Philippine armed forces were quick to support the war on terrorism. The military had two main security goals in mind with the onset of the GWOT. First, the AFP wanted to restore close military-to-military ties with the United States weakened by the base closures. Second, it needed to enhance CT capabilities. The Philippines has recommitted itself to the 1952 MDT, declaring full support of American/Coalition operations in Afghanistan and Iraq, offering intelligence, airspace, military bases, and ground forces, in exchange for military hardware and supplies under the Mutual Logistics Support Agreement (MLSA).¹³⁴

¹³² “Malaysia Committed to Peace-Brokering in Philippines, Says President.” Go Asia Pacific Online. 7 June 2003. (http://www.goasiapacific.com/news/GoAsiaPacificBNA_874608.htm accessed April 2004).

¹³³ Zachary Abuza. *Militant Islam in Southeast Asia: Crucible of Terror*. Boulder: Lynne Rienner, 2003, p. 208

¹³⁴ Banlaoi, Rommel C. “The Role of Philippine-American Relations in the Global Campaign Against Terrorism: Implications for Regional Security.” *Contemporary Southeast Asia*. Vol. 24, no. 2. August 2002, p. 302 and Zachary Abuza. *Militant Islam in Southeast Asia: Crucible of Terror*. Boulder: Lynne Rienner, 2003, p. 203

Another CT response by the military as well as law enforcement includes the creation of both the Joint Task Force within the AFP and the AFP-PNP Joint Task Forces in Mindanao. The AFP Joint Task Force, composed of special units from the different branches of service, promotes the application of the joint concept of operations, and command and control. The AFP-PNP Joint Task Force stemmed from General Order Number 2, in order to enhance joint capabilities through working together towards preventing, suppressing, and neutralizing terrorist acts and lawless violence in Mindanao.¹³⁵

The AFP has historically been the primary organization in charge of conducting anti- and counter-terrorism and -insurgency operations. As fighting intensified over the recent years, the military believes that their organization is under-staffed and ill-equipped to defeat thousands of rebels from different groups and understaffed rebels. Thus President Arroyo and the AFP petitioned Congress to increase the size of army (currently around 68,000), by an additional 20,000 troops.¹³⁶

According to Patricia Paez, a spokeswoman at the Philippine Embassy in Washington, President Arroyo was looking for “an expansion in US military assistance in terms of equipment, training and advisers. The US forces will not play any combat role, but they will help us in routing out the terrorists ourselves.”¹³⁷ Balikatan 02-1 was the largest joint and combined military exercise between Philippine and America forces. According to Tolin, the four main objectives of Balikatan 02-1 were: to improve the CT interoperability of Philippine and America forces; to enhance the combat capability of AFP infantry battalions based in Mindanao; to ensure quality in intelligence processing; and to upgrade Philippine-US capability to wage effective civil, military and

¹³⁵ Francisco L. Tolin. “The Response of the Philippine Government and the Role of the AFP in Addressing Terrorism.” National Defense College of the Philippines online featured paper. (<http://www.ndcp.edu.ph/tokyopaper.htm> accessed May 2004).

¹³⁶ Zachary Abuza. *Militant Islam in Southeast Asia: Crucible of Terror*. Boulder: Lynne Rienner, 2003, p. 206

¹³⁷ Deb Riechmann. “Philippine Leader Seeks More US Aid.” Monterey Herald Online. 18 May 2003. (www.bayarea.com/mld/montereyherald/5892303.htm accessed May 2004).

psychological operations.¹³⁸ Although Balikatan 02-1 was (considered by many) a success, talks for future joint exercises, including the next iteration 03-1 in the Sulu archipelago, have stalled. Both sides at this juncture cannot agree to terms of engagement. Additionally, Manila feels that any more large-scale operations may jeopardize the on-going delicate peace negotiations with the MILF in Mindanao.

D. CRITICISMS TO PHILIPPINE 9/11 RESPONSE

Although seemingly a robust response to 9/11, the Philippine government and military have been under heavy criticism as to their actions – as well as lack of – in the war on terrorism. Some experts contend that the situation in the Philippines has not changed in the new security environment; Manila is still battling the same insurgent and terrorist groups as it had decades before. Thus “globalizing” this terrorist issue has not changed the internal threats and responses from the Philippine government and military.

Furthermore, other critics claim that nothing substantial has been accomplished in the form of true CT policy reform. The current administration lacks the political will and conjecture to take anything more than a superficial show of support to the United States and the GWOT coalition partners. The recent crackdown on terrorism, some assert, is really President Arroyo projecting a tough image.¹³⁹ The government’s efforts at politically affecting the CT campaign are weak. The Anti-Money Laundering Act had little effectiveness for curbing the use of Filipino financial institutions by supposed terrorist organization.¹⁴⁰ The Anti-Terrorism Bill, which provides a legal basis to address terrorism, has been deliberate in Congress for some time now; critics clamor that some politicians are attempting to stall legislation. This bill, however, has also

¹³⁸ Francisco L. Tolin. “The Response of the Philippine Government and the Role of the AFP in Addressing Terrorism.” National Defense College of the Philippines online featured paper. (<http://www.ndcp.edu.ph/tokyopaper.htm> accessed May 2004).

¹³⁹ Marichu Villanueva and Christina Mendez. “Anti-Terror Task Force Keeps Watch on Foreigners in RP.” Philippine Headline News Online. 8 April 2004. (<http://www.newsflash.org/2004/02/hl/hl100199.htm> accessed May 2004).

¹⁴⁰ Zachary Abuza. *Militant Islam in Southeast Asia: Crucible of Terror*. Boulder: Lynne Rienner, 2003, p. 211

been a source of controversy within Philippine society, much like the Patriot Act in the United States. Moreover, many point out that the true and much-needed CT reform and legislation has not yet been passed; the ones that address the prosecution of convicted terrorists and the consequences of graft and corruption within the system. Thus the Philippine government has done very little to affect CT policy within the country.

Political opponents of the Arroyo administration claim that GWOT responses are in effect guises to promote other interests. Some leftist groups claim that the government “is colluding with the US government and using the anti-terrorist hysteria to underhandedly justify the heightened US military presence in the Philippines,”¹⁴¹ warning that current responses could leave the country open to future retaliation. The Moro community has also criticized the administration’s response. Although President Arroyo has previously stated that the government’s anti-terrorism drive “will continue to be carried out without any ethnic or religious bias, and with only the enforcement of impartial justice in mind.”¹⁴² Some Muslim critics claim that the CT campaign has a suspiciously anti-Islam bias, and that this is an opportunity for Manila to continue its crusade.

E. CHAPTER SUMMARY

Since its independence, the Philippines has faced insurgencies and terrorist acts against the state, predominantly from Moro separatist groups and communist guerilla fighters. And in recent decades, the once domestic struggle has been infused with outside influences and challenges, mostly notably from Al-Qaeda and JI. Manila’s responses to terrorism and insurgencies have changed throughout its history, from traditional military CI/CT operations, to changes in the political system such as martial law, to cooption of or peaceful negotiations with insurgent groups. However, aside from the 1996 agreement with the MNLF, Manila has not yet produces an effective CT/CI plan to eradicate these insurgent and terrorist forces within the borders. President Arroyo has attempted to

¹⁴¹ Ibid, p. 203

¹⁴² Marichu Villanueva and Christina Mendez. “Anti-Terror Task Force Keeps Watch on Foreigners in RP.” Philippine Headline News Online. 8 April 2004. (<http://www.newsflash.org/2004/02/hl/hl100199.htm> accessed May 2004).

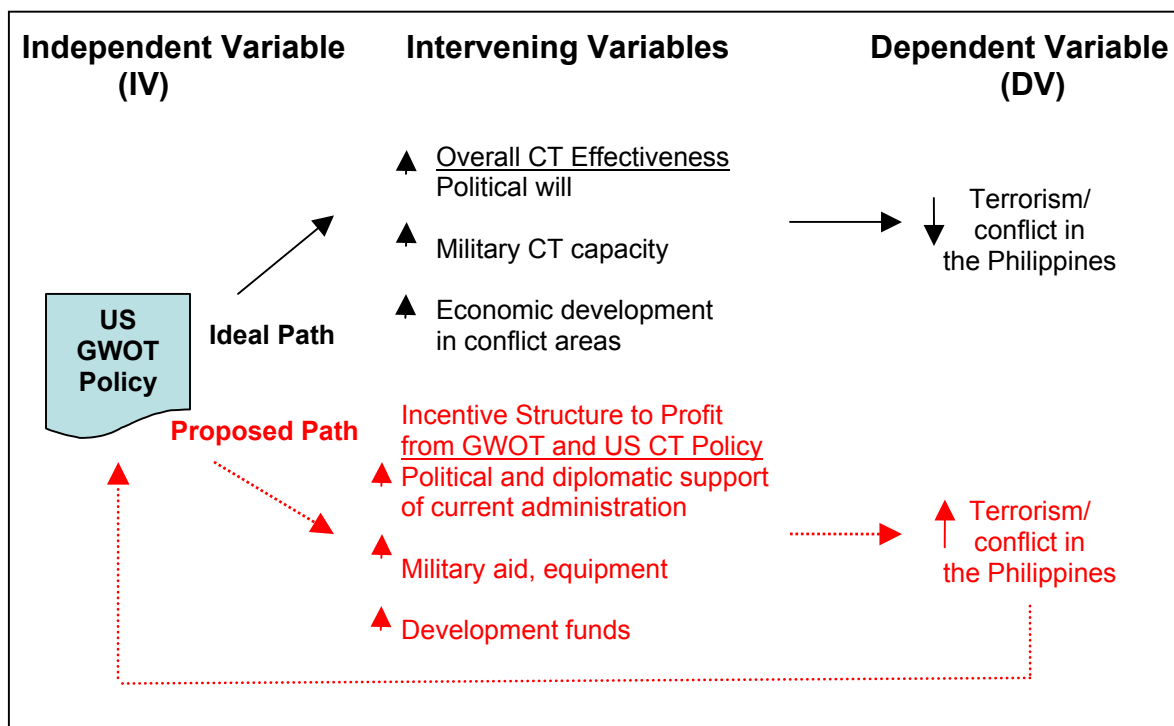
strengthen the government's response through policy and legislative changes as well as international cooperation with GWOT and ASEAN partners. Although more emphasis has been placed on the recent political and legal aspects of the overall GWOT campaign, the AFP still remains the primary CT/CI force. Critics claim that the military itself has its own agenda separate from and sometimes in conflict with Manila. Furthermore, they contend that Manila lacks the political will and resources to effectively counter terrorism. Thus if history is any indication of the resolve and capabilities of the government and military, the Philippines has not yet proved itself to be decisively capable of eradicating terrorism. But there is another angle to the Philippine CT story, one that looks inside the system to reveal that ending terrorism, insurgency, and overall conflict are in fact not the end goal: securing and continuing US political and financial support under the umbrella of the war on terrorism is.

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III. PROFITING FROM CONFLICT AND WAR ON TERRORISM

The 9/11 response from the Philippines has been recognized and rewarded. In order to enhance the country's CT capabilities, Washington has provided political support to Manila, allocating hundreds of millions of dollars in military and economic aid. However, one argument contends that current support levels are not contributing to the eradication of terrorism; instead, US policy provides an incentive structure in which actors and units within the government, military, and even insurgent groups perpetuate conflict at a low level to ensure the continuation of political and financial benefits. Let us revisit Figure 3; actors are profiting from the war on terrorism and thus create and sustain a presence of conflict and terrorism in order to continue to reap these political and economic gains from US policy and the GWOT.

Figure 3. Ideal and Proposed Effect of US GWOT Policy on Philippine Terrorism and Insurgency Levels



This chapter will explore this hypothesis by describing the factors contributing to the intervening variables and alternate outcome, per the proposed path in Figure 3. To reiterate the causal relationship, the introduction of the IV (instead of raising CT capabilities in order to defeat terrorism) leads to individuals and/or units in the Philippines finding utility in and profit from US GWOT policy. They perpetuated or allow a minimum level of conflict and terrorism in order to secure future benefits of the policy components. As a result, these actors within this incentive structure continue to profit from the war on terror and US policy, and thus the intended outcome of decreased levels or even the eradication of terrorism is never achieved. In its place is continued conflict in order to initiate the incentive cycle once more.

This argument exploration seeks to answer the following questions. Who within the Philippine government, military, and insurgency groups is profiting from US policy and the war on terrorism? Secondly, how are they profiting? Lastly, how are these actors perpetuating conflict in order to continue profiting from policy? Three key groups will be examined: the Philippine government, the AFP, and the insurgencies groups, particularly the subgroups MILF, ASG, and CPP/NPA.

A. POLITICS AS USUAL...AND THEN SOME

Local to state actors and institutions can find utility at various levels from outside support in on-going conflicts. The most immediate outcome in supporting the US-led war on terrorism is closer political relations with Washington and significant increases in aid. However, corruption on all levels is an unfortunate and unintended by-product of foreign aid: political profiting to secure power, set the national agenda, and serve personal interest; and economic profiting to extract resources (money, supplies, etc.) for personal gains.

One benefit from the GWOT is US recognition and commitment to help Manila with its internal terrorist and insurgent. According to some scholars, the Arroyo administration saw the GWOT as an opportunity to finally settle the Moro

separatist issue. The president “internationalized” this domestic problem and secured Washington’s support and partnership.¹⁴³ The government including the AFP did not have the CT/CI capacity to eradicate insurgencies without augmented support and increased aid from the United States. Additionally, within this global framework, the MILF may face international pressure to negotiate peace with Manila.

The war on terrorism can produce another unintended benefit; political leaders can use war or warlike conditions to legitimize more extreme policies and tighter control over the country in order to combat a national enemy – terrorists.¹⁴⁴ This tactic to justify increased authority was most evident during the Marcos administration and his imposition of martial law to mitigate lawlessness and violence from leftists, communists, and separatists. Cracking down terrorist cells within society can explain Manila’s stronger authority over governmental institutions as well as the population. Individual traditional politicians, also known as TRAPOS, can politically profit from the GWOT by consolidating their power and promote their interests and agendas; incidentally they can also economically profit through more opportunities to extract from the economy.

Increases in US foreign assistance can also lead to an extensive competition for resources from various governmental bureaucracies and agencies. The agencies directly tied into the war on terrorism will most likely receive the aid. Thus, by demonstrating a concerted need, through for example failed operations or other inefficiencies in countering terrorism, officials within the ranks of the government can secure added resources and funds.

Despite commitment to the GWOT, not everyone in the Philippines wants to see the system or the situation change. Some political analysts claim that the selected group of Filipino families, ala dynasties with socio-economic and political influence, has vested interest in maintaining the status quo, which may

¹⁴³ Zachary Abuza. *Militant Islam in Southeast Asia: Crucible of Terror*. Boulder: Lynne Rienner, 2003, p. 207

¹⁴⁴ Notes taken from “Terrorism in Southeast Asia,” 4th Conference on Asian Security Issues at West Point, 26-28 February 2004.

include some level of conflict.¹⁴⁵ Under the current condition, this oligarchy controls over key industries and political posts both in Manila and throughout the archipelago, and have learned to manipulate or even orchestrate the situation on the ground. Reports have exposed that many of these elites maintain their own private mini-army and participate in extrajudicial activities of further their political, economic, and personal interests. Any public or mandated changes can disrupt their networks of control and profit.

Lastly, by maintaining a certain amount of conflict and terrorism within the Philippines, the government can secure on-going levels of foreign aid and CT assistance. The Philippines is not the only Asian country receiving such support; in recent years, Indonesia has been the nearest Southeast Asian competitor for US assistance and GWOT partnership. In the 2004 CRS report on foreign aid programs, Indonesia was recognized as a key partner in the GWOT, without a mention of the Philippines. Moreover, the country is listed as one of the top US aid recipients in the world; It is in fact the highest recipient of US aid in East/Southeast Asia (not to include South and Southwest Asia).¹⁴⁶ Thus, the Philippines has to sustain a perpetual level of need for CT support, lest aid amounts decrease in favor of other Asian countries and programs.

Instead of decreasing levels of conflict and violence and combating terrorism within the Philippines, these unintended benefits from the war against terror, increased political support and military and economic aid have provided a cyclical incentive structure for certain political actors to perpetuate conflict in order to further extract profit and utility from the GWOT. How do these actors and/or units create and maintain the presence of conflict and terrorism?

¹⁴⁵ Notes taken from various interviews with political analysts who will remain unnamed. May 2004.

