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# VIOLENT EXTREMISM AND INSURGENCY IN THE PHILIPPINES: A RISK ASSESSMENT

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# VIOLENT EXTREMISM AND INSURGENCY IN THE PHILIPPINES

## A RISK ASSESSMENT



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## ACRONYMS

AFP	Armed Forces of the Philippines
ARMM	Autonomous Region of Muslim Mindanao
ASG	Abu Sayyaf Group
BIM	Balik Islam Movement
CPP	Communist Party of the Philippines
CSO	Civil Society Organization
CT	Counter-Terrorism
CVE	Countering Violent Extremism
GPH	Government of the Philippines
ICAF	Interagency Conflict Assessment Framework
ICG	International Crisis Group
IED	Improved Explosive Device
IPSP	Internal Peace and Security Plan
JI	Jemaah Islamiyah
MILF	Moro Islamic Liberation Front
MNLF	Moro National Liberation Front
MSI	Management Systems International
NDF	National Democratic Front
NGO	Non-Governmental Organization
NPA	New People's Army
OIC	Organization of the Islamic Conference
OPAPP	Office of the Presidential Adviser on the Peace Process
PAMANA	Payapa at Masaganang Pamaya-Nan (Peaceful and Resilient Communities)
RP	Republic of the Philippines
RSM	Rajah Suleiman Movement
TJ	Jamaa Tableegh
USAID	United States Agency for International Development
USG	United States Government
VE	Violent Extremism
VEI	Violent Extremism and Insurgency

# MAP - PHILIPPINES



Retrieved from worldofmaps.net

# MAP - MINDANAO



Retrieved from [harmonyshare.com](http://harmonyshare.com)

## EXECUTIVE SUMMARY

This report draws on and synthesizes published reports and other analysis to assess the current and prospective risk of violent extremism and insurgency (VEI) in the Philippines. The framework used to make this assessment is based on “Development Assistance and Counter-Extremism: A Guide to Programming,” produced for USAID by MSI. It does not offer an in-depth analysis of VEI in the Philippines, rather it seeks to provide an overview of key drivers, actors and trends in order to inform the future development of USAID Philippines’ strategy and programs.

There are several types of VEI in the Philippines; broadly speaking they can be grouped into three categories: 1) “traditional” armed insurgencies (Communist and Moro/Muslim), 2) traditional political and clan (*rido*) violence, and 3) more recent forms of extremism and terrorism (e.g.: the Abu Sayyaf Group). They play out differently at the national, regional and local levels. The Communist insurgency has a national objective—overthrow of the Philippine state—which it pursues at the national, regional and local levels. Other insurgencies (such as the MNLF/MILF and the Cordilleras People’s Liberation Army) and terrorist organizations have more geographically limited goals of independence or autonomy. And some groups (such as the Abu Sayyaf Group, clans, and criminal gangs) operate principally at the provincial or local level, oftentimes with a mix of political and criminal motivations.

In Muslim Mindanao, drivers of VEI include a complex mix of grievances springing from the diminution of the Moro homeland; poverty and underdevelopment; marginalization and discrimination; poor governance; and abuses by the Armed Forces of the Philippines (AFP). For programmatic purposes it is useful to untangle the different types of drivers and dynamics in Mindanao. This analysis suggests four general types: 1) “standard” socio-economic grievances, 2) increasing Muslim devoutness and radicalization, 3) flawed politics and governance, especially regarding the Autonomous Regional of Muslim Mindanao (ARMM), and 4) a distorted and unsustainable regional economy.

The growth and impact of VEI in the Philippines has been constrained by a number of important mitigants and resiliencies. These include: 1) cultural and structural mitigants/resiliencies (including traditions of social accommodation, labor out-migration, and democratic politics) and 2) policy-based or situational mitigants/resiliencies (including the popularity of the current government, efforts being taken to end the country’s long running insurgencies, and local level resiliencies).

The existence in the Philippines of a variety of drivers of VEI and several active VEI groups demonstrates that the risk of VEI is real. However, the risk appears to be declining because of: 1) political and economic improvements, 2) the conciliatory nature of Aquino government (and no apparent rift between the civilian leadership and the military), 3) growing awareness of the risks associated with transnational Islamist influences, and 4) gradual, though uneven, improvements in counter terrorism and counter-insurgency efforts (including regional efforts) over the last decade. But this general assessment of risk needs to be fine-tuned according to the different types of VEI. Also, future trends are highly sensitive to political and economic progress made over the next three years as well as whether or not a peace agreement with the MILF is concluded and successfully implemented.

The implications for USAID programming include:

- The USG should bear in mind that traditional development projects are valuable for a variety of developmental and political reasons, but they do not necessarily help to counter

the drivers of VEI. Supporting schools, roads, jobs, etc. in Muslim Mindanao may make developmental sense, but by themselves they do not address more profound Muslim grievances, many of which are political and cultural in nature.

- The conclusion of a GPH-MILF peace agreement—and its successful implementation—has the potential over time to significantly reduce some of the drivers of VEI in Mindanao. In the event that an agreement is reached, implementation will be fraught with challenges. USAID should be prepared to help address these challenges.
- The GPH and donors need to better understand Mindanao’s illicit economy and identify ways to address it.
- Across its programs operating in Muslim Mindanao, USAID should look for opportunities to support the development of Muslim CSOs and CSO networks—especially for youth, women and business.
- Assuming the Philippine economy performs reasonably well in coming years, it will be important to understand who isn’t benefiting. An effort should be made to monitor changes in the socioeconomic status and attitudes of populations most prone to violence and extremism (including but not limited to Muslim youth).

## Summary Assessment of VEI in the Philippines

Key factors	Assessment	Explanatory note
<b>1. Current level of VEI activity</b>	<ul style="list-style-type: none"> <li>- Episodic, limited violent Islamist extremism.</li> <li>- Solution to the MILF insurgency being negotiated; communist insurgency continues.</li> </ul>	
<b>2. Overall capacity of state and society to respond to VEI</b>	Moderate/varied.	<ul style="list-style-type: none"> <li>- GPH responses to VEI have varied, depending on political and military leadership.</li> <li>- Most Muslim grievances can be addressed if there is adequate leadership and resources.</li> <li>- The AFP has been unable to defeat armed insurgencies.</li> <li>- The GPH and AFP have worked closely with US to combat terrorism.</li> </ul>
<b>3. Likely trajectory of VEI over next 3-5 years</b>	<ul style="list-style-type: none"> <li>- Likely to decline, though this will depend on: 1) a successful political solution in Muslim Mindanao, 2) making the Philippines' economic growth more inclusive and 3) continuity in policies following the end of the Aquino administration.</li> </ul>	The risk appears to be declining because of: 1) political and economic improvements, 2) the conciliatory nature of Aquino government, 3) growing awareness of the risks associated with transnational Islamist influences, and 4) gradual, though uneven, improvements in counter terrorism and counter-insurgency efforts over the last decade.
<b>4. Nature of the threat posed by VEI</b>	VEI poses a low-to-medium level threat to: <ul style="list-style-type: none"> <li>- Security and human rights in VEI-affected areas;</li> <li>- Economic growth and development, especially in Muslim Mindanao;</li> <li>- The GPH's stature regionally and internationally.</li> </ul>	Continuation of the Communist insurgency does <u>not</u> represent a serious threat to the Philippine state. However, it does represent a political and military challenge to the state's authority and legitimacy in NPA-influenced areas and it has a negative impact on public and private investment in those areas.
<b>5. Implications for USAID's strategy and programs</b>	<ul style="list-style-type: none"> <li>- Support the peace process in Mindanao;</li> <li>- Support inclusive economic growth</li> <li>- Support efforts to monitor and better understand international Islamist actors and influences.</li> </ul>	

## I. INTRODUCTION

The Republic of the Philippines (RP) presents something of a paradox with regard to violent extremism and insurgency (VEI). It is a lower middle income country—GDP per capita was about \$4,100 in 2011—and a moderately stable democracy. But it also has been a breeding ground for extremist groups and is home to the world’s longest running communist insurgency. This paradox is particularly pronounced now. This is a time of considerable promise in the Philippines, characterized by a reform-minded government and a generally improving political and economic situation. These improvements should dampen a number of the drivers of VEI. But the administration is limited to one term, so there will be a change of leadership in 2016. The future of VEI will depend on the extent to which progress is made over the next three years and sustained thereafter. One particularly significant element of this is whether or not a peace agreement between the government (GPH) and the Moro Islamic Liberation Front (MILF) can be concluded and then successfully implemented.