¹⁴⁶ Curt Tarnoff and Larry Nowels. *Foreign Aid: An Introductory Overview of US Programs and Policy (98-916)*. Washington DC: Congressional Research Service, 15 April 2004, p. 12-13

One effective tool to maintain the presence of conflict and terrorism is change the notion of terrorism to best suit their interest or advantage.¹⁴⁷ TRAPOS and other government officials can play this semantics game to best suit their interests, by either escalating traditional criminal acts to the magnitude of international terrorism, or the opposite, ignoring a terror act and deeming it a traditional crime. Some pundits use the example of the Superferry 14 explosion in February 2004 to illustrate this point of semantically altering the notion of terrorism. When a bomb was detonated on this commuter ferry, law enforcement did not initially classified this incident as a terrorist act, as some speculate, out of fear of further tarnishing the Arroyo administration's much criticized CT program. It was not until the confession of "passenger 51," an ASG extremist, who claimed to have planted TNT onboard the ferry, did police and CT units consider this to possibly be terrorism. The alternate example also exists. Consider this motivation: a month after the Superferry 14 explosion, President Arroyo was quick to announce that the inter-agency CT task force had thwarted a "Madrid-level" bombing attack on Manila's malls and trains. Some critics cite that this statement was a sort of public demonstration to the United States and the GWOT coalition of a success case in intelligence gathering and CT operations, in order to prove that the Philippines can be an effective GWOT partner. By showing some level of success amidst conflict, the government can attest that aid and support is indeed going towards the countering terrorism, but more is needed to increase the campaign's effectiveness.

Another method is to play upon the lack of overall political will and commitment to eradicate terrorism, despite public support for the GWOT. Some experts and analysts contend that TRAPOS, including local power brokers and Christian politicians in the south, have stalled on reform bills and measures in order to preserve the political status quo.¹⁴⁸ Critics have also claimed that CT legislation is weak and does not root out the causes of terrorism. Despite the

¹⁴⁷ Notes taken from an interview with political analysts #1 and #2 who will remain unnamed. May 2004.

¹⁴⁸ Notes taken from an interview with political analyst #3 who will remain unnamed. May 2004.

occasional high profile arrests of convicted terrorists and intelligence sharing, political forces within the Philippine government benefit from sustained levels of conflict and the existing state of affairs.

B. WAR ON TERRORISM AS A LUCRATIVE BUSINESS FOR THE AFP

The Philippines' role in GWOT has forged closer military-to-military relations with the United States. With these ties came increased levels of military aid and equipment, coupled with much need training, to combat terror and insurgent groups. The AFP has been injected with new tools and methods to counter terrorism. However, some argue that while the military is seemingly on the forefront of the country's CT campaign, the organization is also profiting from this war and US policy.

Although the military has been fighting insurgent forces for decades, the GWOT has elevated the status of the AFP as country's premier CT/CI force. With this important role, the military can further secure its political power and influence. The military is in it of itself a powerful political entity; top leaders have hand influenced the government and the system. The AFP, along with the Catholic Church, was pivotal in the ousting of President Marcos in 1986 and garnering mass support of his successor, Cory Aquino. In addition, the AFP can seek to boost budget and manpower. Not only did President Arroyo request from Congress added funding for more military personnel, but the national defense budget increased. For 2004 alone, the House Appropriation committee expanded the defense budget by 2.5 billion pesos (almost \$45 million) from last year, totaling 45.171 billion pesos (\$809 million).¹⁴⁹ This included salary and benefit hikes for Filipino servicemembers. Individual soldiers can also benefit from wartime actions and secure operational accomplishments, recognition, and promotions.

With this elevated role, the AFP can find added opportunities to extract and profit from the war on terrorism. In an op-ed article in the New York Times,

¹⁴⁹ Efren L. Danao. "Defense Dept to Get Bigger budget in '04." Manila Times Online. 15 August 2003. (http://www.manilatimes.net/national/2003/aug/15/top_stories/20030815top9.html accessed June 2004).

Brett M. Decker pointed to the rampant corruption within the military, claiming that a substantial amount of the defense budget is lost to graft. He wrote that in August 2003, the chief of the armed forces, General Narciso Abaya, admitted “there is graft and corruption at all levels.” Moreover, US military aid and equipment are also “siphoned away” due to internal corruption:

Testimony before the Philippine Congress in the past several months revealed that American M-16's provided to the Philippine armed forces have been recovered in camps belonging to Abu Sayyaf, a band of guerrillas and kidnappers. Assault rifles, grenade launchers and other American arms have been used by Muslim radicals against Philippine troops -- the very troops United States funds are supposed to assist.¹⁵⁰

The selling government-issued firearms and supplies either on the black market or to insurgent organizations is a common practice, another opportunity to profit from the GWOT. Individual soldiers can subsidize their wages through income generated from equipment sales. Alarmingly, Muslim rebels have confessed to purchasing weapons from military. Representative Benasing Macarambon, Congressman for Lanao del Sur and former MNLF commander, has asserted that the sale of military weapons and supplies to Moro rebels been going on since 1970s: “I’ve been a rebel myself and we got most of our equipment from the military. Of course, not directly with the government but there were military personnel selling to us. That’s my experiences and the experience today.”¹⁵¹ It is not just firearms sold; when the military tracked down ASG leader Aldam Tilao in 2002, he carried night vision goggles supplied to the AFP by the United States.¹⁵² Consequently, the individuals selling their weapons and ammunition to the rebels did not remove serial numbers. As a result, recent

¹⁵⁰ Brett M. Decker. “A Fair Fight in the Philippines (Op-Ed).” *New York Times*. 18 October 2003, p. A13

¹⁵¹ Cynthia D. Balana, et al. “Filipino Lawmaker Says Sale of Government Guns to Rebels Going On Since 1970s.” *Philippine Daily Inquirer* through FBIS. 30 July 2003. (<https://portal.rccb.osis.gov> accessed May 2004).

¹⁵² James Hookway. “Genuine Grievances.” *Far East Economic Review*. Vol. 166, Iss. 31, 7 August 2003 p. 16-17

raids of MILF bases have exposed weapons with AFP markings.¹⁵³ Although large caches of military arms and supplies have turned up in rebel camps, to the MILF spokesperson, Eid Kabalu, was “sure there was no collusion” between the Moro separatists and the government, claiming that it is mostly likely that only individual soldiers were selling their equipment; weapons are “a prime commodity, very much in demand” in the southern Philippines.¹⁵⁴ In addition, upon these various raids and round-ups, the AFP can confiscate rebel arsenals and keep firearms, ammunition, and supplies for future resale for personal profit.

The culmination of this claim that the AFP perpetuates conflict in order to justify increases in the national budget and US aid came with the mutiny attempt by 300 renegade soldiers, led by 70 junior officers, on 27 July 2003 in the Oakwood luxury apartments in Manila’s large Glorietta Mall. Motivated by low pay and rampant corruption in the military, these “Oakwood mutineers” demanded the resignation of President Arroyo and top military official for unfettered graft within the AFP, including the selling of weapons to MILF, NPA, and ASG to prolong rebellion and extract more aid from the United States.¹⁵⁵ Although the coup attempt ended with peaceful surrender after tense day-long standoff, it proved to be an embarrassment for the Philippine government and military, as another perennial salting of the wound of alleged corruption endemic in the system.

If the AFP and individual servicemembers want to continue profiting from the incentive cycle generated by the GWOT and US support, how do they maintain a presence of terror and conflict within the archipelago? What are possible tactics? One such tactic is catch-and-release, whereby the military and police capture insurgents and then “allow” them to escape from prison. This

¹⁵³ Brett M. Decker. “A Fair Fight in the Philippines (Op-Ed).” *New York Times*. 18 October 2003, p. A13

¹⁵⁴ “MILF Guerrillas Admit Buying Weapons from Philippine Soldiers.” Hong Kong AFP. FBIS translated text. 30 July 2003. (<https://portal.rccb.osis.gov> accessed May 2004).

¹⁵⁵ Benjie Villa. “MILF Admits Buying AFP Weapons.” The Philippine Star through FBIS. 31 July 2003. (<https://portal.rccb.osis.gov> accessed May 2004) and James Hookway. “Genuine Grievances.” *Far East Economic Review*. Vol. 166, Iss. 31, 7 August 2003 p. 16-17

tactic can reap multiple benefits. Military and police personnel can either demand or accept bribes from the rebel organizations to “allow” the prisoners to escape, either by feigning incompetence and letting them walk out of prison or by staging a large-scale breakout. Bribes are an added source of personal income and can transcend all levels, from the person watching the prison cell to high-ranking commanders. As reported by James Hookway, some investigators believe that money was exchanged for the escape of convicted (high profile) JI terrorist Fathur Rohman al-Ghozi, accompanied by two suspected ASG members.¹⁵⁶ Moreover, both play upon incompetence and condoning prison escapes can be seen as a justification to strengthen military spending and assistance in order to bolster CT capabilities and stop further occurrences from happening. Additionally, recapturing high level escapees can also secure operational victories and individual achievements and promotions. Prison breaks can also provide a justification to hunt down and kill escapee rebels, circumventing the legal process.

Another tactic to perpetuate conflict is producing surrenderees as small gestures of success in the CT program. MILF military spokesman Kabalu claimed that the military manufactures rebel surrenderees for materiel or personal gains. He contended that per different news sources, perennial surrenderee Danny Dalamba “alias Commander Tawantawan” has given himself up to authorities several times in the past and in multiple locations. Kabalu declared that the government is being duped by AFP officers.¹⁵⁷

The MILF also claims that the military is purposefully sabotaging peace negotiations. “The country’s top military honchos are the ones trying to derail the peace negotiations. While we are convinced that the president is sincere in her invitation to talk about peace, we also believe that what the military wants is war,”

¹⁵⁶ James Hookway. “Genuine Grievances.” *Far East Economic Review*. Vol. 166, Iss. 31, 7 August 2003 p. 17

¹⁵⁷ “MILF Spokesman Calls Manila’s Attention to Corruption in Military in Mindanao.” Luwaran Online. FBIS translated text. 25 December 2002. (<https://portal.rccb.osis.gov> accessed May 2004).

stated Al Hadj Murad, vice chairman for military affairs of MILF.¹⁵⁸ In an interview with Bangsamoro Islamic News Agency, Moro separatist Mohagher Iqbal asserted that “the MILF is now the favorite whipping boy of the military whenever killing, ambushade, kidnapping or other crimes occur.”¹⁵⁹ Kabalu has also accused the military of planting bomb-making evidence in a factory in Lanao del Sur allegedly belonging to the rebel organization. MILF leaders contend that any combat between the rebels and the AFP have been sheer self defense and not breaking any cease-fire agreements; the military is searching for any excuse to launch offensives against Muslim territories in order to finish off the MILF.¹⁶⁰

The most debated and controversial tactic to continue conflict is to engage in terrorist acts. Some claim that the AFP itself is the largest terrorist organization in the Philippines. The Oakwood mutineers have accused top military officials of masterminding bombings in Mindanao, including the Davao airport bombing, and blaming Moro separatists in an effort to extract more CT aid and equipment from the United States.¹⁶¹ Others contend that the AFP, along with the PNP, encourages and even engages in kidnapping-for-ransom to flex their power and extort added profits.

C. DO INSURGENTS ALSO PROFIT FROM THE WAR ON TERRORISM?

Despite the war against terrorism, insurgency groups can also find profit from on-going conflict. Rebel organizations are much like traditional militaries in that they too can thrive during conflict. War-like conditions give the members a sense of purpose and ideological recommitment, an opportunity to fight for their cause and beliefs, as well as some kind of “employment” as a “full-time” or “professional” insurgent. Rebel groups can collect revolutionary taxes and other

¹⁵⁸ Elmer Ubaldo and Joel San Juan. “GMA is Sincere But Not the Military.” Manila Kabayan. FBIS translated text. 10 March 2002. (<https://portal.rccb.osis.gov> accessed May 2004).

¹⁵⁹ “MILF Official Accuses Military of ‘Slowly Killing’ Peace Talks with Manila.” Luwaran Online. FBIS translated text. 30 December 2002. (<https://portal.rccb.osis.gov> accessed May 2004).

¹⁶⁰ Elmer Ubaldo and Joel San Juan. “GMA is Sincere But Not the Military.” Manila Kabayan. FBIS translated text. 10 March 2002. (<https://portal.rccb.osis.gov> accessed May 2004).

¹⁶¹ Benjie Villa. “MILF Admits Buying AFP Weapons.” The Philippine Star through FBIS. 31 July 2003. (<https://portal.rccb.osis.gov> accessed May 2004).

resources from local populations as a price for protection.¹⁶² In short, financial gains can be made during war. Moreover, on-going conflict can enhance recruitment through the appeal of struggle, or in the Moro case, jihad. Ethno-religious/nationalistic organizations can claim that their aims and ideology are under assault and can call on religious or ethnic bonds to rally support and recruitment.

Well-organized groups, like the MILF, can also solidify their leadership of the community, for instance the entire Muslim population instead of a few of the Moro tribes, including Magindanaos of the Cotabato region, the Maranaos of the Lanao provinces. Other insurgency groups may see benefits with a return to a central ideology, such as religion or ethno-nationalism. Although espousing Islamic extremism and calls for jihad, the ASG lost their religious foundation with the death of their founder Ustadz Janjalani in 1998, and turned to more criminal activities, such as kidnapping-for-ransom. However, analysts purport that ASG is electing to return to their religion basis, with the help and influenced of JI.¹⁶³ Additionally, some groups may choose to carry on conflict to show other (international) religious-based organizations that they are not the relegated ideological periphery, but in active combat in the name of a religious cause with repressive governments. Through this aim, insurgency groups in conflict can garner international support and financing from other rebel or extremist organizations or regimes that support them.

Lastly, of insurgent groups in the Philippines, the MILF may be seen as having the most to gain with continued conflict, but it also has the most to loose with peace. The 1996 settlement between the MNLF and Manila is not readily accepted as a success for the Moro population. The ARMM proved to be a cash cow for the MNLF leadership who mismanaged resources and governance of the Muslim region in Mindanao. Thus, the MILF is weary of a settlement with the

¹⁶² Notes taken from an interview with political analysts #1 and #2 who will remain unnamed. May 2004.

¹⁶³ Notes taken from an interview with intelligence analyst #1 who will remain unnamed. May 2004.

central government. Peace can lead to another failed resolution; conflict can further impact negotiations in their favor. The MILF may have a bigger bargaining chip with sustained violence, pressuring Manila to end conflict in the south by agreeing to their demands, independence (ideally) or more autonomous governance of the region (practically), along with socio-economic development assistance. Moreover, the MILF can hold out for a larger financial carrot from the United States, which is currently pledging \$30 million as an incentive for peace.

With these benefits from the war on terrorism, how do insurgent groups perpetuate conflict? First, they can play up the groups' ideology and the populations' struggles in order to increase recruitment and inspire jihad or the taking up of arms. New recruits are encouraged to learn about jihad first hand through open combat or clandestine operations.¹⁶⁴ Another tactic is to blame the military and government for perpetuating conflict. The MILF has on several occasions accused the AFP of derailing the peace process and actively engaging in offenses against them. Moreover, the MILF can break the cease-fire pacts in the name of self-defense drawing the military into combat. An alternate tactic is to delay the peace negotiations with the Arroyo administration through finger-pointing, resisting compromises, and stalling settlements.

D. LOSERS IN THE INCENTIVE STRUCTURE: SOCIETY AND COUNTER-TERRORISM

While political, military, and insurgent actors continue to profit from the GWOT and US policy, the ultimate losers in this incentive cycle are the Philippine society and CT efforts to eradicate terrorism. The Filipino population is caught in the middle of a war, a war over resources and benefits. Meanwhile, the domestic economy is suffering greatly from a loss/lack of foreign investment due to investor concerns over continued conflict and terrorism. Roughly 40% of the population is below the poverty line.¹⁶⁵ Furthermore, the southern region in conflict, including Mindanao and the Sulu archipelago, is the poorest in the

¹⁶⁴ Notes taken from "Terrorism in Southeast Asia," 4th Conference on Asian Security Issues at West Point, 26-28 February 2004.

¹⁶⁵ CIA Worldfact Book. (<http://www.cia.gov/cia/publications/factbook/geos/rp.html> accessed April 2004).

(already poverty-stricken) Philippines. Foreign assistance programs, including that of USAID, are sustaining the southern economy. Manila is not delivering on its promise of development in Mindanao; lack of governmental resources as well as perceived will are driving further disenfranchisement of the population with central government. Analysts claim that Filipinos as a whole are pessimistic that Manila can rectify on-going problems of poverty- and conflict-alleviation, and thus turn to the United States to help solve domestic issues and provide much needed resources.¹⁶⁶

The Philippines must not overlook a key opportunity of the GWOT, enhancing their counter-terrorism capabilities, from political resolve to military endeavors. The AFP needs America assistance and expertise in building up their CT programs. However, the government and military must not become too dependent on the United States to provide CT training, planning, and resources. One of the main US GWOT goals is not only bolster Philippine anti- and counter-terrorism capabilities, but also to promote self-sufficiency in their fight against terror. Currently, the AFP is acting as an appendage to US forces, not as its own viable CT organization. The current incentive cycle may be creating political and financial winners within the system, but it is also producing losers. The Philippine population and counter-terrorism efforts are suffering at the hand of individual profit and opportunism.

E. CHAPTER SUMMARY

This chapter focused on describing and analyzing the hypothesis that actors with the Philippine government, military, and insurgent groups can profit from the war on terror and US policy vis-à-vis a cyclical incentive structure that results in sustaining a presence of conflict and terrorism. However, there are arguments to the contrary, that aside from minimal levels of self-interest and opportunism, actors and/or units are not profiting from the GWOT. International terrorism is not the only controversial topic for the government. US military presence has led to some political and societal backlashes by nationalists and leftists who cite the Arroyo administration of allowing America imperialism in and

¹⁶⁶ Notes taken from an interview with political analyst #4 who will remain unnamed. May 2004.

recolonialization of the country. Moreover, the Philippine military is not benefiting from the GWOT. Some feel that this is a US fight; the AFP has been dragged into an international battle it is not nearly prepared to wage, despite American support. Lastly, some experts claim that insurgent groups have also not profited from the war on terror: the MILF organization and goals have been damaged; the US-Philippine Balikatan exercises all but dismantled the ASG. Scholars ask that if 9/11 did not happen, would insurgent and terrorist groups would be stronger today?¹⁶⁷

Unfortunately, not enough empirical data and studies exists to fully analyze this hypothesis. In my examination, I relied on academic, journalistic, and governmental literature, analysis, and personal expertise. Further research on this topic is currently underway. Moreover, the problem of graft and corruption within the Philippines is in some instances common-place and generally recognized and worked around; some even take a nonchalant approach to such opportunism as part of “doing business” or “getting things done”.

In any case, international terrorism is a viable security threat for both the Philippines and the United States; combating terrorist networks are top on the priority list. However, setbacks occur when actors and organizations within the Philippines seek profit from the GWOT and US policy, and ultimately the population and true counter-terrorism efforts lose.

¹⁶⁷ Notes taken from an interview with Dr. Thomas McKenna. May 2004

IV. CONCLUSION: RECOMMENDATIONS FOR PHILIPPINE COUNTER-TERRORISM EFFORTS AND US GWOT POLICY

Is the Philippines profiting from the war on terrorism? Yes, various political, military, and insurgent actors are, due to the cyclical incentive structure born out of current US policy as well as the GWOT itself. President Arroyo and top officials can solidify their close relations with Washington, garnering future domestic and international political support. TRAPOS, however, want to preserve the status quo and continue to benefit from their socio-political-economic positions, which could be enhanced by US aid policy. The military can take this opportunity to forge stronger military-to-military ties with the United States, as well as benefiting from aid, equipment, and training. Moreover, the AFP and other law enforcement agencies have an increased role in domestic counter-terrorism and can claim a bigger piece of the national budget. Lastly, insurgency groups can ironically find profit in the GWOT through ideological fervor, increased recruitment, and outside support from transnational organizations aimed at stamping out US presence and Manila's repression.

However cynical this proposal may appear to be, the resolution is not wholly pessimistic. Although current profiting and opportunism persist, reforms within the system can terminate the cyclical incentive structure that perpetuates conflict and terrorism in order to continue benefiting from the present situation. Thus, if this argument, or at least some of its supposition, is true, both Manila and Washington can actively seek to change the unintended effects of the GWOT and US policy on Philippine CT efforts in order to achieve the desired end goal: the eradication of terrorism.

Assuming that this argument is true, Manila and Washington must first recognize the existence of this cyclical profit system, and then actively pursue reforms to end corruption, opportunism, ineffective counter-terrorism measures, and sustained conflict. When reformulating an effective and long-term CT campaign, Washington must remove the incentives to perpetuate conflict and terror by no longer making US policy and warlike conditions profitable for certain

actors and organization. Meanwhile, Manila must take steps to end opportunities to profit within the system and situation. Lastly, in order to effectively remove the cyclical incentive structure and achieved viable CT efforts within the Philippines, Manila and Washington together must be focus on the following key issues: AFP and PNP professionalization and self-reliance, political will and governmental resources, commitment to peace and enfranchisement of the Muslim population, effective socio-economic development, and regional stabilization aside from a GWOT-paradigm.

A. FOCUS ON AFP AND PNP PROFESSIONALISM AND SELF-RELIANCE

Both national defense and law enforcement organizations must be internally reformed. Rampant accusations of inefficiency and corruption plague the reputations of the AFP and PNP. In fact, it is not uncommon for servicemembers and police officers to use their positions for financial opportunism. For instance, some men join the police force expecting bribes from citizens will augment their low salaries. Equally, if not more, alarming is that a person can be employed as a policeman or soldier (by day), but take up arms in an insurgent group as a rebel (by night). In the mid-1990s, under President Ramos, the military began a modernization program aimed at professionalizing the force and building up its CT campaign. However, this program was short lived due to the Asian Financial Crisis which hurt the Philippine economy, leaving less funds to allocate to modernization, a change in presidency and shift in focus away from the program.¹⁶⁸ After 9/11, many experts agree that the AFP is better off now than before, with improved training, equipment, and expertise by American forces. Yet, these same experts maintain that there is still a huge differential between the threat on the ground and AFP capabilities.¹⁶⁹

The United States should encourage professionalism within the organizations and promote self-sufficiency in CT endeavors. Soldiers and officers must continually conduct themselves in a professional manner and

¹⁶⁸ Notes taken from an interview with intelligence analyst #1 who will remain unnamed. May 2004.

¹⁶⁹ Notes taken from an interview with political analyst #5 who will remain unnamed. May 2004.

uphold the law and defense of their country. Moreover, the state must provide their professional forces with enough resource to sustain themselves and not have to turn to criminal or extrajudicial means to augment low salaries. There needs to be mutual respect between the military and the government.

The United States should continue to train the Philippine military and other CT organizations, and supply them not with new equipment but with lasting skills, such as operational tactics, strategies, and execution, as well as maintenance and repair.¹⁷⁰ As the old adage goes, “if you give a man a fish, you feed him for a day; if you teach him how to fish, you feed him for a lifetime.” Washington must encourage self-reliance and self-sufficiency over dependency – dependency on equipment, aid, and operations. Manila has to recognize that high levels of US presence and support is not guaranteed forever, as evident in the lull of the 1990s. New priorities are shifting US attention away from the Philippines and into Iraq and neighboring Indonesia and Thailand. The government and military must take the opportunity now to bolster their CT through current equipment and aid support, and training and expertise. And Washington must realize that it cannot throw money and equipment at a problem, since that is not a recipe of a long-term solution and can create a negative incentive structure. Instead, the right incentive blend is one that promotes professionalism, self-sufficiency, and self-reliance for Philippine military, police, and other CT agencies.

B. FOCUS ON POLITICAL WILL AND GOVERNMENTAL RESOURCES

Scholars and analysts point to Manila’s lack of resolve in cementing the notion of the Philippines as a cohesive nation, which in turn is reflected on society. Informal networks dominate formal institutions; with a lack of national glue, the population turns to personal loyalties, family or social networks, and patron-cliental ties, instead of the government to satisfy their needs (unless they have personal relations within the governmental system, thus reverting back to networks and clientalism).¹⁷¹ In order for CT efforts to be effective for the long

¹⁷⁰ Ideas discerned from various interviews and conference.

¹⁷¹ Notes taken from an interview with intelligence analyst #1 who will remain unnamed. May 2004.

run, Manila must have the political resolve as well as the resources to continue combating and eradicate terrorism and other lawlessness. This should include institutional reforms to remove (opportunities for) graft and corruption. Legislation and policy must have teeth on them, both on the book and in implementation. Law-breakers, whether they be civilian or military criminals, must be prosecuted accordingly, for any legislative action to warrant merit. This includes the terrorist who detonates a bomb as well as the corrupt or co-opted policeman or soldier who “allows” him/her to escape from prison. Otherwise, Manila will have yet another law or policy generally ignored by the population, leading to added pessimism of the system to combat terrorism.

Moreover, political will must be backed by governmental resources. Experts assert that one reason why Manila lacks the necessary resolve is that it also lacks the necessary fund to carry out legislation, prosecution, reforms, and programs. This lack of resources stems from the lack of capacity to efficiently tax the population. Taxes are a country’s main source of income to finance governmental programs, including socio-economic development and national defense. According to political analysts, a state needs to collect taxes from roughly 35% of the population in order to be viable.¹⁷² In the Philippine case, only about 17% is collected. Moreover, the two main sources of revenue go mostly untaxed: the rich and the overseas workers. In addition, these groups are not looking for the system to be reformed. Thus, it will be politically difficult for Manila to extract taxes from the rich families, of which the dynastic oligarchies are included, many politicians and economic leaders belong. However, a new program involving Philippine credit unions is currently being developed to tax incoming remittances from Filipino overseas workers, who supply a much-needed injection of money into the economy.¹⁷³ Many, including US analysts, hope that this program will be a success, both in collecting tax revenues and efficiently tracking overseas funds coming into the country.

¹⁷² Notes taken from an interview with political analyst #3 who will remain unnamed. May 2004.

¹⁷³ Ibid.

C. COMMIT TO PEACE AND ENFRANCHISE THE MUSLIM COMMUNITY

Both the Philippines and the United States should focus on the on-going peace talks between Manila and the MILF. After strained attempts at a settlement and cease-fire breaks, Manila must show determination in peace negotiations, encouraging MILF leaders to return to the table. Subsequently, the MILF, along with the Moro population, must also be remain firmly committed and not use scapegoats to back away from the peace process. Although not directly involved, the United States must continue to support this endeavor, participating in an observer role and champion of peace. Through the USIP and the State Department, Washington brings diplomatic support, political expertise, and financial assistance to the negotiating table. Moreover, the successes of USAID programs in Mindanao should attest to US commitment to peace, development, and self-sufficiency of the (Muslim) region.

Furthermore, both Manila and Washington must understand the MILF-brand of Moro separatism, which is considered ideologically and tactically different from the ASG and other radical off-shoots. According to Thomas McKenna, these Muslim rebels are not interested in nor connected to issues of the Arab world. They fight for their own identity separate from the predominant Christian establishment.¹⁷⁴ Other experts purport that secularism is the biggest threat to the Filipino Muslim identity.¹⁷⁵ Thus, their ideological goals are not that of a pan-Islamic identity, but more a local, ethno-religious nationalism which embraces the creation of a Moro homeland, local control and governance, land reform, resource management, and self defense. Moreover, the central government must realize that the template of past peace settlement is the 1996 agreement with the MNLF, widely held as a failure by the Moro community. Manila should expect that the new negotiators have formulated their own “lessons learned” from the previous experiences.

According to experts, one of the major failings of the 1996 agreement was the lack of governmental resources allocated to the ARMM. Due to low tax

¹⁷⁴ Notes taken from an interview with Dr. Thomas McKenna. May 2004.

¹⁷⁵ Notes taken from an interview with political analyst #6 who will remain unnamed. May 2004.

revenue for the state and the Asian Financial Crisis, Manila did not have enough finances to enact promised development programs, which further contributed to the discontent and frustration of the Muslim population.¹⁷⁶ In order to fully commit to the lasting effects of any negotiated settlement, particularly one that leads to autonomy, Manila must be financially ready to assist the southern region in socio-economic rehabilitation. With severe lack of state revenue, Manila may have to rely on and encourage outside investment and financial aid, especially from the United States, but should also look to (moderate) Muslim countries for economic and social support. One such program with the makings of success is in (post-conflict) education. Washington has earmarked funds for educational programs in Mindanao. But this US assistance will only target secular education. In the past, secular education has been unsuccessful; the Muslim community saw this separation of education and religious studies as a ploy to disconnect them with their Islamic values and traditions. A potential solution to this perception is to create a new education program, which incorporates Western (secular-style) schooling with separate religious education, augmented through investments made by other moderate Muslim countries. The resulting model is similar to that of American students in public schools, who attend after-school or weekend religious education, separate from their daily studies.

D. PROMOTE LASTING AND EFFECTIVE SOCIO-ECONOMIC DEVELOPMENT

Along with encouraging peace and enfranchisement of the Muslim population, both Manila and Washington should be committed to lasting socio-economic development of the entire archipelago, particularly the southern islands most wrought with poverty and underdevelopment. In order to tailor effective programs, aid donors and disperse organizations must analyze the type and level of assistance the community needs. Many critics claim that certain state-level development packages are not responsive to local requirements; instead, government-run programs select high-visibility projects such as major roadways, and less on specific infrastructure and economic programs targeting smaller

¹⁷⁶ Ibid.

communities and localized needs. Fortunately, USAID-sponsored socio-economic development projects have received positive responses from southern communities, including the Muslim population. USAID programs assess and target local requirements, and work closely with leaders and contractors within the communities, as well as ARMM officials and other NGOs in the region.¹⁷⁷ Moreover, certain programs, such as the Livelihood Enhancement and Peace (LEAP), are geared towards post-conflict rebuilding; LEAP reintegrates former rebels back into society by providing them skills such as farming and fishing and economic assistance.¹⁷⁸ And through better taxation and increased collection, Manila can also contribute to its own socio-economic development programs, thus demonstrating political will and commitment to the enrichment of Philippine society and economy.

Furthermore, all development programs, no matter where the funds originate, be it Manila or abroad, must build in an accountability mechanism, goals with milestones, and measurable successes as part of their requirements. Donors and recipients must be held responsible for the viability of the programs and their intended purposes. Accountability and responsibility can also mitigate corruption allegations and attempts, as well as opportunism from aid. Moreover, programs should also include ramifications if milestones, accountability, and other defined requirements are not met. This will promote transparency, responsibility, and personal/communal ownership of these socio-economic development projects in order to maintain and encourage assistance and support from the central government, donor countries, and NGOs.

E. RECOGNIZE ISSUES CAUSING REGIONAL CONFLICT OUTSIDE THE GWOT PARADIGM

Both the United States and its GWOT coalition partners, including the Philippines, must understand the root causes that lead to conflict and terrorism, not just focus on stopping acts of terror or combating terrorist cells. States must examine the issues that drive grievances and recruitment in order to effectively

¹⁷⁷ Notes taken from an interview with political analyst #7 who will remain unnamed. May 2004.

¹⁷⁸ USAID Mission in the Philippines. Mindanao: LEAP (http://www.usaid-ph.gov/mindanao%20leap_usaid.htm accessed June 2004).

eradicate terrorism and the attractiveness of its ideology and political aims as a societal solution. Conflict within regions may utilize terror tactics to meet political, economic, and social end results. Thus US CT strategy should address causes that breed terrorism, and not just turn attentions to the terrorists themselves. With new recruits everyday, policy should concentrate on the conditions and grievances that drive individual towards radical ideologies.

Moreover, by addressing the political issues, socio-economic conditions, and societal grievances which foster recruitment and terrorism that lead to extreme violent actions, countries can establish more effective CT measures and produce the right incentive structure to eradicate conflict and acts of terrorism. This incentive to combat the root causes of terrorism (which in turn combats terrorism itself) creates a meaningful and lasting conflict resolution structure not predicate on the GWOT. The GWOT as a campaign itself can succumb to political and societal pressures, as early as this November. However, combating terrorism and treating conditions that lead to societal grievances that drive recruitment will always be major security concerns for states, despite the prevailing security environment nomenclature (e.g. the Cold War, GWOT).

* * * * *

In closing, as many experts advise, US policy should not be a one-size-fits-all approach, especially under the war on terrorism.¹⁷⁹ Policymakers must factor in a country's government will and resources, military capabilities and competence, past CT/CI successes and failures (and the reasons behind them), and both international and domestic hot issues and discourses. It is important to understand differing countries', including the Philippines, motivations, relationship between the state, military, and society, as well as attitudes on and structures of informal networks versus formal institutions. Moreover, US goals should focus both on the eradication of terrorism as well as the condition that favor terrorism.

¹⁷⁹ Notes taken from "Terrorism in Southeast Asia," 4th Conference on Asian Security Issues at West Point, 26-28 February 2004.

And in formulating policy, the United States must exercise caution as not to inadvertently create a cycle of incentives to perpetuate problems within recipient countries.¹⁸⁰ As this study is merely scratching the surface of this hypothesis, future analysis should focus on the collection hard raw data. Unfortunately, at this juncture, not much raw data exists on the effects of negative incentives and profit from the GWOT. Lastly, if policy, assistance, and reforms result in effective CT efforts and the eradication of terrorism, the Philippines can be seen as a successful test case of partnership in the global war against terrorism.

¹⁸⁰ Notes taken from "Terrorism in Southeast Asia," 4th Conference on Asian Security Issues at West Point, 26-28 February 2004.