This report draws on published sources to assess the current and prospective risk of violent extremism and insurgency in the Philippines.<sup>1</sup> It does not attempt to offer an in-depth analysis of VEI in the Philippines, but rather it seeks to provide an overview of key drivers, actors, and trends in order to inform the future development of USAID Philippines’ strategy and programs. Section II provides an overview of VEI in the Philippines, with a focus on key drivers and dynamics. These are also summarized in a table included as Annex 1.<sup>2</sup> Section III assesses the current situation and characterizes current and future VEI risks. Section IV offers observations on the implications of the analysis for USAID Philippines programs.

## II. OVERVIEW OF VEI IN THE PHILIPPINES

The current VEI situation in the Philippines should be viewed in the context of the Philippines’ long history of recurring insurgencies and politically-motivated violence and terrorism. Over the last century and a quarter, this has included millenarian and agrarian uprisings, nationalist rebellion, communist insurgency, ethno-nationalist rebellions, politically-motivated terrorism, military coup attempts, and Islamist militancy/terrorism.

Today, there continue to be multiple types of VEI in the Philippines. Broadly speaking they can be grouped into three categories: 1) “traditional” armed insurgencies (Communist and Moro/Muslim), 2) traditional political and clan (*rido*) violence, and 3) more recent forms of extremism and terrorism (ASG). These play out differently at the national, regional, and local levels. The Communist insurgency is a nation-wide movement to overthrow the Philippine state. Other insurgencies (such as the MNLF/MILF and, in the 1980s, the Cordilleras People’s Liberation Army<sup>3</sup>) are regional movements seeking independence or regional autonomy. The activities and interests of groups like the ASG, clans, and criminal groups tend to be provincial or local.

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<sup>1</sup> This report draws heavily and unabashedly from several excellent reports prepared by the International Crisis Group (ICG).

<sup>2</sup> Annex I uses as its framework (with some adaptation) the listing of socioeconomic, political, and cultural drivers of VE outlined in “Development Assistance and Counter-Extremism: A Guide to Programming” (prepared for USAID by MSI, October 2009).

<sup>3</sup> The CPLA was an armed insurgency active in the 1980s which sought a Cordillera autonomous region in northern Luzon to be lead by the region’s indigenous tribes. The CPLA was affiliated with the CPP/NPA but then broke with it and instead opted to attain Cordillera regional autonomy through parliamentary struggle. The CPLA is no longer considered an active insurgency.

These groups, their objectives, and their tactics differ fundamentally from one another, but there can be overlap and blurring among them and their activities. Analytically and programmatically, it is important to differentiate them as best as possible. With regard to Mindanao, International Alert has observed:

Rebellion-related conflict in Mindanao is sub-national and separatist, while inter- or intra-clan or group conflict is community-based and non-separatist. Both can be products of resource disputes and politico-economic contestation at various levels. Rebellion-related violence is the outcome of armed confrontation between the GRP and the MILF and MNLF. On the other hand, inter- and intra-clan or group violence can take various forms, of which *rido* is the most widespread. The two types intersect in terms of politico-economic foundations and the forms they take. Their persistence is tied to the capacity of protagonists to engage in armed, organised, and protracted violence.

The two may also be distinguished in terms of their beneficiaries. Rebellion-related violence benefits the national or sub-national states or the insurgent and rebel infrastructure. Inter- and intra-clan or group violence benefits the families, clans, and tribes that emerge victorious after violence and conflict subsides or ends. Other beneficiaries include business interests and specific ethnic or religious identity groups that alternately support the state, the rebels, or both.<sup>4</sup>

Finally, despite the country's rich history of VEI, it possesses important "resiliencies" that to date have mitigated against or limited the impact VEI. These include social/cultural traits, the social safety valve created by Filipinos working abroad, and the country's democratic political system. These will be discussed in Section III.

## A. Drivers of VEI

For analytical and programmatic purposes it is helpful to unpack as much as possible the different drivers of VEI in the Philippines. An effort to do this using the 20 socioeconomic, political, and cultural drivers identified in MSI's *Development Assistance and Counter-Extremism: A Guide to Programming* is attached as Annex 1. For simplicity's sake, it is useful to think in terms of: 1) drivers that have salience across much of the country, 2) drivers that are particularly relevant to the Communist insurgency and 3) drivers that are particularly relevant to Muslim Mindanao.

Drivers that have salience across much of the country, though to greatly varying degrees, are well known to USAID Philippines and include: persistent poverty and inequality; abuses by national and local level power holders, the Army and the police; the appeal of millenarianism<sup>5</sup> and alternatives to "elite democracy;" and changing social relationships.<sup>6</sup> Drivers of the Communist movement include most of the above plus: the appeal of the CPP/NPA's brand of Marxist/Leninist/Maoist ideology {which combines "national democracy," agrarian reform and socialism) as a solution to powerlessness and underdevelopment; nationalism (principally the desire to end US military, political and economic influence over the Philippines); and the political ambitions and skills of CPP/NPA leaders.

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<sup>4</sup> International Alert 2009, pg. 10.

<sup>5</sup> A millenarian movement consists of a group of people who believe in the coming of the millennium, or a time when social oppression and inequality will end, and devote themselves in preparation for it. Consequently, millenarians are often against the dominant culture, which they view as oppressive and, according to their religious standards, evil.

<sup>6</sup> The decline of traditional patron-client relationships, which involve a two-way exchange of obligations and benefits between landowner and tenant, has been cited as an underlying cause of the Huk rebellion in Luzon in the 1950s.

Most of these national drivers have salience across much of Mindanao, the country's largest island, which explains the persistence of the CPP/NPA in parts of Mindanao. At the same time, Mindanao is home to Christians, Muslims, and other indigenous groups, so it is marked by a high degree of heterogeneity and social fluidity. This has produced a fluctuating level of insecurity among these groups. As the 2011 Philippines ICAF observes:

Sources of conflict and instability in Mindanao are complex and predominantly not grounded in religious beliefs or differences; the core of conflict and instability revolves around many people's perception that their ability to meet their basic needs of security, recognition, vitality, and identity is being thwarted by others ... There are many groups that perceive themselves as marginalized or excluded in their communities: Muslims feel marginalized in a country that is predominantly Christian; Christians feel marginalized in communities that are substantially Muslim; and Indigenous People feel marginalized by both Muslims and Christians. Political dynasties and warlords exploit these feelings of exclusion by holding themselves out to these groups as the only way to protect their interests."<sup>7</sup>

The drivers of VEI among Muslim Filipinos are complex and evolving. Muslims are essentially indigenous to the Philippines—the arrival of Islam predated the arrival of Catholicism—but today they constitute only a small minority (5-9%) of the total population. While the largest concentrations of Muslims are found in southeastern Mindanao and the Sulu archipelago (which Muslims consider their homeland), Muslims live in many parts of the country.<sup>8</sup> Although Muslim political leaders have long been involved in Philippine politics, Muslims have never unified to produce a broad-based political or social movement based on Islam. As Abuza notes:

The Muslim Brotherhood is not strongly represented in the country, nor do the Philippines have any large mass-based Muslim civil society organizations, such as Indonesia's *Nadhatul Ulama* or *Mohammadiyah* ... There is no shortage of Muslim-based NGOs—indicative of Philippine society at large—but these remain small, under-resourced and often operating along ethnic lines. Moreover, there is no Muslim or Islamist political party at the national level. Although the MNLF ostensibly acts like a political party, and will contest elections in the ARMM region, it is weak and factionalized. Since 2006, it has not governed the ARMM.<sup>9</sup>

In Muslim Mindanao, drivers of VEI include a complex mix of grievances springing from the diminution of the Moro homeland; poverty and underdevelopment; marginalization and discrimination; dysfunctional politics and governance; and abuses by the AFP. For programmatic purposes it is important to try to untangle the key drivers and dynamics in Mindanao. This analysis suggests four basic types: 1) "standard" socio-economic grievances, 2) increasing Muslim devoutness and radicalization, 3) flawed politics and governance, especially regarding the ARMM, and 4) distorted and unsustainable economic growth. Each of these is briefly discussed below.

**1. Socioeconomic drivers:** Much has been written about underdevelopment and insecurity in Muslim Mindanao. The Muslim experience includes seeing their "homeland" gradually diminished in size and geographical coherence, some of the worst socio-economic conditions in the entire country, recurring conflict and humanitarian crises, and a history of abuses by the AFP. USAID/Philippines is well aware of these problems and the grievances they create, so there is no need to restate them here.

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<sup>7</sup> Philippines ICAF 2011, pg 10.

<sup>8</sup> According to Abuza, of the 1,890 *madrassas* in the Philippines, only 1,000 or so are in Mindanao; the remainder spread across the rest of the country.