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APPENDIX A: MAPS OF THE PHILIPPINES

Figure 4. Map of the Republic of the Philippines
(From: CIA Worldfact Book

<http://www.cia.gov/cia/publications/factbook/geos/rp.html>)



Figure 5. Map of the southern region of the Philippines, including Mindanao and Sulu Archipelago
 (From: MSN Maps & Directions,
[http://mappoint.msn.com/\(1car5t55kwg52i55qp2s3t3h\)/map.aspx?L=WLD&C=12.02297%2c122.71405&A=5590.00000&P=\[C9\]&TI=Philippines%2c+Asia\)](http://mappoint.msn.com/(1car5t55kwg52i55qp2s3t3h)/map.aspx?L=WLD&C=12.02297%2c122.71405&A=5590.00000&P=[C9]&TI=Philippines%2c+Asia)))



APPENDIX B: PRESIDENT GLORIA ARROYO'S 14 PILLARS OF POLICY AND ACTION AGAINST TERRORISM¹⁸¹

- Designates Cabinet Oversight Committee on Internal Security as the lead anti-terrorism body
- Seeks to undertake consolidate intelligence projects
- Calls on the Armed Forces of the Philippines (AFP) and the Philippine National Police (PNP) to address terrorist violence
- Holds accountable all public and private organizations abetting terrorism
- Seeks regional consensus and cooperation especially with Indonesia and Malaysia in the war against terrorism
- Anticipates legal issues and concerns
- Pursues Christian-Muslim dialogue and seeks to promote ecumenism
- Calls for greater vigilance and concrete measures against all possible terrorist supplies, materials, and finances
- Mobilizes disaster coordination efforts in the event of catastrophic attack
- Secures critical infrastructure
- Protects overseas workers and seeks their immediate transfer if needed
- Seeks the integration of the global terrorist threat in the AFP/PNP modernization program
- Asks for media responsibility
- Seeks to address the socioeconomic and political roots of perceived fanaticism and irrational violence

¹⁸¹ Rommel C. Banlaoi. *The War on Terrorism in Southeast Asia*. Quezon City: Strategic and Integrative Studies Center, 2003, p. 48-49

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APPENDIX C: USAID ASSISTANCE PROGRAMS FOR THE PHILIPPINES¹⁸²



USAID Assistance for the Philippines

USAID assists Philippine partners in five areas:

- A. Economic reform and governance
- B. Conflict resolution in Mindanao
- C. Family planning, maternal and child health, HIV/AIDS and infectious diseases
- D. Environmental governance and energy
- E. Access to quality education

USAID/Philippines also responds to humanitarian emergencies such as natural disasters.

A. ECONOMIC REFORM AND GOVERNANCE

1. Purpose

Promote investment, job-creation, and poverty reduction by addressing corruption, weak rule of law, fiscal and financial deficiencies, and anti-competitive barriers.

2. Institutions, policies and practices made transparent and accountable.

USAID assists Philippine institutions that undertake programs to improve efficiency, transparency and accountability.

- Strengthened banking supervisory capability to address money laundering

¹⁸² USAID Assistance for the Philippines. 30 March 2004. (http://www.usaid-ph.gov/assistance_usaid.htm accessed June 2004).

- Strengthened management at the Bureau of Internal Revenue
- More transparent and efficient government procurement
- Strengthened enforcement of commercial law through the Department of Justice and the courts
- Modernization of import valuation and post-entry audit at the Bureau of Customs
- More transparency in the stock market and other non-bank financial sectors through strengthened oversight by the Philippine Securities and Exchange Commission.

3. Competitive Barriers to Development of Infrastructure and Trade Removed

Philippine leaders have used USAID's assistance in successful efforts to create innovative structures for investment in infrastructure, making government regulations more transparent, and allowing fuller participation in international trade and investment.

- Science-based biotechnology guidelines
- More competitive rate structures for consumer and business telephone service
- More energetic protection of intellectual property rights, including plant variety protection
- Expanded roll-on, roll-off facilities for inter-island shipping
- New mechanisms to finance private road maintenance
- Entry of more Philippine carriers into regional air routes

B. MINDANAO

The purpose of this program is to help consolidate peace in Mindanao and expand economic opportunity for all its people.

- **Reintegration of Former Combatants:** Through its Livelihood Enhancement and Peace (LEAP) Program (and LEAP's predecessor programs), USAID has assisted, or is assisting, some 23,000 former MNLF combatants to become commercial level producers of corn, rice, or seaweed. We anticipate assisting at least 4,000 additional former combatants through LEAP. USAID could implement a similar package for the MILF, upon signing of an MILF-GRP peace agreement.
- **Economic Opportunities:** Through its Growth with Equity in Mindanao (GEM) Program, USAID is carrying out a wide range of activities aimed at accelerating economic growth on Mindanao and ensuring that as many of Mindanao's 20 million people as possible benefit from that growth. GEM facilitates transactions linking producers and markets in Mindanao with foreign and domestic investors, markets, and technology; supports crop enhancement programs, development of business support organizations, small to medium scale infrastructure and policy reforms to improve the business and investment climate; supports conflict resolution mechanisms; and improves governance and education in the Autonomous Region of Muslim Mindanao.
- **Microfinance:** USAID is working with large numbers of Rural Banks and credit cooperatives in Mindanao to assist those institutions develop the capability to profitably serve the microenterprise market.

C. HEALTH AND FAMILY PLANNING

The purpose of this program is to achieve desired family size, improve maternal and child health, and prevent the rapid increase of HIV/AIDS and other infectious diseases.

- **Strengthening LGU Health Services:** GOP health facilities provide contraceptives and counseling to 70% of the family planning users in the country. USAID assistance improves the quality and reach of services provided by local health facilities. Working with the DOH and local governments, USAID supports the Matching Grants Program and

the Sentrong Sigla Movement to improve client access to quality family planning services at the rural health units and the barangay health stations nationwide. USAID is also carrying out an infectious disease program to control the incidence of TB and combating the growing complacency regarding the threat of HIV/AIDS by supporting the monitoring of HIV/AIDS cases and education efforts to groups at highest risk of contracting the disease.

- **Improving Private Sector Provision of Health Services:** The role of the private sector in the delivery of family planning services has remained virtually untapped. USAID is helping expand private sector participation in family planning promotion and service delivery, as well as in tuberculosis diagnosis and treatment. USAID supports the FriendlyCare Foundation and the Well-Family Midwife Network of clinics providing affordable quality primary health care and family planning services to the working poor.
- **Increasing Social Acceptance of Family Planning:** A strong health care service delivery program, including family planning, requires a strong enabling environment. USAID is taking the lead in mainstreaming family planning as a social norm and increasing community acceptance that will lead to greater access to and better acceptance of family planning and maternal and child health services.
- **Improving Financing, Policy and Contraceptive Self-reliance:** Towards a sustainable supply of contraceptives, USAID works with the DOH, the private sector and other donors to determine the best strategy to ensure contraceptive security, improve service provision and assure sustainable financing for information, services and products to facilitate delivery of family planning, maternal and child health services, TB and HIV/AIDS services in the Philippines. This effort is critical given data from the 2000 census, which reported that the annual population growth rate has increased from 2.32 percent in 1995 to 2.36 percent in

2000 (3.86 percent in ARMM), resulting in a 2003 population estimate of 81 million.

D. ENVIRONMENT AND ENERGY

1. Purpose

Productive, Life Sustaining, Natural Resources Protected.

2. Environmental Governance

USAID is strengthening the ability of national and local government units and communities to address critical threats to the country's forests and coastal resources, including over-fishing and use of destructive fishing practices, illegal logging and conversion of natural forests, and solid waste management. USAID is promoting good governance – transparency and accountability – in enforcing environmental laws. Special emphasis is being placed on assisting Muslim communities in Mindanao.

- **Improved Environmental Policies:** Key national and local organizations will be supported in their efforts to identify, analyze and improve priority policies.
- **Institution Building:** LGUs and communities receive training and follow-on technical assistance in improving the management of coastal and water resources, forests and solid waste. Training is being conducted for the judicial and legal sectors, to equip them to better enforce environmental laws. USAID also supports training on the management of hazardous wastes and technologies to reduce industrial pollution.
- **Environmental Advocacy:** Informational activities will be supported to help inform the public on key policy issues, and to build the political will to improve environmental management and enforcement.
- **Energy and Environment:** USAID is supporting an open, competitive market for generating and distributing electricity, expanding the use of renewable energy and natural gas, and reducing vehicle emissions, by improving policies, strengthening regulatory capabilities, promoting

private sector participation, and building public support for new initiatives.

- Restructuring and privatization: To improve efficiency in the power sector and increase energy security, USAID supports restructuring to encourage competition in power generation and distribution, privatization of government-owned transmission and generation assets, and the expanded use of cleaner indigenous fuels like natural gas.
- Vehicle emissions: USAID is encouraging the active participation of important stakeholders in the design and implementation of a nationwide vehicle safety inspection and emissions testing system.
- Renewable energy: USAID is building the capability of the private sector to electrify rural areas with renewable energy and to encourage local communities to participate in planning and carrying out activities to help ensure the sustainability of renewable energy investments.
- Communication strategy: USAID is helping our partners and civil society strengthen their ability to advocate for improved policies dealing with restructuring the power sector, reducing vehicle emissions and promoting renewable energy.

E. QUALITY EDUCATION

The purpose of this program is to increase access to quality education and livelihood skills in selected areas. USAID will focus on four areas: increasing community-based learning opportunities (especially in school-less conflict-affected areas); promoting the reintegration of out-of-school youth into the peaceful, productive economy; improving teaching capacity in Math, Science, and English; and reforming education policy.

APPENDIX D: BACKGROUND ON INDIGENOUS INSURGENT/TERRORIST ORGANIZATIONS IN THE PHILIPPINES

A. MORO ISLAMIC LIBERATION FRONT (MILF)¹⁸³

1. Date of Founding

The MILF was originally formed in 1977 when Hashim Salamat, supported by ethnic Maguindanaos and Muslims from Mindanao, split from the secular Moro National Liberation Front (MNLF), led by Nur Misuari. However, MILF structure and policy direction were not specifically defined until 1984, which is the official date of founding usually given.

2. Status

Malaysian-brokered ceasefire agreement signed in July 2003, although sporadic insurgent activity in the southern Philippines continues to be ascribed to the MILF.

3. Political/Commercial/Charity Front Organizations

The Bangsamoro People's Consultative Assembly is not a front organization for the MILF, but it does share many of the same members and is seen as a political forum for the organization.

There has been considerable scrutiny of the links between the MILF and several Islamic charities. In particular, the international Islamic Relief Organization (IRO) stands accused of providing funds for the acquisition of arms for MILF. Mohammed Jamal Khalifa set up many branches of this charity organization and allegedly opened bank accounts in Hong Kong and other East Asian countries to facilitate the transfer of money to the MILF. The Afghan-based Al-Wafa Humanitarian Organization is under investigation on similar charges.

4. Political/Religious Affiliation

On the political front, the MILF has pushed a program of reformist Islamism based on a parallel government structure of popular committees and

¹⁸³ Paul Burton. "Moro Islamic Liberation Front." Jane's World Insurgency and Terrorism Online. 8 January 2004. (http://80-www4.janes.com.libproxy.nps.navy.mil/subscribe/jtic/doc_view_events.jsp?K2DocKey=/content1/janesdata/binder/jwit/jwit0277.htm@current&Prod_Name=JWIT&QueryText=&group=Moro+Islamic+Liberation+Front+%28MILF%29 accessed May 2004).

functional organizations for youth, ulema (clergy) and women that has won much support.

The religious ideology of the MILF, and the sense of community amongst the group's members, is so strong that members claim to consider themselves as Muslims first and Filipinos second.

Some sources refer to the MILF as “Bangsamoro”; this is a generic name for the 13 ethnolinguistic Muslim tribes in the Philippines.

5. Pre-MILF Background (1946-1977)

The Philippines was granted full independence in 1946, a year after the United States drove the Japanese from the islands. There was a strong objection by the Moro people to the inclusion of Mindanao and the islands of the southwest, as they believed that they had been separately governed for many years previously. Nevertheless, these concerns were swept aside and the new Philippine administration encouraged the resettlement of Christians in the Morolands in an attempt to quell Moro calls for independence.

However, the secessionist sentiment was not pacified. The MNLF was formed in the late 1960s by a small group of students and intellectuals, but grew rapidly after the eruption of violence in Cotabato between 1969 and 1971 and the declaration of martial law by President Ferdinand Marcos. The MNLF became the largest grouping of armed separatists and fought a bloody war with the Philippine military, ending in a stalemate in the mid-1970s.

Under the auspices of the Organization of Islamic Conference (OIC), the Philippine government conducted negotiations with the insurgents, reaching a settlement known as the “Tripoli Agreement” in December 1976. According to this agreement, both sides would stop fighting and an autonomous Muslim region in the southern Philippines would be established consisting of 14 provinces. This Agreement was never fully honored by the Marcos regime, and the Mindanao Christian population strongly opposed the settlement, especially its endorsement of a legal Islamic framework. Fighting broke out once more at the end of 1977, although it was not as intense as witnessed before the Agreement.

6. MILF Formed (1977)

At this time, the Muslim separatist movement began to fragment. Hashim Salamat broke away from the MNLF in 1977 over a leadership dispute and ideological differences with Nur Misuari, the Chairman of the MNLF. Salamat established the MILF in 1977. Factionalism coupled with general war weariness weakened the MNLF, who agreed to another ceasefire when Marcos was ousted from power.

MILF activity, which was primarily aimed at the Filipino security services, continued at a relatively low level throughout the 1980s. Following a 1989 plebiscite, an Autonomous Region in Muslim Mindanao (ARMM) was established, based in Cotabato, consisting of the four provinces of Tawi-Tawi, Sulu, Maguindanao and Lanao del Sur. In 2001 it was expanded to include the island of Basilan and Marawai City in central Mindanao. Many of the ex-MNLF leaders joined the political institutions of this body. Nevertheless, the MILF rejected this institution, believing it to be riddled with corruption and unable to promote complete Muslim independence.

7. MILF Activity (1990s)

Between 1991 and 1994, the MILF was responsible for a number of attacks against Christian communities, army patrols and government representatives. Arson and bomb attacks were perpetuated against churches and murders took place in remote Christian villages. In April 1995, in what was probably the worst atrocity in recent times, a group of guerrillas from the MILF and other groups raided the town of Ipil and massacred over 50 people. Several dozen others were taken hostage and then killed. In another serious bout of violence two years later, 14 people were killed in a cinema in Iligan, in Mindanao. More people were killed in 2000, when the MILF slaughtered 13 Christian plantation workers and injured 14 others who were traveling on a bus. Ceasefire violations escalate (2000): Several attempts at a ceasefire with the MILF have been made by the Arroyo administration since 2000. As MILF military and political confidence grew against the backdrop of early 2000's first ceasefire attempt, there began a dangerous game of military brinkmanship. The MILF

sought Manila's recognition of its camps and a joint boundary delineation, ostensibly to prevent military friction. However, as increasingly frustrated Armed Forces of the Philippines (AFP) commanders realized, recognition implied a legitimization of no-go areas in which the MILF was free to train, organize and build up its forces. As both the AFP and the Bangsamoro Islamic Armed Forces (BIAF) probed and feinted, ceasefire violations increased with each side blaming the other.

When the storm finally broke in April 2000, it clearly caught the MILF off balance. In a four-month campaign of mid-2000 backed by sustained air and artillery bombardments, AFP forces overran most of the MILF's 46 camps and occupied the major ones. The high point was the July 2000 capture of Camp Abu Bakr: an event celebrated by the then President Joseph Estrada and his troops with beer and roast pork near the ruins of the camp's main mosque - an insult that will not soon be forgotten in the Muslim south.

At the time, the humbling of the MILF boosted both AFP morale and Estrada's public image in the Christian north. In retrospect, however, the results of the campaign are more difficult to gauge. The AFP unquestionably humiliated the MILF and disproved its claims to have moved beyond its "guerrilla stage" to the point of achieving a conventional capability to defend its camps. "On the strategic level, we were able to show them they're in no position to win", said then AFP spokesman Brigadier General Edilberto Adan.

Nevertheless, the "war of the camps" was a drain on the AFP's budget. At its conclusion, it tied down large numbers of troops in static-area denial duties around the six major camps to prevent MILF re-infiltration. As well as draining development budgets and damaging communal relations, the war also displaced some 600,000 people, mostly Muslims.

Although humiliated, the BIAF did not suffer particularly heavy losses. By their own count around 100 guerrillas were killed, while independent analysts estimate the losses to have been about 300. As one senior AFP commander said

in February 2002: "We killed a few hundred; they recruited a few hundred. Net change: zero."

8. AFP and Eid-ul-Adha Attack (February 2003)

By early 2003, hardliners in the defense establishment had seized the initiative in Mindanao. Stating their intention to go after criminal elements, notably members of the Pentagon Gang, allegedly sheltered by the MILF, the AFP launched an attack on an MILF stronghold in Pikit, North Cotabato, on 11 February. The bombing of the village of Buliok came as members of the MILF, led by Chairman Salamat Hashim, and residents of Buliok and nearby villages were gathered in prayer marking Eid-ul-Adha, a Muslim holy day celebrating the end of the Hajj.

President Arroyo ordered a halt to the attack soon after it began, but it took days before the offensive was stopped, raising questions as to the cause of the delay. The attack outraged the MILF and other Muslims. Subsequently, fighting escalated with the military accusing the MILF of being behind a pair of bombings in Mindanao's largest city, the overwhelmingly Christian Davao City, and attacks on civilian targets in other Christian communities in Mindanao. There were also warnings that the MILF would extend its war with a bombing campaign in Manila. The MILF denies charges of targeting civilians. MILF spokesman Kabula described the MILF posture in early May 2003 as "active self defense."