<sup>9</sup> Abuza, *World Almanac of Islamism*, 2011 (web version).

**2. Increasing Muslim devoutness and radicalization.** While, as the ICAF excerpt above suggests, most conflict in Mindanao is not principally over religious beliefs, it is important to also recognize that over the past 25 years some portion of the Filipino Muslim population has become more connected to the *ummah*, more devout, and presumably more prone to radicalization.<sup>10</sup> Islam is the fastest growing religion in the Philippines. This is a result of both outward and inward flows of people and ideas; in recent decades hundreds of thousands of Filipinos have worked in Saudi Arabia and elsewhere in the Middle East and South Asia. During the 1980s and 1990s there was an increase in Saudi funding of mosques, schools, and scholarships in the Philippines. According to Abuza, conversion takes place through two general processes. One is the conversion of workers while overseas in the Middle East, often for financial reasons (since being a Muslim can lead to better job opportunities). The other, which takes place in the Philippines, is via the network of *Balik* Islam centers scattered throughout the archipelago, primarily in slum areas of cities (see discussion below).<sup>11</sup>

#### Transnational Islam: The case of Tabligh Jamaat

The most widely known non-state conduit of transnational Islam in the Philippines is the Tabligh Jamaat, locally known as the Tabligh movement or Jamaa Tableegh (TJ).<sup>1</sup> Among the transnational Islamic groups in the Philippines, the TJ has the largest following, claiming 11,000 to 20,000 members nationwide. The TJ was introduced in the Philippines by Pakistani Deobandi preachers in the 1980s. The TJ's membership mushroomed in the late-1980s after the restoration of Philippine democracy. Though the TJ is widely appreciated by Muslim communities in the Philippines nationwide, its followers are most prominent in the Basilan province and Lanao del Norte. The movement is currently based in Marawi City. Key Tablighi followers formed the nucleus of the ASG. Though the TJ is the most influential transnational religious movement among the Moros, Philippine scholarly literature on the topic is extremely limited. (Banlaoi, Transnational Islam in the Philippines)

But what explains the *radicalization* of some Filipino Muslims? There are at least three explanations, one essentially cultural/existential, one that emphasizes the influence of Filipino Muslims who became involved in global jihad, and one that is more instrumental. The cultural/existential explanation suggests that Muslim radicalization is an inevitable defensive reaction to globalization, modernization, and Westernization. According to Amina Rasul, who is from an elite Filipino Muslim family:

The radicalization of Muslim communities is rooted in the need to survive, both physically and culturally, and has been shaped by reaction to the impact of the “intrusive West.” This perceived intrusion, couched in terms of modernization and globalization, may have brought technology, profitable trade, and economic development, but the rural and urban poor protest that they have not benefited. The gap between rich and poor has widened, and globalization is seen as a threat to a people’s identity and culture, an imposition of Western “decadent,” consumption-oriented market values that disregard and destroy traditional values. Modernization can be traumatic, particularly if forced and hasty, and the transformation away from tradition puts societies under deep stress. In this sense, Muslim communities are radicalizing in proportion to their failure to “modernize” themselves relative to their environments.<sup>12</sup>

The second explanation emphasizes the influence of those Muslim Filipinos who have been involved in global jihad. According to Banlaoi:

<sup>10</sup> Presumably, with the growth of Christian evangelical movements in the RP over the last 25 years, there have been changes in the beliefs and practices of Christians in Western Mindanao. Exploration of this is beyond the scope of this paper.

<sup>11</sup> Abuza, 2011.

<sup>12</sup> Rasul, *The Radicalization of Muslims in Mindanao*, 2009, pg 21-22.

The Afghan War in the 1980s was a major milestone in the entry of transnational Islam into the post-independence Philippines. When Muslim resistant groups from the Philippines sent fighters to Afghanistan, these fighters acquired a “new” worldview advocating the purification of Islamic faith. The Moro Afghan war veterans delivered an extremist message of Islam upon their return to the Philippines. This ideology affected not only the worldview of the armed Muslim groups but also more mainstream and nonviolent Muslim groups. Foremost among these veterans was Abdurajak Janjalani, the founder of the ASG, who propagated a militant interpretation of jihad in Mindanao ... With the global and regional trends in Islamic resurgence in the 1990s, particularly with the end of the cold war, local conflict between Christians and Muslims in the Philippines further acquired an international dimension.<sup>13</sup>

The significance of the connection between Muslim grievances and struggle at the global and the local levels is underscored in MSI’s CVE Programming Guide:

Salafi Jihadism rightly has been described as a “glocal” phenomenon: one in which global and local grievances mesh, mutually reinforce one another, and are presented as the two sides of a single reality. Even where local grievances prevail, they may be viewed as merely local manifestations of greater global dysfunctions. Similarly, while local struggles may be driven primarily by local dynamics, the actors in them may feel that a global momentum sustain their efforts – which can prove to be tremendously empowering, and works as a very powerful motivation and source of resilience in the face of adversity.<sup>14</sup>

Finally, a third explanation, which can be considered a corollary of the first two, is that extremism is intentionally cultivated by Islamists seeking to intensify animosity for the purpose of mobilizing followers. Ramakrishna’s study of Jamaat Islamiyah in Southeast Asia concludes:

...the true root of the JI phenomenon is not poverty but rather the very old one of the mimetic frustrations of the Islamic modernists ... [W]hile the ideology of Qaedaism is important, it is by no means the only factor influencing the transformation process. Socio-cultural pockets of prejudice shaped by history and politics, individual psychologies and intense in group cognitive restructuring and limbic conditioning processes all play their part as well ... [O]ne cannot ignore the cross-cutting, historically enduring communities of prejudice from which JI terrorists ultimately emerge ... [O]stensibly non-violent leaders who nonetheless preach polarized, absolutist ideologies that nudge concretist and impressionable individuals along the continuum toward hate obsession and potential terrorist recruitment, are clearly a cause for concern.”<sup>15</sup>

**3. *Flawed politics and governance: The failure of the 1996 peace agreement, ARMM, and autonomy for Muslims.*** The Autonomous Region for Muslim Mindanao (ARMM) was set up in 1989 and formed the basis for a peace agreement between the GPH and the MNLF in 1996. It initially comprised the Muslim-majority provinces of Maguindanao, Lanao del Sur, Sulu, and Tawi-Tawi. After a referendum on expansion in 2001 Basilan joined (other than its capital, Isabela City). The partition of Maguindanao in 2007 created a sixth province in ARMM, Shariff Kabunsuan. Each of these provinces has a governor; there is also a regional governor who sits in the ARMM capital, Cotabato City, in Central Mindanao.<sup>16</sup>

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<sup>13</sup> Banlaoi, “Transnational Islam in the Philippines,” 2009, pg 174.

<sup>14</sup> CVE Programming Guide, pg 28.

<sup>15</sup> Ramakrishna, “Constructing the Jemaah Islamiyah Terrorist,” 2004.

<sup>16</sup> ICG, Counter-insurgency v Counter-terrorism, May 2008, pg3.

The ARMM has been weak and dysfunctional since its birth. Its governorship was offered to MNLF founder Nur Misuari, an ethnic Tausug/Sama from Jolo who took office in 1996.<sup>17</sup> Putting the MNLF in charge of the essentially powerless ARMM was a way of giving the rebels a government to run without threatening the traditional clan leaders who compete for control of the provinces. After nine years of MNLF misrule, even that rationale evaporated, and the regional governorship in 2005 went to an ethnic Maguindanaon from one of the most important clans in Central Mindanao.<sup>18</sup>

**4. *Distorted and unsustainable economic growth.*** The economy of Muslim Mindanao has been distorted by decades of patronage, corruption, criminality, and conflict. According to International Alert:

The unsustainable nature of ARMM's economic growth, coupled with the region's exclusion from the benefits of national growth, make a durable peace more difficult to achieve ... Apart from government-to-government transfers, a growing underground economy marked by the proliferation of illegal drugs, unlicensed firearms, control over small-scale and unlicensed mining activity and smuggling provides additional sources of revenue for local clans. Earnings from illicit activities are deposited and laundered in commercial banks in the key cities of Davao, Cagayan de Oro, General Santos, Iligan, and Zamboanga City. A key aspect of the booming underground economy is the existence of an informal market for arable agricultural land. This study uncovered several instances of land transferring ownership without any state law regulating the sale or generating the required taxes ... The violent mix between a spreading underground economy and electoral corruption also reflects the forces and relationships that bind the central Philippine state with Muslim Mindanao. Subnational state building is ostensibly sacrificed for the central objective of sustaining the powerful coalitions at the national level ... The underground economy and a corrupt electoral system is permitted to exist, despite the loss of valuable revenues and the collapse of legitimate autonomous rule, in exchange for delivering votes to the ruling coalition during national elections. The end result is a vicious cycle of violence that shapes and is shaped by politico-economic forces that further embed the exclusionary structures that prevail in the region.<sup>19</sup>

## **B. Differentiating VE/terrorism, insurgency, and traditional political and clan violence**

As the ICG has observed, "There is not just one conflict in the southern Philippines, but several. Islamic identity, kinship, shared training and combat experience and a common enemy in the Armed Forces of the Philippines (AFP) provide a basis for uncertain coalitions among geographically, ethnically and ideologically disparate groups."<sup>20</sup> Given the complex mix of drivers (and groups) in Muslim Mindanao, it is important for analytical and programmatic purposes to distinguish VE (and terrorism) from insurgency and traditional political and clan violence.

***VE, terrorism, and insurgency.*** According to USAID's new policy guidance on VEI, "Violent extremism refers to advocating, engaging in, preparing, or otherwise supporting ideologically motivated or justified violence to further social, economic and political objectives. Insurgency is the organized use of subversion and violence to seize, nullify or challenge political control of a region. It is primarily a political and territorial struggle, in which both sides use armed force to create space for

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<sup>17</sup> Following his election as governor, Misuari became even more heavy-handed. Tired of him and his exceedingly poor management of ARMM, senior MNLF figures broke away and set up the Executive Council of Fifteen in 2001.

<sup>18</sup> ICG, Local Politics in the Sulu Archipelago, May 2012, pg1.

<sup>19</sup> International Alert, 2009, pg 15-16.

<sup>20</sup> ICG, May 2008, pg3.

their political, economic, and influence activities to be effective. Insurgency is not always conducted by a single group with a centralized, military style command structure, but may involve different actors with various aims, loosely connected in networks. While violent extremism and insurgency share many of the same drivers, they differ in their degree of organization, support base, and use of violence. Violent extremism, for example, often manifests itself at the individual level and in highly informal, diffuse networks. Such networks are often transnational in character, while insurgencies are often delimited by geography...In certain cases, violent extremism and insurgency can overlap.<sup>21</sup>

In the Philippines as elsewhere, “terrorism” or “terrorist group” typically is used as shorthand for the violent extremism that is the focus of this report. However, they are not the same: terrorism is a strategy and a tactic; it is not a goal or an ideology. This noted, the following analysis by ICG, which outlines the differences between terrorism and insurgency, provides useful distinctions:

In the Philippines context, the distinction between terrorism and insurgency can be roughly defined by four characteristics: 1) chosen targets of violence; 2) negotiable goals; 3) possession of political infrastructure; and 4) control of population and territory. Terrorists deliberately and systematically target civilians in pursuit of non-negotiable goals, and score relatively low on the other two indices – reflecting their lack of legitimacy. Insurgent movements with negotiable demands, political infrastructure, popular constituencies and territorial control are less likely to depend on terrorist tactics and are more readily held to account for their actions, especially when engaged in peace processes. The MNLF and MILF fall closer to the “insurgent” end of the spectrum. They focus overwhelmingly on military targets but contain relatively marginal terrorist networks, which can be isolated by working with the groups’ moderate majorities. ASG falls at the other end. It has worked closely with a small group of South East Asian jihadis to plan and carry out some of the worst acts of terrorism in the region, but its members can also fight like the MILF or MNLF – particularly when they join forces with allies on their own turf.<sup>22</sup>

***Traditional political and clan (rido) violence.*** Politics in the Philippines—especially at the regional and local levels—historically has been dominated by powerful families and clans (groups of families claiming common ancestry) that vie with one another for political and economic advantage. At the same time, historically political parties, peasant and labor movements have been relatively weak. As a result, the violence that sometimes is associated with political mobilization and competitive mass politics often is associated with political families and their followers. Although this form of political violence typically isn’t driven by ideology, it can be extremely violent—in one now infamous incident in Maguindanao, 46 people were massacred in November 2009. Moreover, the reliance of many families on private armies increases the likelihood of cross over with criminal and insurgent groups.

While the problem of clan-based political violence exists across much of the country, clan rivalries in Mindanao tend to be more intense and violent than elsewhere. According to International Alert:

The persistence of inter- and intra-clan or group violence (*rido*) in Muslim Mindanao is distinctly related to resource conflicts at the community level particularly on the issue of land. Numerous studies have also pointed to the strong links between *rido* and the flawed institutional make-up of agrarian reform in the region. Indeed, the imposition of a conventional, top-down agrarian reform program in a region where specific cultural institutions of communal and clan ownership over land prevail is partly to blame for the violence. An analysis of sources of *rido* confirms numerous cases where the survey and land titling processes undertaken under the CARP led to intra-family violence when individual

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<sup>21</sup> USAID, The Development Response to VE and Insurgency, 2011 pg 2.

<sup>22</sup> ICG, May 2008, pg 2.

titles encroached on land owned (through inheritance or “*pusaka*”) by another family member.

Apart from land issues, election-related conflict constitutes a secondary but significant source of community-level violence, as it leads to control over political office that increases access to firepower, or determines entry into businesses that are part of the underground economy. This represents another convergence point between sub-national and community-level violence, namely electoral disputes and conflicts over the illegal economy, such as in the lucrative drug trade in Muslim Mindanao. It reveals the onset of a new dynamic of exclusion that is distinct from its earlier representations, and the emergence of new and powerful clans with access to new sources of economic power.<sup>23</sup>

## C. Key groups, their goals and approaches

A great deal has been written on the MNLF, MILF, Abu Sayyaf Group (ASG), and the CPP/NPA. This section provides brief summaries of these groups, based on recent ICG reports and other sources. It begins with a quick review of groups in Muslim Mindanao and then turns to nationally active groups, the BIM/RSM, and the CPP/NPA.

### I. Muslim Mindanao

*The MNLF/MILF.* According to ICG<sup>24</sup>:

Today’s tangled web of rebel factions grew out of the *Moro National Liberation Front (MNLF)*, which launched a campaign for the independence of the thirteen Bangsa Moro (Muslim) tribes after Ferdinand Marcos imposed martial law in 1972. Led by Nur Misuari, an ethnic Sama from Sulu, the MNLF drew adherents from the Tausug-dominated Sulu archipelago and the Mindanao mainland, where the Maguindanaon and Maranao are the largest Muslim ethnic groups.

A failed peace agreement signed in Tripoli, Libya in 1976 led Misuari’s head of foreign affairs, Salamat Hashim, to break away the next year to form his own faction – renamed the *Moro Islamic Liberation Front (MILF)* in 1984. Salamat was Maguindanaon and took much of the MNLF’s central Mindanao following with him. Emphasizing Islam over Misuari’s secular ethnonationalism, Salamat’s MILF rode a rising tide of militancy through the 1990s. A “final” MNLF peace agreement in 1996, signed in Jakarta and brokered by the Indonesian government on behalf of the Organisation of the Islamic Conference (OIC), co-opted most of Misuari’s remaining followers into accepting a territorial unit called the Autonomous Region of Muslim Mindanao (ARMM).<sup>25</sup> Misuari served as Governor of the ARMM government until 2005.

Jolo, the largest island in Sulu province, is also home to heavily armed MNLF fighters who were never disarmed, demobilized, or reintegrated after the 1996 peace agreement. Many of them remain loyal to the founder Nur Misuari. It is the only part of the autonomous region where the MNLF remains relevant because almost all the political elite in the province have ties to the movement. These politicians tend to support Manila’s efforts to placate Nur Misuari, even though they recognize he does not really control the hardline fighters on the ground.

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<sup>23</sup> International Alert, 2009, pg 14.

<sup>24</sup> ICG, May 2012, pg 14.

<sup>25</sup> In Sulu, however, some MNLF members continued to fight under Ustadz Habier Malik, a Saudi-trained religious scholar, and other local commanders.

Except in Misuari's base in Sulu, the MILF is now the dominant insurgent group in the Muslim south, fighting and negotiating through three major cycles of conflict (1997, 2000, and 2003) in an effort to win greater autonomy. Despite Salamat's focus on Islam, it also is overwhelmingly an ethno-nationalist insurgency, fighting for self-government of the Bangsamoro people, not against unbelievers and persecutors of Muslims worldwide. But Salamat's international Islamist ties opened the door to *Jemaah Islamiyah*, the regional jihadi organization responsible for the 2002 Bali bombings, which began training in Mindanao in 1994, building on connections established in Afghanistan in the late 1980s.