The AFP took a similar posture into May 2003 when it shifted to one of "punitive action." According to AFP Vice Chief of Staff Rodolfo Garcia, the military would actively pursue MILF units accused of crimes against civilian populations. Following the Davao bombings, the government also posted arrest warrants and bounties for the top leaders of the MILF, including Chairman Hashim and spokesman Kabula.

New ceasefire provides fresh hope (July 2003): With the signing of a new Malaysian-brokered ceasefire agreement in July 2003, the government began preparing for the resumption of negotiations with the MILF in late 2003. Exploratory talks were held in October, after which both sides were awaiting word

from Kuala Lumpur as to the date for the resumption of formal negotiations. Talks had broken off in May 2003 after three months of fighting between government and MILF forces - the most serious outbreak of violence in years. Allegations of ceasefire violations by the MILF and a February AFP offensive against criminal elements that resulted in an attack on a Muslim community led to the renewal of hostilities. The violence that followed included bombings and attacks on civilian targets that the government attributed to the MILF.

Diplomatic intervention from Malaysia and the fact that the military had demonstrated its capacity to take on the MILF eventually brought about the renewal of the ceasefire. Malaysia will also be part of a ceasefire monitoring team that will go to Mindanao for an assessment of the situation there. Bahrain and Libya have also volunteered to send representatives to the monitoring team.

The gap between the beginning of the ceasefire and the resumption of talks was partly due to the death of MILF founder and chairman Salamat Hashim in July 2003.

9. MILF Aims/Objectives

Though nominally committed to an independent Islamic state, the MILF has confirmed a willingness to reach a settlement based on greater autonomy for Mindanao, with the promise that it would continue to pursue its goal of secession through peaceful and legal political means. Despite their reputation, MILF leaders typically follow a brand of Islam that is more moderate than that of the Islamic fundamentalists of the Middle East. They refuse publicly to criticize the US and remain officially committed to peace negotiations.

Although many MILF leaders have deeply held religious beliefs, they recognize that many of the gripes of their supporters and followers have to do with the extreme poverty of Muslim Mindanao and the underdevelopment of its economic and social structures.

10. Government Aims/Objectives

Despite periods of intense combat, the government's preference for a long-term solution to the Muslim issue in the south is not in doubt. It would like to

expand on the 1996 settlement with the MNLF and persuade the MILF, which is an offshoot of the MNLF, to co-operate with the regional administration, the ARMM.

While the establishment of the ARMM effectively co-opted the MNLF, the MILF has consistently rejected the ARMM as a vehicle for addressing grassroots Muslim grievances. These complaints include widespread poverty, poor education, limited government services, and underdevelopment of the regional economy. The regional administration, based in Cotabato, is overstaffed and riddled with corruption. It enjoys virtually no fiscal autonomy from Manila, while in effect adding one more layer of bureaucracy, inefficiency and graft between Manila and local communities.

11. Leadership

Salamat Hashim founded the MILF in 1977 and was the movement's Chairman until his natural death in July 2003. Born in Maguindano, Salamat studied in Egypt and participated in the student activism erupting in Cairo in the 1960s. He returned to the Philippines to play an active role in the Moro revolutionary movement.

Hashim's long-time deputy Al Haj Murad Ebrahim assumed leadership of the organization. Ebrahim has been involved in the peace process for many years and appears to be committed to moving ahead with negotiations. While stating the MILF's continuing commitment to negotiating a settlement, Ebrahim took advantage of the ceasefire to consolidate his leadership of the organization.

Eid Kabalu is the MILF's spokesman and Muhammad Ameen acts as the group's secretary.

12. Command Structure

The MILF is run and managed by MILF civil affairs officials, supported by MILF troops who protect the organization from the encroachment of the Philippine government.

The executive branch of MILF was headed by Salamat Hashim from the group's formation in 1977 until his death in July 2003. This body determines the

direction of MILF policy and is upheld and supported by regional and municipal committees.

The Supreme Islamic court heads the judiciary branch of the MILF and handles criminal and civil cases.

A legislative branch, the Majlis al-Shura, was founded in 1991 to provide an intermediary between the executive and judiciary branches of MILF. Its primary role is to initiate new legislation and resolutions.

The group's military wing, the BIAF, is organized along conventional guerrilla/military lines, with a tiered structure of regular, guerrilla and local units. There are six territorial divisions based on Mindanao, which comprise of between six and eight brigades. A Special Operations Group (SOG) runs separately from these brigades and is tasked with high-risk operations, including kidnap and sabotage.

The MILF executive command has lost some of its cohesion in recent years. The Central Committee is increasingly unable to fully control all of the group's activities on the ground and individual cadres are believed to have organized their own initiatives independently of the central command. This helps to explain how MILF activity continues regardless of the ceasefire agreement. There is also a tradition of loyalty to regional chiefs, which makes it more difficult for the leadership to retain overall control of all factions of the group.

13. Membership and Support

By May 2003, AFP intelligence estimates put MILF strength at 11,000 to 12,000 combatants with slightly over 9,000 firearms. Western intelligence estimates have generally put BIAF strength higher, at some 15,000 men with over 11,000 firearms. MILF claims of having six divisions of roughly 20,000 members, two-thirds armed, are generally considered far too high.

14. Insurgent Alliances/Linkages

It is likely that the MILF has used its foreign connections to support its own goals. The MILF leadership has shown itself to be quite capable and focused on its particular territorial imperatives. It understands the importance of presenting a

public face that is not anti-Christian nor anti-progress, thus it avoids the extremist pronouncements of Islamic fundamentalists. Its social base is also broader than those of militant Islamists in the Arab world and South and Central Asia. The Philippine Muslim community while poor is relatively progressive with many of its leaders schooled in liberal Philippine universities. While some analysts describe the MILF as a fundamentalist group, a definition that identifies it ideologically with Al-Qaeda and similar organizations, it is probably more accurate to describe it as “reformist” and thus ideologically distinct from the international organizations it maintains some links with.

While conceding the Front has hosted foreign Islamic proselytizers, MILF leaders have consistently disavowed links to Al-Qaeda or other terrorist groups. They have also denied having allowed foreign militants to use MILF facilities and have gone on record condemning the attacks of 11 September 2001.

The MILF has also been careful to avoid criticism of the United States, the principle enemy of Al-Qaeda and similar international terrorist groups. Officially, the MILF has remained quiet about US involvement in combating the Abu Sayyaf Group (ASG), an organization it publicly denounces, and it kept its vow to avoid sympathy attacks connected to the US-led invasion of Iraq. The MILF has also courted the US development agency, USAID.

In the interests of safeguarding peace talks, the administration in Manila has played down the accusations and given the MILF the benefit of the doubt, usually pointing to a lack of real proof or the presence of factions within the MILF unrepresentative of its leadership. Even amidst the intensifying conflict of early 2003, leaders of the Armed Forces of the Philippines were cautious to say links between the MILF and international terrorist organizations could not be confirmed.

Reports suggest that the MILF has also had direct contact with Al-Qaeda operatives, although whether these contacts amount to sustained links let alone operational co-operation is unclear. One intelligence report points to a June 2000

visit to the Maluku region of Indonesia by Al-Qaeda leaders Ayman al-Zawahiri and Mohammed Atef.

During a visit apparently intended to explore the possibility of expanding Al-Qaeda's presence in Southeast Asia, the two are reported to have met members of various jihadi groups including unnamed members of the MILF.

MILF connections to both the Middle East and the Pakistan-Afghanistan region are long-standing. Its former chairman Selamat Hashim, a widely respected Islamic scholar, studied both in Saudi Arabia and later at Cairo's Al-Azhar University where he was influenced by the writing of the leading theorists of the Islamic state, the Egyptian Sayyid Qutb and the Pakistani Abul A'ala Maududi. Following the 1977 split with the mainstream and secular MNLF, the leadership of Hashim's New MNLF (to become the MILF in 1984) based itself in Pakistan where it was inevitably influenced by the military and ideological currents of the Afghan jihad.

According to MILF sources, several hundred MILF cadre were trained during the 1980s in Afghan guerrilla camps in Pakistan - run by both the Ittihad-i-Islami (Islamic Union) of Abdul Rasul Sayyaf (another Al-Azhar alumnus), and Gulbuddin Hekmatyar's Hizb-i-Islami. Some went on to gain hands-on military experience in the hills around the southwestern Afghan town of Khost. While the Filipino Moro mujahideen would almost inevitably have met and possibly trained and fought with Arab fighters operating under Osama bin Laden's umbrella, there is no evidence to indicate that at that time MILF cadres established any organizational connections with Al-Qaeda or trained in its camps.

However, given the international network of terrorism that has existed for a number of years it is likely that members of the MILF have trained with Al-Qaeda forces, but this does not necessarily equate to the two groups operating in tandem. Rather, it can be viewed within the context of a "brotherhood of terrorism" as seen with the involvement of the Irish Republican Army with the FARC in Columbia.

From around 1995 until the present, the MILF has returned the favor to foreign fighters in its own camps in the spirit of jihadi solidarity. The numbers that passed through MILF camps in these years remains a source of debate among analysts but several hundred appear to have benefited from the Front's hospitality. They either joined MILF cadres for well-organized training courses at its "academy" in camp Abu Bakr; or operated with MILF units in the field; or both.

In October 1997, the issue of foreigners operating with the MILF came briefly and dramatically to the fore when two foreigners armed with grenade launchers and M-16 assault rifles staged a bizarre suicide attack on the headquarters of the AFP's 6th Division at Camp Siongco outside Cotabato City - not far from Abu Bakr. After killing three Filipino soldiers and wounding 10 civilians, both were shot dead.

While foreign guest-militants evidently included some Pakistanis, Arabs and possibly Afghans, it seems probable that Indonesians, virtually indistinguishable from Mindanaons, formed the bulk of the intake. When in July 2000, AFP troops overran Camp Abu Bakr, Indonesian passports were found amid a large quantity of documents. Some of the Indonesian intake included trainees from Aceh. Two Acehnese were said to have been killed in the intense fighting outside Camp Abu Bakr in May or June 2000.

MILF and Indonesian movements: Other guest-militants appear to have been affiliated with an organization called the Indonesian Islamic Liberation Front (IILF). To judge from its name, the group seeks to model itself on the MILF; or serve more narrowly as an Indonesian wing of the MILF.

There is also strong reason to assume that IILF or other Indonesians sympathetic to the MILF organized the 1 August 2000 car-bombing that narrowly missed killing Manila's ambassador, Leonides Caday, in Jakarta. That attack, which killed two and wounded 21, came shortly after AFP forces overran Camp Abu Bakr, the MILF's political and spiritual capital. Far less easy to gauge is whether MILF elements might have specifically ordered the attack (Front

spokesmen denied any involvement); or whether it was the work of independent Indonesian sympathizers conducted as a token of jihadi solidarity.

The extent to which the MILF and its Indonesian associates have interfaced with the Jemaah Islamiyya (JI), the regional Al-Qaeda affiliate, is another area open to debate. Mounting evidence suggests that the links between the various groups are well established. It would be entirely logical for a Southeast Asian affiliate of Al-Qaeda seeking to promote insurgency and subversion in the region to look to the MILF as well-placed to provide secure training bases.

At the very least, the MILF itself has been linked to JI through the person of Fathur Rahman al-Ghozi, the young Indonesian explosives expert arrested on 15 January 2002 in Manila's mainly Muslim suburb of Quiapo. Al-Ghozi - an associate of the JI's main operations officer Isamuddin Riduan, better known as Hambali - has admitted visiting MILF camps for various periods between 1996 and 2000 to instruct trainees in the use of explosives. He has also admitted to financing the December 2000 bomb attacks in Manila, operating with Yunus Mukhlis, a MILF special operations cadre. Al-Ghozi later rashly rang the police from his own mobile phone to claim the attacks were in revenge for the campaign on the MILF camps. In 2003, al-Ghozi was killed in an encounter with government forces after escaping from prison. He was linked to operatives from the ASG at the time.

Within the Philippines, the MILF influences or controls several Non Government Organizations (NGOs) and has friendly relations with several elected officials within its zone of operation, including areas now controlled by the AFP and the government. The military has accused it of protecting other armed groups in Mindanao, including the Pentagon Gang. The nature of relations between the MILF and the Communist Party of the Philippines – New People's Army (CPP-NPA) are a matter of some debate. No one questions the fact that the two rebel organizations have some links. The office of the president has charged that the CPP-NPA is training young members of the MILF; however, in

May 2003, AFP Vice Chief of Staff Lieutenant General Rodolfo Garcia said connections between the two were limited to safe passage agreements, allowing units of either group passage through the other's areas of operation.

15. Rival Groups

The MILF has faced several rival groups during its campaign for independence. The group was traditionally an opponent of the MNLF, although both organizations have recently signed a unity agreement. Clashes have also occurred with the NPA and ASG, although there are reports that claim some degree of co-operation with the MILF. The group's main rivals are Christian self defense organizations.

16. Methods of Funding

Members of the MILF have several different sources of funding. Internally, the group raises money from “revolutionary taxes”, involving kidnap and extortion rings. Voluntary contributions are believed to account for a substantial sum, especially when the annual harvest is plentiful and rural workers can contribute more to their cause. A significant amount of money is sourced externally, from “sympathizers” in Europe and Australia sent through legal channels to support social, religious and educational programs.

According to MILF claims, nearly \$200,000 was pledged to the group following Ramadan in 2001. A large part of this money is believed to have been wired from the United Arab Emirates via a bank in New York.

17. Area of Operation

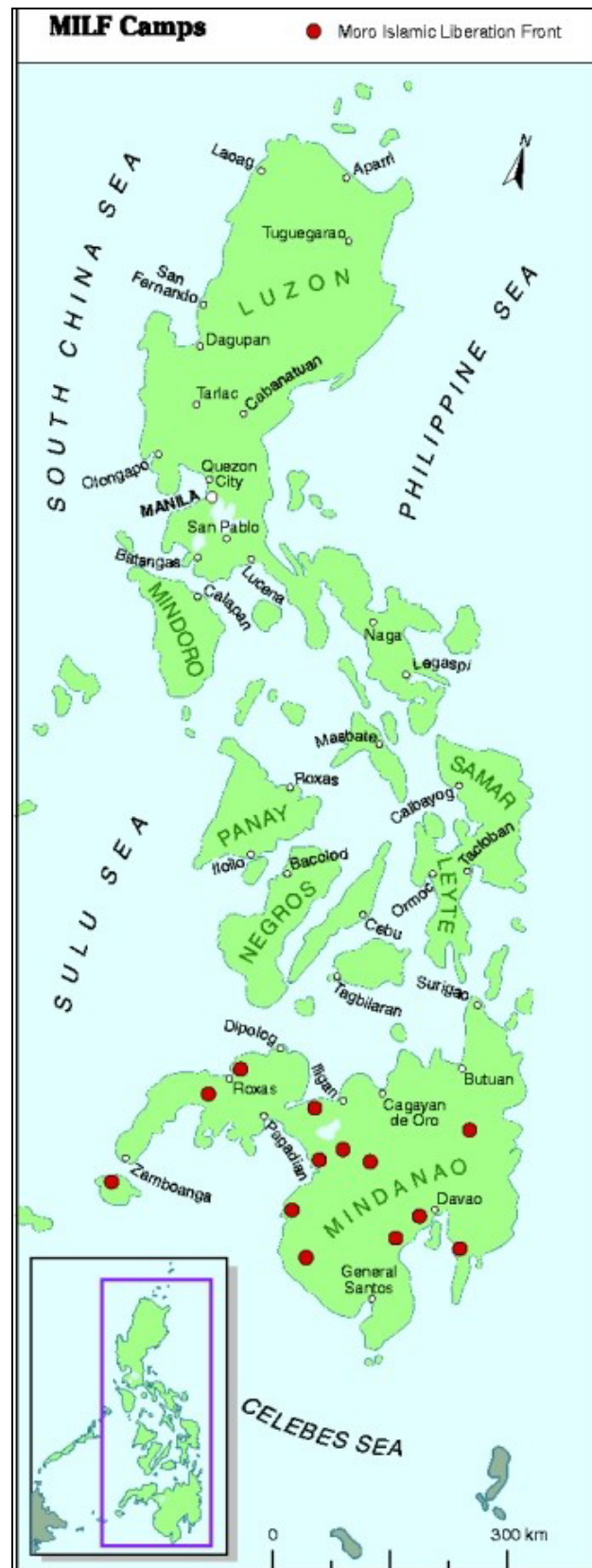
The MILF's camps, 46 of which have existed across Mindanao at various times, were not solely military facilities but were extensive guerrilla base areas with civilian populations that became test-tubes for the MILF experiment in Islamic governance under sharia law (see Figure 6).

Of the six main bases, the largest and most important was Abu Bakr on the borders of Maguindanao and Lanao del Sur. There, to pursue the Maoist analogy, the Front developed its own Yen-an, a political, and even spiritual, capital where it ran village communities with schools, religious seminaries and Islamic courts. A military academy also trained BIAF officers and recruits as well

as hosting a range of visitors and jihadi fighters from the Middle East and Southeast Asia.

The MILF's forces are largely deployed in Central Mindanao with smaller formations found in other parts of the region. The MILF admits to being weak in Tawi Tawi and Sulu. The bulk of the MILF's forces are found in the following provinces: Lanao del Norte, Lanao del Sur, Maguindanao, and North Cotabato.

Figure 6. Map of MILF camps in the southern Philippines



18. Tactics/Methodology

The MILF have carried out several kidnapping campaigns in order to bring political and media attention to their cause and to boost funding. Wealthy citizens and businesses in Manila have been known to pay out several million dollars for the return of hostages. Before August 2001's ceasefire agreement, MILF guerrilla forces regularly bombed military and civilian targets.

The MILF has shifted its strategy, reverting from its overly ambitious pretensions to a regular capability to highly mobile guerrilla operations. At one level, the reorganization reduced the MILF's offensive punch. While before the "war of the camps" in mid-2000, the MILF could concentrate forces of up to two battalions (around 1,000 troops), its offensive potential has subsequently dropped to company and platoon-sized operations. On the other hand, the AFP's task of keeping track of the BIAF guerrilla force and its leadership is now a far tougher proposition.

By the end of 2000, it was clear that open-ended guerrilla conflict suited neither side. After a conflict that had disrupted its command and control and logistics infrastructure and expended large quantities of scarce ammunition, the BIAF needed a breathing space to reorganize and re-equip - a program which it has been pursuing. For its part, the AFP faced shrinking budgets and severely overstretched manpower as the irritant of the ASG on Basilan became a major international embarrassment.

19. Training

The MILF military headquarters were located at Camp Abubakar, on the borders of Maguindanao and Lanao del Sur, which is where most military training was carried out in the past. However, following the capture of this and many of MILF's 46 subsidiary camps in August 2000 by the Philippine government, training grounds are thought to have moved into the jungle.

There is also evidence that talented members have been sent abroad. Reports of the numbers of Filipinos trained in Afghanistan are thought to be

generally exaggerated by the authorities, but since the mid-1980s a number of MILF members have attended military and religious training courses in Afghanistan and Pakistan.

Members of MILF have admitted to recruiting young children to their training camps, some as young as 10 years old. Many of these are sent to madrassahs before undergoing military training. Recruits are given a monthly salary.

20. Foreign Bases/Supply Lines

The MILF has obtained arms and equipment from both domestic and overseas sources. In addition to equipment stolen or captured in combat from Philippine military and police units, MILF has exploited its Islamic links to acquire weapons from the Middle East, possibly from Libya, Iran, Lebanon and Sudan. There have also been reports that the group may have benefited from consignments of arms from China, initially destined for Cambodia but which have been sold on through Thailand. Vietnam and Malaysia have also been accused in the past of assisting the group with weapons donations.

IILF cadres are believed by some regional intelligence sources to have assisted in trans-shipment of munitions to the MILF through Indonesia.

21. Weaponry/Arsenal

Precise details of the MILF arsenal are unknown. However it is known to have a variety of modern small arms and machine guns, rocket launchers and other anti-tank weapons, and mortars. There are unconfirmed reports the MILF also has surface-to-air missiles. Much of its weaponry was acquired from Philippine police and military forces in battle, stolen from security units or acquired through sympathizers.

The MILF obtains its weapons from both foreign and domestic sources. Locally, much of the MILF's arsenal is thought to have been taken from Philippine police and the military in battle, donated by sympathizers or stolen. Many weapons have also been stolen from the rapidly expanding security service.

22. Communications

Although the groups are a rural-based guerrilla organization, they have an in-depth website, from which they aim to attract support. Many guerrillas also carry mobile telephones and have used text messaging as a way of communicating between battalions. They also communicate through encrypted e-mail, short wave radios and couriers.

23. Level of Threat

A final resolution of the Mindanao conflict will require constitutional change granting considerably more autonomy than the unitary state has room for. In addition to fiscal autonomy, there must be a greater role for Islamic law in predominantly Muslim areas. There will also be need to craft an agreement that is acceptable to the multitude of political interests in the Muslim south; this means addressing the concerns of the MILF, while not alienating the MNLF, mainstream Muslim politicians, religious leaders and others. Some political reformers believe reconstituting Philippine government along federal lines could create the framework for a more fully realized autonomy.

Joint exercises between the Philippine (AFP) and US militaries on Basilan and the “war against terrorism” have done little to improve the peace process climate. While it has avoided criticizing the US deployment, the MILF has attempted to capitalize on the presence of several hundred of its fighters on Basilan by asking the government to co-ordinate military operations. It has asked the AFP to inform it in advance of operations in its areas of influence to avoid accidental clashes that might involve US forces operating with AFP units. The AFP has dismissed the proposal as another MILF attempt to legitimize claims to territorial control.

Indeed, hardliners in the military have taken pleasure in playing up the MILF's alleged infractions both on Basilan and beyond. These allegedly include attempts to reinfiltrate former camps; the stepping up of attacks on civilian and military targets in southwestern Mindanao; the provision of shelter to ASG elements on Basilan; a linking up with pro-Misuari MNLF renegades; the harboring of KFR gangs, notably the so-called Pentagon Gang, as a “dirty tricks

arm” to drum up financial support; and consorting with international terrorist groups.

The ground situation in Mindanao is complicated by fluid factional loyalties, local alliances and banditry by ostensibly politically-motivated armed groups. Equally, MILF links to foreign jihadi groups are difficult to overlook. However, there is little doubt that hard-line elements in Manila sought with some success to orchestrate a campaign to whip up anti-MILF hysteria.

It may be that the propaganda assault against the MILF was merely aimed at pushing the Front onto the back foot and gaining advantage at the next round of talks. However, it may be that hawks in the military intend to push the MILF to the wall, triggering a new round of hostilities to be portrayed as an extension of the international war on terror. What is clear is that any hopes the Arroyo administration might have entertained for a Mindanao settlement followed by mini-Marshall plans and rapid economic development can be put on hold for the foreseeable future.

Table 2. History/Overview of the MILF Campaign

1977	Rift within the MNLF saw an Islamist wing led by Selamat Hashim break away from the Front's secular mainstream led by Nur Misuari.
1984	MILF formed. Influenced by Maoist revolutionary theory, the MILF adopted a four-point strategy involving Islamization; self-reliance; political organization; and a military build-up. Gradually, the Front extended its reach beyond an ethnically Maranao and Maguindanaon heartland in south central Mindanao to influence much of the island.
1996	MILF benefited politically and militarily from the peace deal signed between the MNLF and Manila in September 1996 that saw MNLF Chairman Nur Misuari take office as governor of the four province ARMM. The MILF rejected offers to come in from the jungle and continued to champion the cause of an independent “Bangsamoro” homeland, drawing strength from Misuari's increasingly troubled experiment in government.
1997	MILF and Manila signed an accord for the cessation of hostilities. This paved the way for several rounds of peace talks held between 1997 and

	2000 as the Manila administration of President Fidel Ramos attempted to replicate with the MILF the settlement reached with the MNLF. However, the talks, which were held without foreign mediation, remained mired in technical issues relating to ceasefire monitoring and, critically, the status of MILF camps.
2000	May. MILF-government talks broke down and violence swiftly escalated.
	July. Philippine army undertook a major assault upon the MILF military headquarters at Camp Abu Bakr, capturing the camp. However, most guerrillas had evacuated the camp before its seizure; therefore the MILF retains considerable military forces.
	In August its senior leader fled abroad and the organization undertook a series of bombings in Manila.
	The MILF's military headquarters, Camp Abubakar, and most of its subsidiary training camps, were captured by Philippine army forces.
2001	January. New Philippine President Gloria Macapagal Arroyo followed through on feelers she had already extended to Malaysian Prime Minister Mahathir Mohammed to elicit Kuala Lumpur's support for a new peace offensive.
	In February Arroyo declared a unilateral suspension of hostilities, holding out the hope of a "mini-Marshall Plan" of economic rescue for the Muslim South.
	March. An exploratory round of talks between Manila's pointman for the peace process, Eduardo Ermita, and MILF vice-chairman for military affairs, Al Haj Murad Ibrahim, secretly held in Kuala Lumpur, resulting in a framework agreement.
	August. In the Libyan capital, Tripoli, agreement was reached on a three-point agenda for renewed negotiations involving security, rehabilitation and development, and at MILF insistence, the issue of the Bangsamoro "ancestral domains".
	October. Five-man peace panels from both sides met again in Kuala Lumpur.

2002	March. Frontpage articles in the Manila press cited military intelligence reports revealing that Selamat Hashim had slipped back to Mindanao from foreign exile to direct MILF attacks on government forces.
	Arroyo announced that formal panel-to-panel negotiations with the MILF would be temporarily downgraded to “back-channel contacts”.
2003	AFP launched an attack on an MILF stronghold in Pikit, North Cotabato, on 11 February. The bombing of the village of Buliok came as members of the MILF, led by Chairman Salamat Hashim, and residents of Buliok and nearby villages were gathered in prayer marking Eid-ul-Adha, a Muslim holy day celebrating the end of the Hajj. Three months of hostilities ensued.
	Two bombs in the southern Philippines city of Davao - one in March and another in April - left over 40 people dead and many others injured. MILF were immediately blamed, but President Arroyo indicated that regional extremist movements JI were the likely culprits.
	Salamat Hashim died of natural causes in July 2003. Hashim's long-time deputy Al Haj Murad Ebrahim assumed leadership of the organization.
	Malaysian-brokered ceasefire agreement signed in July 2003. Exploratory talks were held in October, after which both sides were awaiting word from Kuala Lumpur as to the date for the resumption of formal negotiations.

B. ABU SAYYAF GROUP (ASG)¹⁸⁴

1. Group

The group was originally known as the Mujahideen Commando Freedom Fighters, then Al Harakat-ul Al Islamiyya and finally as Abu Sayyaf Group (ASG).

2. Date of Founding

MCFF was founded in the mid 1980s. The date for the founding of ASG is usually given as the late 1980s.

3. Status

Active, although its capacity to undertake significant action has been substantially reduced by a series of US/AFP military and political actions since 11 September 2001.

4. Political/Religious affiliation

Ostensibly radical Sunni Muslim, although it became clear that the group's religious agenda was essentially a cover for its criminal activities.

5. Background

ASG split from the MNLF in the early 1990s under the leadership of Ustadz Abdurajak Janjalani. Janjalani continued to maintain control over ASG until he was killed in a clash with Philippine police on 18 December 1998. His younger brother, Qadaffi Janjalani, replaced him as nominal leader of the group.

ASG's first recorded action was the 1991 attack on a military checkpoint in Sumagadang near Isabela. Wahab, the ASG leader who commanded the attack fled to Malaysia only to return a few years later to campaign for governor. After the 1991 action, wider bomb attacks followed in 1992. These attacks targeted locations in Zamboanga and Davao and resulted in an increasing public awareness of ASG.

The group demonstrated its propensity to undertake kidnap-for-ransom missions throughout the early 1990s, although it was not until 1993's kidnap of

¹⁸⁴ Paul Burton. "Abu Sayyaf Group." Jane's World Insurgency and Terrorism Online. 8 January 2004. (http://80-www4.janes.com.libproxy.nps.navy.mil/subscribe/jtic/doc_view_events.jsp?K2DocKey=/content1/janesdata/binder/jwit/jwit0093.htm@current&Prod_Name=JWIT&QueryText=&group=Abu+Sayyaf+Group+%28ASG%29 accessed May 2004).

US language scholar Charles Walton that the ASG came to international prominence.

Activity against foreigners escalated in 2000. In July, the group kidnapped three French journalists who were released after ransoms were paid. Buoyed by their success, the ASG abducted 21 persons from a resort on Pandanan Island. With Libya mediating, several million dollars were paid for their release. In August the ASG kidnapped and accused Jeffrey Schilling, a US citizen who had met with a senior guerrilla leader, of being a member of the CIA and demanded \$2 million for his release. Schilling was rescued in April 2001.

ASG continued its trend of kidnappings in 2001 with the May abduction of 17 tourists. Among those taken were three Americans. When government security forces attempted to pursue the kidnappers, the ASG seized 200 more hostages from a nearby church and hospital.

AFP pressure helped to resolve the three-year long hostage crisis. All the hostages captured by the ASG during their highly profitable kidnap campaigns between 2000 and 2002 have escaped, slipping away from their captors during military pursuit operations.

US/AFP counter ASG: In January 2002 approximately 1,200 US troops arrived in the Philippines to support government action against the ASG. A large number of these were US Special Forces personnel who were sent to train Philippine forces.

By July 2002 many of the special forces units who had been engaged in the training of Philippine forces departed. However, several hundred support personnel remained on Basilan to carry out infrastructure projects and medical assistance. Following this training, the Philippine government promised an all-out effort to destroy ASG forces.

Supported by the US-AFP joint training exercise Baliktan 02-1, AFP operations of 2002 had undeniable impact. Insurgent numbers estimated in mid-2001 at between 800 and 850, had been cut back by late 2002 to around 450;

and one prominent leader, Abu Sabaya, had been killed. On Basilan island, a stronghold where the group had been founded, AFP units supported by US Special Operations Forces instructors drove scores of ASG gunmen into hiding or to flight.

A build up of forces in August 2002 saw the AFP's Task Force Comet - based on the Philippine Army's (PA) 104th Brigade and the Philippine Marine Corps (PMC) 3rd Brigade and responsible for Sulu and Tawi-tawi provinces - reinforced to 11 battalions or over 5,000 troops including Army, Marine, and Scout Ranger special forces units. Operation "Endgame", intended finally to break the back of the ASG on the island, was launched in early September.

Despite heavy clashes in the weeks that followed, the endgame remains elusive. Furthermore, the pressure of operations elsewhere has seen Task Force Comet reduced to six battalions - three infantry battalions organic to the PA 104th Brigade, and the three battalions of the PMC 3rd Brigade. A lower tempo of operations in 2003 involved sweeps and raids targeted on suspected insurgent hideouts and camps (although ASG units are now reluctant to build even semi-permanent camps.)

This sustained pressure in Jolo's western hinterland - in particular the districts of Patikul, Talipao, Indanan and Maibung - served to disrupt the ASG's planning, training and kidnap-for-ransom activities.

6. Aims/Objectives

Initially, the ASG appeared to fight for the establishment of an independent Islamic republic in Mindanao, on surrounding Islands and in the Sulu Archipelago. This veneer of Islamo-separatist ideology was gradually replaced by movement's degeneration into a brutal criminal enterprise preoccupied largely with the local kidnap-for-ransom industry.

7. Leadership

Khaddafi Abubakr Janjalani, aka Abu Mokhtar (ASG amir): Younger brother of Abdurajak Janjalani, original founder of the ASG, Khaddafi became amir of the ASG after his brother's death in a December 1998 shoot-out with

police on Basilan. Having earlier attended school in Zamboanga, he undertook religious training in Marawi City, Mindanao. He is generally considered to lack his brother's leadership qualities, and takes decisions in consultation with other ASG leaders. His current whereabouts are uncertain, but having left Jolo in April 2003 he could be on the Zamboanga Peninsula. Reports that he landed in early July 2003 near Palimbang in Sultan Kudarat province, southern Mindanao, with a group of 30 fighters have not been confirmed.

Isnlon Toton Hapilon, aka Abu Musab (Basilan): Effectively the ASG's second-in-command, Hapilon is the eldest of four brothers who joined the group. (Sahinon Hapilon was shot dead by police at a Zamboanga bus terminal in May 2002; Bakkal Hapilon, wounded in March 2002, and Isah Hapilon still operate with their elder brother.) In April 2003, Isnlon was reported to have left Jolo with Janjalani for Pilas Island, and later the Zamboanga peninsula. He is believed to be either still on the peninsula or to have slipped back to Basilan.

Hamsiraji Marusi Sali, aka Jose Ramirez (Basilan): Hamsiraji is the leader of a Basilan group and given to frequent, if erratic, telephone interviews with the local media. In January 2002, "Hamsi" was quoted as welcoming US military civic aid projects on Basilan; in early March 2003 he was quick to claim responsibility for the Davao airport bombing that killed 22 people (a claim dismissed both by the authorities and the MILF). In June 2003 his group was reported by military intelligence to be planning to kidnap teachers from remote villages on Basilan.

Jainal Antel Sali, aka Abu Solaiman, "the Engineer" (Basilan): From a wealthy family and well educated, Abu Solaiman originally trained as an engineer but later fought in MNLF ranks and was wounded several times. He has served in intelligence functions in the ASG and was the main contact for the western hostages seized from Dos Palmas resort in May 2001 during the early months of their captivity.