Meanwhile, the MILF has been negotiating for a larger, more powerful "sub-state" that would replace ARMM. Misuari and the other MNLF factional leaders want the autonomous region to return to their control and are using a review of their 1996 peace agreement to press for amendments to a 2001 law to modify its terms on wealth-sharing and territory. The Philippine government wants to satisfy both insurgent groups and clean up governance in ARMM in the process.<sup>26</sup>

The MILF has remained a fairly cohesive organization, but internal disagreements and rivalries remain a challenge to its unity. MILF's hardliners have always been wary of Murad's peace negotiations with the government, and contend that the protracted nature of the talks is indicative of the government's lack of good will. More importantly, the peace process has dissipated the military preparedness and combat capability of the MILF.<sup>27</sup> In mid 2010 a senior commander, Ustadz Ameril Umbra Kato, broke with the MILF, charging that the current MILF leadership is revisionist, and established the *Bangsamoro Islamic Freedom Movement* in Maguindanao province. The Umbra Kato breakaway also hurt the MILF; Kato's forces are one of its cohesive and battle-experienced units. Umbra Kato is still there, but the MILF and the GRP are doing quite well in containing him.

***Abu Sayyaf Group.*** Banlaoi describes Abu Sayyaf (literally "Father of the Sword") as a "symbol of the complexities of armed violence in the southern Philippines that interact with issues of banditry, terrorism, rebellion, separatism, clan conflict, ethnic conflict and warlordism."<sup>28</sup> The ASG was founded in 1991 by ex-MNLF militants opposed to Misuari, initially on Basilan Island and nearby Zamboanga City but soon spreading to Sulu. The founder was Abdurajak Janjalani, a Basileño of mixed Christian-Muslim background. Janjalani studied in Libya in the late 1980s and upon his return came into contact with the al-Qaeda cell in the Philippines. Janjalani described the ASG's ultimate goal as "establishing a pure Islamic government through a necessary war to seek *kaadilan* (justice) for the Muslims in Mindanao and Sulu." The military killed him and other senior leaders and curtailed the group's reach, which at one point extended to Malaysia and Manila.

Nevertheless, the ASG persists, albeit much diminished, in a looser structure centered on charismatic sub-leaders and largely confined to the provinces of Sulu and Basilan. The ASG operates primarily in the provinces of the Sulu Archipelago, namely Basilan, Sulu, and Tawi-Tawi, and is funded through kidnapping for ransom and extortion, and may also receive funding from external sources such as remittances from overseas Filipino workers and Middle East-based extremists. The ASG also receives funding from regional terrorist groups such as Jemaah Islamiya, whose operatives have provided training to ASG members and helped facilitate several ASG terrorist attacks. The extent to which its current members are religiously motivated is much debated.<sup>29</sup>

According to one analysis of the ASG:

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<sup>26</sup> ICG, May 2012, pg 1-2.

<sup>27</sup> Abuza, 2011.

<sup>28</sup> Banlaoi quoted in O'Brien, "Fluctuations Between Crime and Terror," 2012

<sup>29</sup> ICG May 2012, FN page 2

Kidnapping, for Abu Sayyaf, indeed appears to have become more a livelihood than any type of lever with which to achieve political objectives or receive concessions from the Philippine state. What is most interesting about Abu Sayyaf, however, is that the group also illustrates how continued criminal activity may actually transform a group from one type of entity into another—in this case from a terrorist group, with strong ideological objectives, into a criminal group, where the pursuit of profit may have eclipsed ideology as the main objective.<sup>30</sup>

## 2. Balik Islam Movement (BIM) and Rajah Suleiman Movement (RSM).

Adherents to *Balik Islam*, or ‘revert to Islam’, are a loose conglomeration of Filipino former Christians who believe that the Philippines was a Muslim country before Western colonization, and that all Filipinos need to ‘revert’ back to their original faith. *Balik Islam* preaches a Salafi interpretation of Islam, and encourages its members to live in exclusive parallel communities. The majority of BIM members seek the peaceful creation of an autonomous Islamic homeland on Luzon ... The center of Balik Islam is in the city of Baguio, on Luzon island. Much of the funding for Balik Islam’s *da’wa* work comes from the Gulf.

The *Rajah Suleiman Movement*, a radical fringe of *Balik Islam*, has worked closely with the ASG and been implicated in a number of terrorist acts. The existence of Rajah Suleiman Movement was first uncovered in 2002 after police executed a series of operations in the province of Pangasinan ... The Balik Islam Movement, the Overseas Filipino Workers program, and international financial support all contributed to RSM’s rise, providing it with a pool of potential recruits, the training and education of future leaders, the creation of a sense of solidarity, social (communication) networks that facilitated the diffusion of the movement’s ideology, and the resources (e.g. funds) necessary to engage in contentious activity. From 2005 to 2007, the RSM lost many of its key leaders to intensified police and military operations, and it did not carry out any activities of significance. The RSM was officially designated as a terrorist organization by the US Department of State in June 2008.<sup>31</sup>

## 3. The Communist Party of the Philippines/New People’s Army

The armed struggle of the CPP-NPA—the NPA is the military arm of the CPP—is the longest-running Maoist insurgency in the world. Its ‘protracted people’s war’ is aimed at overthrowing the government and replacing it with a socialist-oriented ‘national-democratic’ system. The conflict has killed tens of thousands of combatants and civilians. Hundreds die in the conflict every year, including more than 350 NPA regulars and government security forces in 2010.

Since the late 1960s the CPP-NPA has sought to build up its mass base in rural areas, while simultaneously setting up organizational support structures in the cities. The CPP/NPA was strongest in the 1980s; it had become a social movement, with an array of above-ground groups closely linked with an underground guerrilla army. Following the fall of Marcos in 1986, counterinsurgency operations coupled with an internal split crippled the organization and cost it many of its supporters. By 2000, the CPP-NPA had regained some strength.<sup>32</sup>

Today, the CPP/NPA operates in rural Luzon, Visayas, and parts of northern and eastern Mindanao. The NPA has fewer than 5,000 fighters but remains active in mountainous and neglected areas countrywide. It still has supporters and is recruiting new members, securing weapons and launching ambushes across the archipelago. There are also cells in Manila and other metropolitan centers.

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<sup>30</sup> O’Brien, 2012.

<sup>31</sup> Borer, et al, “Global Development and Human (In)security,” 2009.

<sup>32</sup> ICG, “The Communist Insurgency in the Philippines,” February 2011, pg i.

Without altering its communist ideology, the CPP set up political parties that successfully stood for Congress.

The government's counter-insurgency strategy has diminished the NPA's numbers but has not been able to destroy the organization. According to a recent ICG report, "the counter-insurgency strategies used by successive governments have combined military operations and intimidation of communities with development work, yielding few results and often proving counter-productive."<sup>33</sup> Senior AFP commanders feel they lack adequate resources and instead rely on tribal militias and paramilitary organizations in their operations against the NPA. Oftentimes, these groups are poorly supervised and commit abuses.<sup>34</sup>

According to ICG, "the insurgency has effects far beyond the remote villages where guerrillas and soldiers snipe at each other. The CPP's use of "front organizations" that organize for and channel funds to their comrades underground has made leftist activists targets of military and paramilitary retaliation, resulting in a spate of extrajudicial killings over the past ten years. The conflict has fragmented the left in a country sorely in need of a unified challenge to the stranglehold powerful families have on political office at all levels. "Revolutionary taxes" on businesses discourage investment and permit the rebels to skim profits from resource-rich but impoverished areas. The CPP/NPA charges politicians running for office in CPP/NPA-influenced areas for "campaign permits."<sup>35</sup>

### III. ASSESSMENT OF CURRENT AND FUTURE VEI RISK

This section will provide an overview of the roles that key resiliencies and mitigants currently in play in the Philippines. From there, the discussion will shift to focus on the ongoing efforts of the present government to address known drivers of VE/I. This section concludes with a risk assessment of VEI.

#### A. Mitigants and resiliencies

Given the political and developmental challenges the Philippines has faced over the last forty years, it can reasonably be asked: why hasn't there been more violence and more successful insurgency? The answer is that a number of important mitigants and resiliencies exist. There are two types: 1) cultural and structural mitigants and resiliencies, and 2) policy or situational mitigants and resiliencies.

1. *Cultural and structural mitigants* are relatively enduring. They include:

- Philippine society and social relations tend to be accommodative and co-optive. It is not unusual for former rebels to rejoin society and even to go into government. The Philippine government has never had policies that formally discriminated against Islam and the spread of Islamist institutions. Islamic courts for family law are active in the country's south. Mosque and *madrassa* construction generally proceed unhindered.<sup>36</sup>

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<sup>33</sup> ICG, February 2011, pg i.

<sup>34</sup> Ibid.

<sup>35</sup> Ibid.

<sup>36</sup> Abuza, 2011.

- Overseas workers and the remittances that they and members of the Filipino diaspora send back to the Philippines are a huge boost to the Philippine economy—totaling more than \$21 billion or over 10% of GDP—and as such represent a major social safety valve.
- There are multiple channels for addressing grievances and pressing for change. Although messy and sometimes violent, the Philippines’ democratic political system provides mechanisms for participating in and having some influence over politics and policymaking. Similarly, civil society and associational life is very strong and religious leaders and organizations tend to be politically active.
- Finally, two other traits can be both mitigants and drivers: 1) Ethnic, clan, political and sectarian divisions among Filipino Muslims are positive to the extent that they represent a desirable degree of pluralism. But they also create damaging rivalries and weaken the community’s influence. 2) The continuing influence of traditional elites and patron-client relations can contribute to security, dispute resolution, etc. But the unequal distribution of power also can result in injustice and repression.

**2. Policy and situational mitigants** are more temporary and changeable. They include:

- The current popularity and reforms of the Aquino government. Presumably the popularity and the legitimacy of the current government reduces both the perceived need and support for extremist alternatives.
- The government’s willingness to engage in peace talks with both the MILF and the CPP/NPA.
- The GPH and AFP’s long experience with counter-insurgency—and the US’s long involvement with the AFP—means that the AFP is familiar with the elements of an effective COIN strategy, though the AFP’s commitment to them varies depending on civilian and military leadership.
- Finally, there are local level sources of resiliency. According to the ICAF: “In Mindanao, there is evidence of active social resilience and indigenous stability manifesting in the form of leaders who are reforming the social agenda and bridging gaps in public service provision. Some resilience also manifests through small and medium sized entrepreneurs and businesses creating and expanding on opportunities for themselves while benefiting larger segments of society.”<sup>37</sup>

## **B. GPH efforts to address VEI**

The administration of President Benigno Aquino III is making a genuine and concerted effort to improve governance and reduce poverty in the Philippines. The president recognizes that peace and stability are important prerequisites for economic growth and development, and for this reason it has taken a number of steps to diminish VEI. Briefly, these include:

### **1. GPH-MILF Peace Negotiations.** According to ICG,

The Aquino government’s peace strategy is based on the principle of convergence, bringing three components together: a peace agreement with the MILF; reform of the dysfunctional

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<sup>37</sup> Philippines ICAF 2011, pg 4.

government of the Autonomous Region of Muslim Mindanao (ARMM) ... and review of the 1996 final peace agreement with the MNLF.<sup>38</sup>

According to the GPH, with the implementation of the ceasefire agreement from 2010-2012, violent encounters have been minimized. Since January 2012, no encounters have been reported. Ten formal exploratory talks were conducted in Kuala Lumpur, Malaysia, since the start of the Administration. In July 2012, the 29th round of Exploratory Talks between the GPH and MILF was concluded. Both parties expressed confidence in wrapping up discussions on mechanisms towards the realization of a new political entity that would replace the ARMM as contained in the April 2012 GPH-MILF Decision Points on Principles. The Parties agreed to meet again in August 2012.<sup>39</sup>

**2. Combating the Abu Sayyaf Group.** Currently, the ASG is estimated to have between 200 and 400 members. According to most observers, the US and Philippine Marines have been effective in eliminating the ASG's top leadership. However, the group's kidnapping capability remains because ASG elements are also members of the community, and often also have family ties with the local MILF units. In 2011, ASG remained active, particularly with kidnappings for ransom, an increase in the use of improvised explosive device (IED) attacks, and armed attacks on civilian and police personnel. The ASG took close to 20 people hostage, including children, in multiple attacks, an increase over the previous year.<sup>40</sup> Basilan remains a security problem not simply because of the ASG but all other bands—kidnappers, smugglers, etc.—all calling themselves ASG or MILF.

**3. Counter-insurgency and counter terrorism efforts.** According to the GPH, the AFP, through its Internal Peace and Security Plan (IPSP) "Bayanihan," has reduced the strength of insurgency groups, from 10,889 in 2010, to 10,540 in 2011. The AFP has also cleared 365 out of the 1,082 communist-affected barangays, and decreased enemy-initiated violent activities. It has likewise repaired a total of 270 schools and other buildings and constructed 74 health centers in conflict areas. A total of 203 rebels (this includes all threat groups, most of them were CPP-NPA-NDF members) surrendered from July 2010 to April 2012. Also, 1,772 rebels have been prepared for their economic reintegration and disposition of firearms.<sup>41</sup>

A potentially important step been taken to fight the financing of terrorism. In June 2012 *RA 10168* or *The Terrorism Financing Prevention and Suppression Act*, was enacted. It criminalizes terrorist financing to curb the flow of questionable funds into terrorist organizations.

**4. GPH talks with the CPP-NPA.** The Aquino administration decided in October 2010 to revive negotiations with the CPP-NPA. According to the ICG, the priority is to reach agreement with the MILF first. This would make the threat of military operations against the NPA more credible, thus increasing pressure on the Netherlands-based panel that negotiates on behalf of its armed comrades. Historically, talks have been a tactic for the CPP-NPA, which remains committed to overthrowing the Philippine government. Most of the organization's senior leaders are now in their 60s and 70s, some reportedly in poor health. Many have devoted their entire lives to the cause, and a few may be

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<sup>38</sup> Describing the views of non-MILF leaders in Sulu, the ICG continues: "The latter two components are more acceptable to the elite of the archipelago than the first. They see ARMM as a corrupt and unnecessary layer of bureaucracy and administration between them and Manila but as long as they have equal access to leadership positions, they are willing to try reform. From their perspective, the danger of a peace agreement with the MILF is that it would ultimately replace ARMM with a new, expanded, more powerful regional government that would favor Central Mindanao, the MILF's stronghold, and its clans, over the archipelago and its politicians. At stake is access to power and money." See ICG May 2012.

<sup>39</sup> 2012 State of the Nation Address (SONA) summary, Office of the President, Republic of the Philippines.

<sup>40</sup> US State Dept Country Reports on Terrorism 2011.

<sup>41</sup> 2012 State of the Nation Address (SONA) summary, Office of the President, Republic of the Philippines.

eager to see a settlement within their lifetimes. But there are reports of tensions at the top that could have the potential either to derail peace talks or to deepen internal rifts.<sup>42</sup>

Informal discussions in December 2010 yielded the longest holiday ceasefire in ten years. Formal negotiations were held in Oslo in February 2011, resulting in Oslo Joint Statement (OJS). The two sides agreed to pursue a set of “Comprehensive Agreements” on a) Social and Economic Reforms (CASER), b) Political and Constitutional Reforms (CAPCR), and c) End of Hostilities and Disposition of Forces (CAEHDF). The target was to complete these by June 2012, but, at least ostensibly, a disagreement over legal and security guarantees extended by the GPH to members of the CPP/NPA ended further negotiations. However another round of informal talks was held in Oslo in June 2102. According to OPAPP: “The Parties have agreed to continue meaningful discussions of concerns and issues raised by both sides on June 14, 2012 in Oslo, to pave way for the resumption of the formal talks in the peace negotiations in order to resolve the armed conflict and attain a just and lasting peace.”

### C. Assessment of current VEI risk

The existence in the Philippines of a variety of drivers of VEI and several active VEI groups demonstrates that the risk of VEI is real. However, the risk appears to be declining because of: 1) political and economic improvements, 2) the conciliatory nature of Aquino government (and no apparent rift between the civilian and military leadership), 3) growing awareness of the risks associated with transnational Islamist influences, and 4) more effective counter-terrorism and counter-insurgency efforts, including regional efforts.

This broad statement of the current situation and general trend by itself has limited value. The more important and potentially useful task is ascertaining the *specific* risks the Philippines faces. Briefly, these can be described as follows:

- Continuation of the Muslim insurgency in Mindanao increases the risk of: a) recurring humanitarian crises, b) human rights abuses, c) socio-economic stagnation, d) further alienation of the Muslim population, e) continuation of the region’s dysfunctional politics and f) perpetuation of an unhealthy internal security role for AFP. Even if an agreement is reached, these risks may remain if key groups actively try to torpedo its implementation.
- Continuation of the ASG’s fluid mix of extremism, terrorism and criminality poses a risk principally to local or sub-regional security and economic development. The continued existence of the ASG also complicates the efforts of the GPH and the MILF to maintain a ceasefire and reach an agreement. Finally, the existence of the ASG or groups like it also contributes to the risk of a) regional or global terrorist groups becoming more active in the Philippines and b) terrorist attacks outside of Mindanao.
- Continuation of the Communist insurgency does not represent a serious threat to the Philippine state. However, it does represent a political and military challenge to the state’s authority and legitimacy in NPA-influenced areas and it has a negative impact on public and private investment in those areas. The continuation of the Communist insurgency—or of more criminally-oriented variants of it—also complicates the situation in Mindanao and contributes to an unhealthy internal security role for the AFP.