Radulan Sahiron, aka Kumander Putol (Sulu): One of the older generation of ASG leaders, the one-armed ASG "Chief-of-Staff" is now in his 50s and effectively paramount leader in Sulu (although he does not carry a US bounty). A

former MNLF commander, he joined the ASG in the mid-1990s when its founder, Abdurajak Janjalani, sought sanctuary with him on Jolo during AFP operations on Basilan. As of September 2003 he was based in Jolo's Patikul municipality with a group of 250 men.

Galib Andang, aka Kumander Robot (Sulu): Nicknamed "Robot" because of his stiff gait, former MNLF commander Andang joined the ASG at the same time as Sahiron. He rose to international notoriety with the Sipadan hostage drama that began in April 2000. He was based in the Indanan-Talipao region of Jolo until his capture in December 2003.

Umbra Jumdail, aka Dr Abu Pula (Sulu): One of the lesser-known ASG leaders, Dr. Abu operated in the same area as Andang, although is said to be more political.

In addition to the December 2003 capture of Andang, there have been a number of other high profile raids against the ASG's upper echelons. On 17 June 2002 Aldam Tilao, better known as Abu Sabaya, a former naval cadet who rose to international notoriety with the Dos Palmas kidnappings, was killed in a clash at sea off the northern coast of the Zamboanga Peninsula. Sabaya had been tracked by a transponder hidden by US intelligence officials in a rucksack earlier delivered to him by an informant. The highest profile success of 2002 was the capture of Abdul Mukhim Edris, the ASG's chief explosives expert, who was arrested in Manila in November 2002. On 14 July 2003 Edris escaped from his cell at Philippine National Police (PNP) Headquarters at Camp Crame, Manila, along with one of JI's leading bombers, Fathur Rahman al-Ghozi, and another ASG convict, Omar Opik Lasal. Edris was recaptured in Lanao del Norte province Mindanao on 7 August 2003 but shot dead several hours later while reportedly attempting to wrest a rifle from his army captors. On 18 February 2003 Mujib Susukan, effectively the ASG's third-ranking Sulu commander, was mortally wounded in a firefight in Patikul, Jolo. On 24 June 2003 an ASG logistics officer, Samir Hakim, was arrested in Manila by a joint PNP-military intelligence team. Hakim, who had been working as a security guard in the city,

had joined the ASG at its inception. He had been involved in the Dos Palmas resort hostage seizure of May 2001 and was allegedly tasked with buying weapons on the Manila black market for shipment to Mindanao.

8. Command Structure

Guerrillas operate in small units under a single commander. The ASG depends largely on the personal powers of leadership of its top five or six commanders. Neutralising these men would dramatically reduce the group's morale and coherence. Despite the attrition of mid-level operatives, however, decapitating the leadership has proved a slow business, complicated by the hydra-headed nature of the ASG's loosely co-ordinated commands.

The secretary general is responsible for co-ordinating all military and operational activities. Since the death of Ustadz Abdurajack Janjalani in 1998, Khaddafi and Abu Sabaya have taken over command of the Basilan group, which is the most important of the ASG's forces. Since the recent events in Basilan, it is thought that remnants of the group have reorganised on the archipelago of Sulu.

The Sulu area is commanded by Abu Jumdail (Dr Abu), Galib Andang and Mujid Susukan. The group has become increasingly factionalized; the Basilan group was greatly influenced by Ustadz and is viewed as more religiously motivated. The Sulu group has been criticized by the Basilan faction for concentrating on criminal activity at the expense of strategic goals.

9. Membership and Support

Insurgent numbers estimated in mid-2001 at between 800 and 850, had been cut back by late 2002 to around 450; and one prominent leader, Abu Sabaya, had been killed. As of 2003 only 70 to 80 guerrillas in several bands were active on Basilan - a dramatic drop from 460 in mid-2001. On the nearby Zamboanga Peninsula of the Mindanao mainland, a further 50 to 70 fighters continue to attack both military and civilian targets. The most significant concentration of ASG forces is on Jolo, the largest island of Sulu Province. AFP sources estimate a hardcore of 250 to 350 armed ASG insurgents divided into two main commands remains in the field there.

Notwithstanding its terrorist and criminal pursuits, the ASG continues to enjoy a support and recruitment base. This pool is undoubtedly far smaller than in the movement's halcyon growth days in the mid-1990s, nevertheless a narrow support base remains a factor in the movement's stubborn survival. For many Muslims in Sulu and Basilan this translates simply into an unwillingness to co-operate with Christian security forces.

In the absence of viable economic pursuits, and with the MNLF for all military purposes defunct, the ASG holds out the lure of money and adventure cloaked in the thin religious legitimacy of jihad. One AFP general summed up the root-causes of ASG support on Jolo in three words: "religion, thrills and joblessness."

10. Insurgent Alliances/Linkages

The ASG occasionally provides cover for international extremist movements, most obviously the JI and the wider Al-Qaeda network. Early ASG ties to Al-Qaeda associated personalities hinged largely around Ramzi Yousef, who was jailed for life for planning the first attack on the World Trade Center in 1993, and Osama bin Laden's brother-in-law and Philippine pointman Jamal Khalifa. By the mid-late 1990s these had atrophied as the ASG veered into criminality and MILF training facilities in south-central Mindanao proved far more attractive for Al-Qaeda and its regional allies.

Since 2000, links between the ASG and foreign Islamist radicals have evidently been revived. Following his November 2002 capture Edris asserted to interrogators that in late 2001 he and others had been given "special explosives training" on Basilan by two Yemenis. The course had included the construction of cellular-phone detonated car bombs. Edris described the pair, who had arrived on Basilan in August 2001, as "VIPs from Al-Qaeda".

As recently as early 2003, according to the accounts of freed hostages, two Indonesian instructors were providing the ASG with training courses in guerrilla tactics and explosives at mobile sites on Jolo. Former hostage Roland

Ullah noted the Indonesians told him they were JI operatives and had themselves originally trained in Saudi Arabia.

Alliances of convenience that the ASG has established with other insurgent and criminal factions in the region have undoubtedly facilitated its strategic reach. On Jolo this has primarily involved the Misuari Renegade Group (MRG) of the MNLF. Some 300 well-armed MRG fighters are based on the island, mostly in the Indanan area, and on the basis of clan and family ties, relations with the ASG groups are cordial.

The ASG has also had ongoing contacts with the MILF's so-called "4th Division", which fields some 800 to 1,000 guerrillas on Basilan (its 402nd Brigade) and a larger number on the Zamboanga Peninsula (401st Brigade). In early 2002 the MILF leadership vigorously denied AFP accusations that its commanders on Basilan were giving sanctuary to ASG kidnappers holding hostages from the Dos Palmas resort. However, the subsequent account of US hostage Gracia Burnham left no doubt that from July 2001 captors and hostages were given shelter at a MILF camp for several weeks.

In March 2003, MILF guerrillas participated in an ASG attack on an army post outside Lamitan town, according to AFP reports. And on 4 May 2003 another ASG group was involved in the major MILF assault on the town of Siocon on the northern coast of the Zamboanga Peninsula. As the ASG comes under increasing military pressure, efforts to tighten these tactical arrangements can be expected to grow.

11. Methods of Funding

The ASG is suspected to have received funding from Libya, in the form of 12 million pesos, during the 1990s. The ASG is also suspected to have been funded by Mohammed Jammal Khalifa who is married to one of Osama Bin Laden's sisters. It is thought that Bin Laden funded the Abu Sayyaf through a foundation set up by Khalifa. Al-Qaeda is also suspected of having provided arms and training to ASG. Malaysia may also be source of support to ASG. A

prominent Malaysian, Sainran Karno, helped to negotiate the release of hostages taken by ASG in 2000.

ASG revenue from ransom of hostages is thought to be very substantial. According to some Philippine sources, ASG earned US\$20 million from ransoms in 2000. The group also extorts money from businesses and individuals and has some marijuana growing interests. "Revolutionary taxes" are another source of revenue and ASG is thought to derive 5,000 to 10,000 pesos per month from businesses in the form of protection money and as much as 4,000 pesos per month from individuals.

12. Area of Operations

Following US/AFP operations against the ASG, the movement's centre of gravity moved southwards from its central base on Basilan to Sulu province. As of late 2003 only 70 to 80 guerrillas in several bands were active on Basilan - a dramatic drop from 460 in mid-2001. On the nearby Zamboanga Peninsula of the Mindanao mainland, a further 50 to 70 fighters continue to attack both military and civilian targets.

The greatest concentration of ASG forces is now on Jolo, the largest island of Sulu Province. AFP sources estimate a hardcore of 250 to 350 armed ASG insurgents divided into two main commands remains in the field there.

With a surface area of just 883 km², Jolo is significantly smaller than Basilan (1,379 km²), but in terms of counterinsurgency operations it poses challenges which are if anything more daunting. Thickly jungled and relatively rugged, Jolo is home to a population that is over 95 per cent Muslim, in contrast to Basilan where roughly 69 per cent of the 338,000 population is Muslim and the rest Christian.

13. Tactics/Methodology

The ASG has conducted mass kidnappings, demanding large ransoms of several million dollars for foreigners taken hostage. It has also engaged in guerrilla activities against Filipino army units and some urban terror tactics

including bombings. The group aims to tie down a large percentage of the Filipino armed forces but are also known to attack economic targets.

As the Sipadan and Dos Palmas hostage seizures demonstrated, mobility at sea gives small ASG bands strategic reach. At least during the hours of darkness the guerrillas still enjoy virtually complete freedom of the seas, moving on fast motorized outriggers (bancas) that outrun anything the ill-equipped Philippine Navy can put to sea. For reasons of clan loyalty and territorial control, most leaders prefer to stay on their home patches, but under pressure they can range widely between Tawi-tawi, Sulu, Basilan and the Zamboanga peninsula.

14. Weapons/Arsenal

Lightly armed with rifles (often M-16s with attached M-203 grenade launchers) and machine guns, ASG units on Basilan and Jolo are intimately familiar with terrain, almost constantly on the move and capable of covering distances at impressive speed.

Those groups on Jolo with access to 57 mm and 90 mm recoilless rifles now no longer carry them, in the interests of increasing tactical mobility. ASG groups generally avoid contact with the security forces, but once a contact has begun they react fiercely.

15. Communications

ASG members use the dialect Tausung for communication within the group. Although some members have been trained in Afghanistan to use sophisticated communications equipment, the group relies less and less on satellite telephones as they can be monitored by intelligence services. Guerrillas use radios when operating in the jungle.

16. Level of Threat

Today the ASG is essentially on the back foot: its coffers have been substantially reduced since its high-income days and its forces severely cut back. Nevertheless it retains a real capacity to rebound, not only to stage further hostage seizures but also to tighten existing links with the MRG and MILF splinter groups.

Ultimately the group's capacity for survival stems from the region's festering socio-economic malaise and the political and religious alienation it has bred. That suggests that even with additional US training and material aid, the AFP faces a long fight that will continue to divert manpower and resources from the strategically more pressing challenges posed by the communist NPA and MILF to the north.

Table 3. History/Overview of ASG Campaign

1991	Abu Sayyaf attacked a military checkpoint in Sumagadang.
1992	ASG member Edwin Angeles abducted a businesswoman in Davao and hid her at a residence in Basilan. She was released after paying ransom.
1993	April. A bus company owner and his five year old grandson were kidnapped by ASG. The grandfather was released but the child was held. ASG demanded that Catholic symbols be removed from all Muslim communities and that a ban be imposed on all foreign fishing vessels in the Sulu and Basilan seas.
	November. Abu Sayyaf kidnapped an American from his home on Pangutaran island and held him for just over three weeks; the government denied paying a ransom but admitted to offering food and other supplies.
1994	January. Ramzi Ahmed Yousef visited the Philippines and is believed to have made contact with Abu Sayyaf to discuss plans for an assassination attempt on the Pope, who was due to visit the islands.
	December. Yousef assisted Abu Sayyaf in a bomb attack on a Philippines Airlines flight to Tokyo, during which one person was killed. Abu Sayyaf was also responsible for a bomb attack on a church in Davao City, during a Christmas service, in which six people were killed and 130 were wounded.
1995	April. The group joined forces with guerrillas from the MILF and the Islamic Command Council to ambush the town of Ipil, Mindanao. During the attack 54 people were killed and a dozen Christian villagers taken hostage, then subsequently massacred.

1996	December. There were heavy clashes between Abu Sayyaf and the army in Carmen, North Cotabato, and Zamboanga de Norte.
1997	February. The group was accused of complicity in the murder of a Roman Catholic bishop and a bystander in Jolo.
	Armed clashes between Abu Sayyaf and the security forces were reported on the island of Basilan.
1998	August. Following the US embassy bombings in Kenya and Tanzania, Abu Sayyaf warned that it would increase its campaign of violence, potentially to include foreigners as targets.
	September. A note found on board an aircraft bound for Kuwait indicated that the US embassy in Manila would be bombed. A unit of 10 Abu Sayyaf guerrillas was identified in Manila by Philippines intelligence.
2000	The ASG seized and held 21 people as hostages from the Malaysian coastal resort of Sipadan. Most were foreign tourists and the group demanded the release of several prisoners in the US including Ramzi Yousef. Libya mediated an end to the crisis and several million dollars was paid to the group from European private individuals. In a later incident the same ASG cell seized three Malaysians from a Borneo resort and took them to Sulu.
	August. The ASG kidnapped and accused Jeffrey Schilling, a US citizen who met with a senior guerrilla leader, of being a member of the CIA and demanded US\$2 million for his release.
2001	April. Jeffery Schilling was rescued. Mr. Schilling, a US citizen who had met with a senior guerilla leader, was kidnapped and accused by the ASG in August 2000, of being a member of the CIA and \$2 million was demanded for his release.
	May. The ASG kidnapped 17 tourists, including three Americans and three resort workers from the Dos Palmas beach resort on Palawan island, Philippines. When the government attempted to pursue the kidnappers, the ASG seized 200 more hostages from a hospital and church in Lamitan.
2002	January. 1,200 US troops are sent to the Philippines to support

	Government action against Islamic militants.
	June. A group of US-trained Philippine troops stormed an Abu Sayyaf jungle camp in an effort to rescue two Americans and a Filipino nurse being held hostage. During the rescue attempt, the nurse and one of the Americans were killed but the third hostage - US missionary Gracia Burnham - escaped with only minor injuries.
	June. Aldam Tilao, better known as Abu Sabaya, was killed in a clash at sea off the northern coast of the Zamboanga Peninsula.
	August. Six hostages were taken captive by ASG gunmen. Soon after, two of the hostages were executed by beheading.
	November. Abdul Mukhim Edris, the ASG's chief explosives expert, was captured.
	December. Under the pressure of government forces, a number of ASG members are reported to have fled the Philippines by means of fast watercraft. These persons are thought to have found refuge in Malaysia. Soldiers in the region were put on alert to be on the lookout for displaced ASG members.
2003	January. Merang Abante who was reported to be a member of the ASG leadership was captured by the Philippine security forces in the south Philippines. Soon after, Maid Sampang, an ASG member wanted for the killing of eight fishermen, was also captured.
	January. An additional 200 US soldiers were sent to support the operation of government forces against terrorist organizations.
	February. Mujib Susukan, effectively the ASG's third-ranking Sulu commander, was mortally wounded in a firefight in Patikul, Jolo.
	June. ASG logistics officer, Samir Hakim, was arrested in Manila by a joint PNP-military intelligence team.
	July. Edris escaped from his cell at PNP Headquarters at Camp Crame, Manila, along with one of JI's leading bombers, Fathur Rahman al-Ghozi, and another ASG convict, Omar Opik Lasal. Edris was recaptured in Lanao del Norte province Mindanao on 7 August but shot dead several

	hours later while reportedly attempting to wrest a rifle from his army captors.
	December. Galib Andang, aka Kumander Robot, captured.

C. COMMUNIST PARTY OF THE PHILIPPINES (CPP)/NEW PEOPLE'S ARMY (NPA)¹⁸⁵

1. Date of Founding

1969

2. Status

Active

3. Political/Commercial/Charity Front Organizations

The NPA is the military wing of the CPP. The National Democratic Front is dominated by the CPP and is the opposition body used for the conduct of negotiations with the government.

4. Political/Religious Affiliation

The party is communist and initially followed Maoism; although it continues to adhere to the principles of protracted guerrilla warfare through peasant insurgency, there have been disputes between the leaders over doctrine.

5. Background

The origins of the NPA are to be found in the anti-Japanese resistance movement. In 1942 the Philippines Communist Party (PKP) established the People's Anti-Japanese Resistance Army, known as the Huks. Chinese instructors established a training camp in central Luzon. In fact the Huks saw relatively little action against the Japanese until late 1944. Once the islands had been liberated the PKP used the heightened sense of nationalism amongst its supporters, and the established network of resistance, to continue their insurgency. The communist leader Luis Taruc (who was later arrested by

¹⁸⁵ Rob Fanny. "New People's Army." Jane's World Insurgency and Terrorism Online. 16 May 2003. (http://80-www4.janes.com.libproxy.nps.navy.mil/subscribe/jtic/doc_view_events.jsp?K2DocKey=/content1/janesdata/binder/jwit/jwit0091.htm@current&Prod_Name=JWIT&QueryText=&group=New+People%27s+Army+%28NPA%29 accessed May 2004).