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<sup>42</sup> ICG, May 2011, pg i.

## D. Determinants of future VEI risk

Looking ahead, future trends are highly sensitive to political and economic progress made over the next three years as well as whether or not a peace agreement with the MILF is concluded and successfully implemented.

### I. During the Aquino government (until 2016)

**Concluding and implementing a GPH-MILF peace agreement.** It appears that progress is being made toward a GPH-MILF peace agreement, though past experience requires recognition of the potential political and constitution hurdles to an agreement. If reached, an agreement will not be a panacea for all that ails Muslim Mindanao; but it will represent something of a new start and the beginning of a new era. Conversely, the repercussions of a failure to reach an agreement are unclear. They could range from continuation of the situation as it exists today to a significant intensification of frustration, insecurity and conflict.

Assuming an agreement is reached, the challenges to implementation will be manifold. Success will depend in large part on the ability of key actors to manage the following: 1) internal dissension within the MILF; 2) Muslim-Christian politics, 3) relations among the MILF, MNLF and other Muslim political elites, 4) MILF DDR, and 5) the introduction of a new governing entity to supercede the ARMM. International Alert offers a useful perspective on what will be a very dynamic and complicated situation: “The traditional dichotomies underlying the Mindanao conflict have changed. In tandem with the central state, the powerful Muslim and Christian clans and the leaders of the MNLF must share part of the blame for the lingering violence, and the perpetual failure to generate wealth and prosperity within the region. The MILF will be facing the same challenges if a peace agreement is achieved, as inclusionary demands have started to rise among indigenous people, settlers, women, and local business groups.”<sup>43</sup>

#### Possible Scenarios for Muslim Mindanao:

- Peace Agreement followed by satisfactory implementation of the terms.
- Peace agreement, but followed by partial or flawed implementation.
- No peace agreement, but negotiations continue with sporadic, low intensity conflict.
- No peace agreement, negotiations stall or end and conflict and VE escalate.

#### Possible Scenarios for the CPP/NPA:

- Formal agreement for cessation of hostilities.
- No agreement, NPA remains an insurgency, movement continues without major advances or setbacks.
- No agreement, NPA fragments, becomes more regional, with a trend toward greater criminal activity.

**Concluding a GPH-CPP/NPA peace agreement.** Given that the CPP-NPA’s long-held goal of overthrowing and replacing the Philippine state is not on anyone’s agenda, a peace agreement most likely would include: 1) symbolic gestures recognizing the movement’s efforts on behalf of poor Filipinos, 2) a DDR plan for the NPA, and 3) amnesty or other legal protections for the many members of the movement charged with crimes.

**Peace and the role of the AFP.** Finally, an end to one or both insurgencies will have significant repercussions for the AFP. As the ICG notes:

The Aquino administration’s pursuit of a political settlement also entails a dramatic change for the army, which has had the green light to pursue the NPA militarily for many years. The

<sup>43</sup> International Alert 2009, pg 13.

government needs to ensure that it has full support not only from all ranks of the army, but also from police and paramilitary forces for its new internal security plan.<sup>44</sup>

## 2. Longer term prospects

***The quality of democracy.*** The longer term prospects for VEI will depend in part on the quality of Philippine democracy. According to one observer, “If an inclusive, participatory democracy can be established, then the NPA’s struggle will seem anachronistic to its potential supporters and members.”<sup>45</sup> The legitimacy and the outcome of the 2016 national elections will be an important factor.

***The quality of national and regional economic growth.*** The Philippines is enjoying a period of respectable and possibly sustained macro-economic growth. This should help to mitigate the drivers of VEI, but it can not be taken for granted that it will. The country’s recent period of economic growth did not generate large numbers of new jobs or significantly reduce poverty. Therefore, the potential impact economic growth has on VEI will depend on how broad-based and sustained it is. Additionally, the economic prospects for Muslim Mindanao will depend on the extent to which it reduces its dependency on economic hand outs from Manila and instead becomes more integrated into the Mindanao and national economy.

***Moro generational change.*** According to a longtime observer of the peace process:

Bangsamoro generational change has been a critical variable in the whole Mindanao conflict and peace process, and ‘the upcoming generation will be the most influenced by the unfolding international tendencies in the Muslim world’ ... How the Bangsamoro successor generation relates to the existing configuration of the MNLF, MILF, and ASG options, or whether it will develop new options of their own, is an unknown quantity of great importance.<sup>46</sup>

Related to this is whether and how the influence and role of traditional political leaders in Muslim Mindanao will change in the future. Of particular importance is whether there will be greater respect for the rule of law and less dependence on patronage.

***Changes in Muslim religious groups and movements.*** Finally, two trends within the Muslim community will have significant salience for VEI: 1) The extent to which moderate and inclusive Islamic groups and movements develop in the Philippines. 2) The extent to which Salafi/Wahhabi groups and financing continue to influence Muslim religious education and discourse in the Philippines.

## IV. PROGRAMMATIC IMPLICATIONS

A central element of the US National Strategy for Counterterrorism is to “counter al-Qa’ida ideology and its resonance and diminish the specific drivers of violence that al-Qa’ida exploits.” The strategy seeks to do this by “strengthening bulwarks against radicalization, recruitment, and mobilization to violence in the name of al-Qa’ida and focusing in particular on those drivers that we know al-Qa’ida exploits.”<sup>47</sup> The Strategy goes on to state that:

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<sup>44</sup> ICG February 2011, pg ii.

<sup>45</sup> Santos, et al., *Primed and Purposeful*, 2010, pg 18-19.

<sup>46</sup> *Ibid.* pg 65.

<sup>47</sup> National Counter-Terrorism Strategy, 2011, pg 10.

CT efforts in Southeast Asia have improved markedly in recent years as key countries in the region have enjoyed significant CT successes and put effective pressure on the region's most lethal terrorist organizations. Despite these successes, the region remains potentially fertile ground for local terrorist organizations that share al-Qa'ida's ideology and aspirations ... [The goal is] ensuring that the threat from terrorism does not undergo a resurgence in the years ahead and that al-Qa'ida's senior leadership is compelled to look at regions other than Southeast Asia for resources, support, and a potential safe haven.<sup>48</sup>

The National CT Strategy calls for ensuring that the CT progress made in the Philippines isn't reversed. What can and should USAID/Philippines do to address the sometimes lethal mix of political violence, violent extremism, terrorism, and insurgency that continues to exist, though diminished, in the Philippines? In this concluding section we identify some of the implications of this VEI risk assessment for USAID's programs.<sup>49</sup>

## Implications for USAID programming

**1. Capitalize on the current window of opportunity.** As the Mission knows, the current situation in the Philippines holds the promise of significant economic and governance reforms. But this window may remain open for only a few more years. Therefore, the Mission should do everything it can to support the Philippine efforts not just to introduce economic and governance reforms, but also to ensure that reforms will be sustained.<sup>50</sup>

**2. Keep in mind that traditional development projects aren't usually effective tools to address VEI.** When designing programs intended to address VEI, the Mission should bear in mind the observation contained in the CVE Programming Guide:

Historical trends, as well as more recent ones, suggest that frustrated expectations for economic improvement and social mobility are a far more frequent source of VE than mere economic deprivation. More often than not, discontent arises not so much from the system's failure to deliver, but from its inability to keep up with expectations—especially those of the educated, upwardly mobile and achievement-oriented elites that emerge through modernization, economic development, and globalization. There is much anecdotal evidence to suggest that relative deprivation and frustrated expectations—for economic benefits, political power, and/or social status—can be important drivers of VE ... What is critical here is not so much the material grievances that social marginality produces, but the far more dangerous message that acute forms of social exclusion may convey to those who are its victims: state and society alike have turned their back and given up on you.<sup>51</sup>

Therefore, it should be remembered that while projects that build schools and roads or offer employment opportunities are valuable for a variety of developmental and political reasons, they do not necessarily help to counter the drivers of VEI. These drivers are rooted in Muslim grievances such as a) the loss of their homeland, b) the political and economic marginalization of Muslim Mindanao, c) the failure of regional autonomy as provided for by the ARMM, d) pervasive violence and insecurity.