General MacArthur) declared war on the Quirino regime, and changed the name of the resistance movement to the People's Liberation Army, although the rebels were still known as the Huks. In the years just after the war they established control in a substantial amount of rural territory and the provincial towns in Luzon. Improved counter-insurgency techniques by the security services reduced the effectiveness of the Huks by 1953, by which time they were seen as a spent force. Defense Minister (and later president) Ramon Magsaysay promoted a 'hearts and minds' policy in rural areas, encouraged guerrillas to surrender, undertook land reform schemes and protected peasants rights.

In 1967-68 the PKP split reflecting Sino-Soviet tensions. Students attached to the PKP argued over doctrine during the mid-1960s provoking a rift. The Soviet faction was unable to recover from the arrest of its leader Faustino del Mundo, and diminished. The Maoist faction became the Communist Party of the Philippines (CPP) and established an armed wing in 1969, the New People's Army (NPA). The rebels concentrated their activities on central Luzon around Tarlac, and then Isabella in the northeast. The NPA numbered more than 2,000 insurgents by 1971 under the command of Bernabe Buscayno, a veteran resistance leader, and Victor Corpus, an army officer who defected to the NPA, after seizing the military academy's arsenal in Manila in 1970 and stealing weapons. As well as concentrating on protracted rural insurgency, communist sympathizers in Manila organized violent strikes against the government. The guerrillas were supplied with weapons by China, who also trained recruits - people and weapons were smuggled on board fishing vessels through Digoyo Bay, northeast Luzon.

President Ferdinand Marcos imposed martial law in 1972, and rounded up thousands of opponents including communist leaders, imposed curfews, suspended parliament and controlled the media. What followed was a mixture of repression and promises of reform which encouraged some local NPA commanders to declare for Marcos. The security forces also concentrated on tracking and apprehending communist leaders including Bernabe Buscayno, Victor Corpus and Jose Maria Sison. Defecting rebels were rewarded with grants

of land, and with the loss of Chinese support, the NPA appeared defeated by 1977. Remaining leaders allied themselves with Muslim rebels in the south fighting with the MNLF. The NPA was able to seized much of the island of Samar in 1979. In the 1980s the group again concentrated on protracted rural insurgency, targeting groups of villages and persuading them through propaganda and threats of violence, to become rebel controlled areas.

As the corruption and repression of the Marcos dictatorship continued, many non-communist Filipinos came to view the ever expanding ranks of the NPA as the only viable force for overthrowing the president. In the mid-1980s the group was believed to have some 25,000 insurgents, but many were not communists. Once Marcos was overthrown in 1986 following a bungled attempt at rigging elections, Corazon Aquino, widow of Benigno Aquino, became president, and the ranks of the NPA began to diminish. It numbered 18,000 guerrillas by 1992 and fell to around 1,000 cadres in by the end of 1998.

Aquino's successor, President Fidel Ramos, legitimized the CPP, pardoned most of its leaders and allowed it to challenge for political office in the country. The government also began a peace process with the group. But in 1999 the government re-established a military training relationship with the United States and the NPA once again resumed armed activities, whilst the CPP broke off negotiations. Anti-US sentiment, continued economic difficulties, the disastrous presidency of Joseph Estrada and the failure of land reform combined to once again see the NPA's membership swell to an estimated 10,000 to 11,000 guerrillas. The group ambushed and killed 17 Filipino soldiers in August 2000 on Negros Island.

Nonetheless the government persisted with peace efforts, which President Gloria Macapagal-Arroyo resumed in April 2001, after the fall of the Estrada presidency. She cautioned the US against further inflaming rebel sentiment by openly targeting them in the post 11 September War on Terrorism. A Christmas 2001 ceasefire was agreed and talks resumed in 2002, but the negotiating team led by Jose Maria Sison is seen as more conciliatory than guerrilla leaders on the

ground who have forced repeated delays in developing negotiations. The naming of the NPA as a proscribed terrorist group by both the US and Europe has done little to ease tensions, but the presence of US military instructors - supposedly assisting in the training of Filipino forces hunting down Islamists from Abu Sayyaf - has embittered relations between the NPA and Manila.

6. Aims/Objectives

Broadly the NPA aims to establish a communist regime in the Philippines. But doctrine and the application of practical policies have been highly divisive within the organization and many local commanders have criticized Jose Maria Sison for his alleged excessive emphasis on doctrinal matters. In 1994 the NPA's Central Committee abolished all party members and units from open legal movement except those in Metro Manila. This restricted the ability of groups within the NPA from uniting with other groups and addressing specific issues where practical reforms could be agreed. The Central Committee also rebuked so called progressives within the party and re-emphasized "socialist perspective" rather than an "anti-imperialist and anti-fascist" stance as the foundation for unity within the CPP umbrella. The group claims to be structured on "democratic centralism to prevent bureaucracy and ultra democracy."

7. Leadership

Jose Maria Sison is the chairperson of the CPP and leader of the NPA. He served for several years in prison under during Ferdinand Marcos' presidency but was released by President Aquino in 1986 as part of an amnesty. He went into self imposed exile in 1987 taking up residence in Utrecht, the Netherlands, along with the CPP's National Democratic Front director Luis Jalandoni.

8. Command Structure

Until the early 1980s the group was renowned for its tight, disciplined command structure which was highly centralized. Two factors have eroded this: doctrinal differences between leaders, and the distance between those on the ground, who are seen as hardliners, and those in exile or the CPP leadership who are more conciliatory in the peace process. Breakaway factions have emerged, further compromising the command structure and it is estimated that

there are at least 33 companies just in Mindanao, each operating under the name of the NPA but with a very high degree of autonomy. The forces based in Luzon are traditionally more dominant particularly over doctrine and strategy. Central command in Luzon issues orders to units under the leadership of a local commander. The guerrillas work in small units and it is unusual for the NPA to risk committing more than 100 guerrillas to an action or offensive.

9. Membership and Support

Estimates of the group's strength in 2002 puts membership at around 10,000 to 11,000 guerrillas, of whom at least one fifth are under 18 years old.

10. Insurgent Alliances/Linkages

The NPA has collaborated with the MNLF on Mindanao before that group signed a peace agreement with the government. The decline of communist groups elsewhere in the world has diminished fraternal ties with like minded organizations in Europe, although the Communist parties of China and Vietnam remain allies.

11. Rival Groups

The NPA has been targeted by private militias funded by wealthy landowners anxious to protect their land wealth and avoid being victims of kidnap. The group's ideology also makes it opposed to the religious based factions in the southern Philippines - both the Islamist groups (the MILF and ASG) and the Christian militias which counter them. There is also much faction fighting within the NPA and its offshoots.

12. Methods of Funding

The group has two main means of finance: donations given by supporters in the Philippines and from remittances of overseas workers; and criminal activities. The latter includes extortion rackets which raise revolutionary taxes from businesses, kidnap for ransom outfits, smuggling and robbery. From the Netherlands, the group is also believed to use charitable donations by leftist, non-government organizations to fund the group's activities.

13. Area of Operations

The group's present area of operations are concentrated in the heartland of their traditional support: the impoverished and remote mountainous areas of central and southern Luzon and the Visayas islands and parts of Mindanao.

14. Organization

Jose Maria Sison heads the central committee which supposedly directs all CPP and NPA business from exile in the Netherlands. Inevitably, commanders on the ground will invariably act with autonomy and much of the criminal activity associated with the group is the responsibility of units acting under the NPA name. In the Philippines there is a clandestine executive committee which liaises with the CPP and National Democratic Front.

CPP is an umbrella organization for labor, student, urban and peasant organizations. Its youth arm is the Patriotic Youth. The CPP is highly factionalized and riven with internal dissent and breakaway factions. In 1998, a new bloc was created under the provisional leadership of Nicolas Magdangal and others expelled from the party during the previous year. The two main groups within the CPP are the "reaffirmists" loyal to Jose Maria Sison and the "rejectionists" who have criticized his leadership or policies.

The NPA's urban terrorist wing, the Manila Rizal Committee, was established initially in the early 1970s and then again later in the decade, despite much opposition from the party old guard who viewed the concept of urban terrorism as ideologically unsound. This group broke away from the main NPA during the early 1980s to form the Alex Boncayao Brigade.

15. Tactics/Methodology

The group's tactics are based on Maoist theories of guerrilla warfare. In the early 1970s and again a decade later, the NPA targeted clusters of villages in remote areas in central Luzon and Tarlac and persuaded them through various means to support the group. This allowed them to gain ground whilst avoiding challenges with the military which would be costly in manpower. By the government's own admission the NPA concentrated on providing community programs which accounts for the revival of its support.

It has also conducted campaigns of urban terrorism establishing small cells (sparrow squads) trained in assassination and bomb making. The targets of these squads have included government officials and members of the security services, as well as US military personnel and assets.

The NPA's critics claim that the group is also guilty of internal purges in which several thousand people have been killed for "counter revolutionary crimes".

16. Training

Little is known about the group's training. In the past cadres were dispatched to China, and it has been suspected that some may have gone to Vietnam, to undergo military and political instruction. The group is believed to train guerrillas within the Philippines now, concentrating on political theory, weapons use, protracted rural guerrilla warfare and community liaison work. The acceptance of child soldiers into its ranks has been criticized and raised speculation that discipline and training have been compromised.

17. Foreign Bases/Supply Lines

The group has been predominantly self sufficient. It does not have bases overseas and has relied on local support networks for food and supplies. In the early 1970s guerrillas were trained in China and weapons were smuggled in, but Beijing stopped overtly supporting the group by the mid-1970s. The Filipino government has accused Vietnam of supplying the NPA with weapons, although Vietnam denies this.

18. Weaponry/Arsenal

The group has stocks of small arms - including Chinese made AK-47s and M-16 rifles - mortars, landmines. The organization lost a large proportion of its arsenal when defectors left the NPA in the Marcos era.

The NPA is believed to purchase weapons on the blackmarket from Thailand, and is suspected of having received arms shipments from Vietnam in the past. There have also been questions raised over the possibility that the NPA received Chinese made weapons via Cambodia. The group also steals weapons from police and army patrols.

19. Communications

Jose Maria Sison issues orders and directives to his followers in the Philippines using the name Armando Liwanag, which are published in Ang Bayan. Copies are available in the Philippines. The group uses several allied or sympathetic outlets on the internet and print press including the Maoist International Movement and the Revolutionary Workers Online.

Within rebel strongholds, communications between units are conducted by couriers - often women or children - and the guerrillas have radios. Some better funded units have cell and satellite phones.

20. Level of Threat

The NPA does not pose a threat to the position of the government. However the group has a considerable number of guerrillas who are under instruction to strike at government and US targets. The peace process has been laborious and yielded no permanent settlement yet; even if it does, doubts have been raised over the extent to which NPA guerrillas in the country will abide by a deal struck between the government and the CPP Central Committee. Poverty, anti-US sentiment and corruption in the capital ensure a ready supply of troops to the ranks of the NPA.

Table 4. History/Overview of CPP/NPA Campaign

1969	The CPP founded a guerrilla wing in March.
1970s	The NPA pursued a low-intensity, rural insurgency campaign. The group concentrated on Tarlac, central Luzon, then establishing a presence in Isabela province in the northeast of the island. The CPP also raised its profile in Manila and other urban centers during the 1970s by organizing protests and strikes. Radical students increasingly identified with the guerrillas.
1974	The NPA killed three US Naval officers near Subic Bay.
1975	Extensive divisions within the organization led to a number of purges; improved counter-insurgency operations by the military and police also meant that some senior military leaders including Benjamin Sanguyo,

	Bernabe Buscayno and Victor Corpus, had been captured or surrendered by 1976.
1979	The NPA launched a very successful collaborative effort with the MNLF, gaining control of some 85 per cent of Samar island.
1987-1993	The NPA was responsible for killing 10 US military personnel and civilians; it attacked US businesses which refused to comply with demands for money. In October 1987, the NPA murdered three US Air Force servicemen and a local bystander near Clark air base.
1992	Three factions within the party broke away from the central authority of the CPP, following what was described as a "witch hunt" within the party for doctrinal deviancy.
1995	July. The NPA warned that if petrol prices increased oil companies would be considered "legitimate targets" for attacks including kidnap and assassination (Royal Dutch/Shell Group, Caltex, Petron and the Philippines National Oil companies were so threatened).
	September. The exiled leadership was challenged and at least three breakaway factions formed a new grouping, the Revolutionary Workers Party (RWP). This alliance split again in February 1996 after squabbling among the leadership.
	December. The NPA gunned down four leading Chinese businessmen.
1990s	With the US military no longer in the Philippines and democratic government proving robust, the NPA's popularity diminished, forcing the group to concentrate on urban terrorism, largely conducted by the ABB.
1997	The NPA was subject to further disintegration, as the ABB split from the Manila-Rizal Regional Party Committee.
1998	April. Six people were killed during a suspected NPA ambush in Santo Cristo, in Bicol.
	May. The NPA announced a ceasefire in line with one declared by the government but divisions within the NPA hampered progress towards a final settlement.

1999	May. Communist rebels freed five military hostages in accordance with demands made by the president, but then dashed hopes of an early peace deal by rejecting other conditions for the resumption of peace talks.
	June. The NPA launched two of its most daring attacks for several years, ambushing an army platoon in Davao and raiding a police camp on Bohol island, stealing a number of small arms.
2000	January. Jose Maria Sison issued a statement confirming that there would be no resumption of peace talks that collapsed in April 1999.
	Government peace negotiations focused on forging a dialogue with individual communist groups and units within and associated with the NPA. However this progress was countered by an ABB attack on an oil depot and offices for Petron and Shell. The group was protesting rises in petrol prices.
2001	National Democratic Front Chairman Luis Jalandoni stated that he ordered the NPA to observe a truce between 17 March and 11 April, to help secure the release of Army Major Noel Buan from guerrilla captivity.
	The NPA claimed responsibility for the assassination of a congressman from Quezon in May and another from Cagayan in June. Following these attacks the government suspended negotiations with the National Democratic Front.
2002	March. A senior member of the NPA was arrested in Cebu. Egardo Sakamay (Ka Brando) was arrested after an operation by the Army Intelligence and Security Unit (ISU) which used former NPA members to identify the commander.
	July. The NPA killed two Filipino soldiers and wounded four others when their vehicle hit a landmine at Samar.
	August. The US added the CPP/NPA to its list of foreign terrorist organizations. The decision was made following a visit to the region by the US Secretary of State Colin Powell. In response Jose Maria Sison called on NPA guerrillas to launch fresh attacks on the Arroyo government.

	November. Jose Maria Sison warned that he doubted a Christmas truce would be observed as had been the custom in previous years, given the tension in relations between the guerrillas and the government.
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APPENDIX E: ACRONYMS LIST

Acronym	Definition
9/11	September 11 th (2001)
ABB	Alex Boncayao Brigade
AFP	Armed Forces of the Philippines
ARMM	Autonomous Region of Muslim Mindanao
ASEAN	Association of Southeast Asian Nations
ASG	Abu Sayyaf Group
BIAF	Bangsamoro Islamic Armed Forces
CI	Counter-insurgency
CIA	Central Intelligence Agency
CPP	Communist Party of the Philippines
CRS	Congressional Research Service
CSH	Child Survival Health
CT	Counter-terrorism
DA	Development Assistance
DV	Dependent variable
DOH	Department of Health
ESF	Economic Support Funds
FMF	Foreign Military Financing
FTO	Foreign Terrorist Organization
FY	Fiscal Year
GEM	Growth with Equity
GMA	Gloria Macapagal-Arroyo

GRP	Government of the Republic of the Philippines
GWOT	Global War on Terrorism
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
IILF	Indonesian Islamic Liberation front
IMET	International Military Education and Training
IRO	Islamic Relief Organization
ISU	Intelligence and Security Unit
IV	Independent variable
JI	Jemaah Islamiya
LEAP	Livelihood Enhancement and Peace
MBA	Military Base Agreement
MDT	Mutual Defense Treaty
MILF	Moro Islamic Liberation Front
MLSA	Mutual Logistics Support Agreement
MNLF	Moro National Liberation Front
MRG	Misuari Renegade Group
NATO	North Atlantic Treaty Organization
NGO	Non-Governmental Organizing
NPA	New People's Army
NSCT	National Strategy for Combating Terrorism
NSS	National Security Strategy
OIC	Organization of the Islamic Conferences
PA	Philippine Army

PMC	Philippine Marine Corps
PKP	Partido Komunista Ng Pilipinas
PNP	Philippine National Police
PRC	People's Republic of China
RP	Republic of the Philippines
RWP	Revolutionary Workers Party
SLOC	Sea lanes of communication
SOG	Special Operations Group
SPCPD	Southern Philippines Council for Peace and Development
TB	Tuberculosis
TRAPOS	Traditional politicians
UN	United Nations
US	United States
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
USIP	United States Institute of Peace

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