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<sup>48</sup> National Counter-Terrorism Strategy, 2011, pg 17.

<sup>49</sup> The education sector clearly is important and USAID Philippines has been active in this sector. However, preparation of this report did not involve a review of current USAID programs, so the author does not feel competent to offer comments regarding USAID programming in this sector.

<sup>50</sup> As noted earlier in this report, the quality and legitimacy of the 2016 national elections will be an important determinant of what happens post 2016.

<sup>51</sup> CVE Programming Guide, pg s13 and 15.

**3. Be ready to support implementation of a GRP-MILF peace agreement.** The conclusion of a GRP-MILF peace agreement—and its successful implementation—has the potential over time to significantly reduce some of the drivers of VEI in Mindanao. In the event that an agreement is reached, implementation will be fraught with challenges. Given USAID’s sizeable past investments in Mindanao, it should be prepared to help ensure successful implementation. Some important elements of this are likely to include:

- Putting autonomy into practice and ensuring a smooth change in the status of the ARMM.
- Ensuring government and donor assistance benefits MILF, non-MILF Muslim, Christian, and IP communities. Also, the existence of the NPA needs to be considered. According to the ICG: “The Philippine government and donors have tried to address problems in Muslim Mindanao, even though the CPP-NPA is responsible for a considerable amount of the violence plaguing the island. The “Mindanao problem” will not be solved by focusing on Muslim areas alone.”<sup>52</sup>
- Addressing the governance problems that have plagued Muslim Mindanao, including corruption. According to the CVE Guide:

There is significant anecdotal evidence to suggest that, across the Muslim world, VE movements are able to tap into the resentment and alienation that corruption and impunity create. Significantly, VE leaders consistently emphasize such themes, while seeking to present themselves, in contrast, as embodiments of integrity and moral rectitude ... That said, corruption typically operates as a driver less by pushing individuals into VE activities than by creating an enabling environment for VE groups.<sup>53</sup>

- Supporting the transformation of the MILF (and perhaps the MNLF) into a political party (or parties).
- Supporting the development of the Muslim Filipino private sector. According to the ICAF: “There was a strong current of opinion that the private sector is a powerful engine for improving peace and stability on Mindanao, and one that is not fully utilized.”<sup>54</sup>
- Ensuring robust and effective donor coordination and monitoring of implementation.

**4. The GPH and donors need to better understand Mindanao’s illicit economy and identify ways to address it.** According to the CVE Guide:

Support for VE organizations may stem from the lucrative economic opportunities (e.g., drug smuggling, trafficking, or extortion) that those organizations control; individuals may view joining or supporting VE organizations as a way of gaining access to those economic opportunities ... Illicit economic activities also may represent an important driver of VE because they provide resources that accrue to VE organizations, and without which those organizations could not sustain their activities.<sup>55</sup>

The GPH and donors should undertake a rigorous analysis of the formal, informal, and illicit economies of Mindanao/Sulu in order to better understand the islands’ political economy and to identify needed reforms.

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<sup>52</sup> ICG, February 2011, pg i.

<sup>53</sup> CVE Programming Guide, pg 21.

<sup>54</sup> Philippines ICAF 2011, pg 15.

<sup>55</sup> CVE Programming Guide, pg 16.

**5. In all of its programming, USAID should look for opportunities to support for Muslim CSOs and CSO networks—especially youth, women’s, and business groups.** Filipino Muslims are endeavoring to develop more modern Muslim organizations – modern in the Islamist sense of being modernist and modern in the sense of not being beholden to traditional Muslim elites in Mindanao. Support for Muslim CSOs and CSO networks will contribute to this.

6. Finally, assuming the Philippine economy performs reasonably well in coming years, it will be important to understand who isn’t benefiting from economic growth. An effort should be made to ***monitor and assess changes in the socioeconomic status and attitudes of populations most prone to violence and extremism*** (including but not limited to Muslim youth).

## ANNEX A: SUMMARY OF DRIVERS OF VEI IN THE PHILIPPINES

(High – 3, Moderate – 2, Low- 1)

VE Drivers and Mitigants	Relevance in the Philippines	Current Salience	Trend/Prospective Salience
<b>A. Socio-economic drivers</b>			
1. Homeland/ancestral domain threatened	Moros and Lumads in Mindanao see their homelands/ancestral domains being taken from them.	2-3	Pressures likely to continue, peace agreement and autonomy central
2. Exposure to Wahhabist/Salafist ideas and organizations.	290,000 Filipinos work in Saudi Arabia. Since the 1970s, Saudi, Libyan and Pakistani funding for mosques and schools.	2-3	Likely to continue, but with more careful monitoring by governments
3. Social networks and group dynamics	Typically strong in the RP	3	Will remain high
4. Perceptions of social exclusion	Relevant to many but not all Muslim Filipinos	2	For Muslims will depend on if there is autonomy and socio-econ development
5. Societal discrimination	Relevant to many but not all Muslim Filipinos	2	For Muslims will depend on it there is autonomy and socio-econ development
6. Frustrated expectations/relative deprivation	Strong in ARMM and in other underdeveloped rural areas.	2	GPH emphasizing poverty reduction. Progress in ARMM likely to lag
7. Unmet socioeconomic needs	Strong in ARMM and in other underdeveloped rural areas.	2	GPH emphasizing poverty reduction. Progress in ARMM likely to lag
8. Greed/proliferation of illegal economic activities	In Mindanao, smuggling, ASG kidnapping, drugs; nationally NPA extortion	2	Will depend on if there are peace agreements, if some insurgents opt for criminal activities and on law enforcement

<b>B. Political drivers</b>			
1. Local conflicts	Many local conflicts between families/clans over politics and control of economy. <i>Rido</i> in Muslim Mindanao most pronounced example. (Crime and gang conflict too?)	2	Reducing/containing local conflicts requires significant changes in conduct of local government, electoral politics, law enforcement
2. Endemic corruption and elite impunity	Corruption widespread in RP, but may be worse in Muslim Mindanao. Elites generally enjoy high degree of impunity.	2	Aquino admin is fighting corruption and impunity, but could change after 2016
3. Political/military encroachment	AFP intrusion into local affairs in parts of Mindanao and NPA influenced areas	1-2	Improvement depends on peace agreements and further reform of AFP
4. Government repression/HR violations	Relatively little gov repression since 1986. But recurring AFP HR violations.	1-2	HR violations have declined under Aquino admin, but could resume after 2016
5. Discredited gov./weak opposition	GMA government somewhat discredited. This may have helped NPA. ARMM discredited.	1-2	Popularity of Aquino government high; could change after 2016. ARMM to be replaced?
6. Perception that int'l system is unfair	Economic nationalism, plantations in Mindanao; foreign mining cos; historical influence of the USG.	1-2	Some diminuation if economic growth is sustained.
7. Denial of political rights and civil liberties	Few formal restrictions on rights and liberties	1	No change expected.
8. Intimidation/coercion by VE groups	ASG kidnappings, NPA trials and executions, terrorist activities.	1	Improvement depends on effectiveness of CT and COIN efforts and peace agreements
9. Poorly governed/ungoverned areas	State can project its influence to most of the country; Sulu archipelago a partial exception	1	Improvement depends on peace agreements with MILF and NPA
<b>C. Cultural drivers</b>			
1. Broader cultural threats (traditions/culture)	Some Filipinos (Muslim and non-Muslim) view Western influences as undermining traditional Muslim and Filipino culture and values. Muslims and IPs want ancestral domain	1-2	Unlikely to change

	and customary law respected		
2. Islam under siege	Not clear how prevalent this view is among Muslim Filipinos.	1	Uncertain
3. Proactive religious agendas	Influence of Wahhabi and Salafi preachers and charities.	1	Uncertain
<b>D. Mitigants/Resiliencies</b>			
1. OCWs and their remittances provide a huge safety valve		3	Structural/ongoing
2. Popularity and reforms of the Aquino government		3	Potentially temporary; new administration in 2016
3. Propensity for accommodation and cooptation		2	Cultural/ongoing, but varies depending on political leadership
4. Political/electoral competition, vibrant civil society and other non-violent channels to redress grievances		2	Largely structural and likely to be ongoing, but quality of democracy depends on political leadership
5. Traditional/local elites and patron-client ties serve as control mechanisms		2	Largely structural/ongoing
6. Multiple intra-Muslims divisions: ethnic, clan, political and religious divisions		2	Longstanding divisions, but change possible due to generational, political and socio-economic changes
7. GPH/AFP experienced with counter-insurgency efforts		1-2	Effectiveness varies depending on civilian and military leadership

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