

Backrooms, Battlefields and Backhoes: The Mindanao Conundrum

The Bangsamoro Framework Agreement and the Mindanao Problem: Foregrounding Historical and Cultural Facts and Concepts for Social Justice and Peace in the Southern Philippines

Development and Distress in Mindanao: A Political Economy Overview

The Philippines and Bangsamoro Polity: Breaking the "Sisyphean Ordeal"

Magpuyong malinawon sa yutang kabilin (Living in Peace in their Ancestral Domain)

The New Face of Mindanao's Strong Men: The Politico-Economic Foundations of Legitimacy in Muslim Mindanao FRANCISCO LARA, JR.

COMMENTARIES

It's Now or Later... or Never?

Comments on the Framework Agreement between the Philippine Government (GPH) and the Moro Islamic Liberation Front (MILF)

RUDY BUHAY RODIL

DOCUMENTS

- 2012 Framework Agreement on the Bangsamoro
- Annex on Revenue Generation & Wealth Sharing
- Comparing the ARMM Law (RA 9054) and the Wealth Sharing Annex, Bangsamoro Framework Agreement

POETRY

Hussein Macarambon



ABOUT THE IOURNAL

Asian Studies is a peer-reviewed journal published by the Asian Center, University of the Philippines Diliman. Since 1963, it has promoted original research that helps enhance the understanding of and enliven discussions on issues relevant to Asia.

EDITORIAL BOARD

- Eduardo C. Tadem (Editor in Chief), Asian Studies, University of the Philippines Diliman
- Michiyo Yoneno-Reyes (Book Review Editor), Asian Studies, University of the Philippines Diliman
- Eduardo T. Gonzalez, Asian and Philippine Studies, University of the Philippines Diliman
- Ricardo T. Jose, History, University of the Philippines Diliman
- Joseph Anthony Lim, Economics, Ateneo de Manila University
- Antoinette Raquiza, Asian Studies, University of the Philippines Diliman
- Teresa Encarnacion Tadem, Political Science, University of the Philippines Diliman
- Lily Rose Tope, English and Comparative Literature, University of the Philippines Diliman

EDITORIAL STAFF

- · Janus Isaac V. Nolasco, Managing Editor
- Katrina Navallo, Editorial Associate
- · Ariel G. Manuel, Layout Artist

FDITORIAL ADVISORY BOARD

- · Patricio N. Abinales, University of Hawaii at Manoa
- · Andrew Charles Bernard Aeria, University of Malaysia Sarawak
- Benedict Anderson, Cornell University
- · Melani Budianta, University of Indonesia
- Urvashi Butalia, Zubaan Books (An imprint of Kali for Women)
- · Vedi Renandi Hadiz, Murdoch University
- · Caroline S. Hau, Kyoto University
- · Huang Renwei, Shanghai Academy of Social Sciences
- Reynaldo C. Ileto, National University of Singapore
- Benedict Tria Kerkvliet, Australian National University & University of Hawaii
- · Lau Kin Chi, Lingnan University
- · Lee Jung Ok, Daegu Catholic University
- Francis Loh Kok Wah, Universiti Sains Malaysia
- Armando S. Malay, Jr., University of the Philippines Diliman
- · Kinhide Mushakoji, Osaka University
- Raul Pertierra, University of the Philippines Diliman
- Somchai Phatharathananunth, Mahasarakham University
- · Michael Pinches, University of Western Australia
- Bambang Purwanto, Gadjah Mada University
- · Vinod Raina, Jawaharlal Nehru University
- Helen Yu-Rivera, University of the Philippines Diliman
- Harsh Sethi, Seminar Journal (New Delhi)
- Wen Tiejun, Renmin University of China
- Surichai Wun'Gaeo, Chulalongkorn University



ASIAN STUDIES

Copyright 2012 | ISSN: 0004-4679 (print) | ISSN: 2244-5927 (online)
Asian Center, Magsaysay cor. Guerrero Sts.
University of the Philippines, Diliman, Quezon City
EMAIL: upasianstudies@gmail.com
PHONE: 63.2.920.3535 or 63.2.981.8500 loc. 3586

The content of *Asian Studies* may not be republished without the written permission of the Asian Center.



VOLUME 48 NUMBERS 1 & 2 2012

BACKROOMS, BATTLEFIELDS AND BACKHOES: THE MINDANAO CONUNDRUM

EDITOR'S NOTE EDUARDO CLIMAGO TADEM

٧

The Bangsamoro Framework Agreement and the Mindanao Problem: Foregrounding Historical and Cultural Facts and Concepts for Social Justice and Peace in the Southern Philippines

Development and Distress in Mindanao:
A Political Economy Overview
EDUARDO GLIMAGO TADEM

19

The Philippines and Bangsamoro Polity:
Breaking the "Sisyphean Ordeal"

35

Magpuyong malinawon sa yutang kabilin (Living in Peace in their Ancestral Domain)

RUDY B. RODIL

47

The New Face of Mindanao's Strong Men: The Politico-Economic Foundations of Legitimacy in Muslim Mindanao



VOLUME 48 NUMBERS 1 & 2 2012

COMMENTARIES

It's Now or Later... or Never?

70

Comments on the Framework Agreement between the Philippine Government (GPH) and the Moro Islamic Liberation Front (MILF)

76

DOCUMENTS

2012 Framework Agreement on the Bangsamoro

Annex on Revenue Generation & Wealth Sharing

Comparing the ARMM Law (RA 9054) and the Wealth Sharing Annex, Bangsamoro Framework Agreement

THE INSTITUTE FOR AUTONOMY AND GOVERNANCE, COTABATO CITY

111

POETRY Hussein Macarambon 125

ABOUT THE AUTHORS
128



Editor's Note

BACKROOMS, BATTLEFIELDS AND BACKHOES: THE MINDANAO CONUNDRUM

THE THEME AND TITLE of this special issue of *Asian Studies* is taken from a panel on Mindanao convened during the University of the Philippines (UP) Academic Congress in February 2010. The UP Congress comprised panels on almost all aspects of Philippine society and was intended "to identify the current issues, map the various approaches that have been tried in the past, provide some assessment of their gains and failures and draw out possible actions that must be done by the next administration" in the light of the crucial May 2010 Presidential election. Topics included jobs, debt, and deficits, health issues, the Filipino diaspora, secularisms and fundamentalisms, property reform, agrarian reform, urban policy, science and technology, trade and markets, education reforms, foreign relations, climate change and disasters, law and impunity, electoral politics, labor concerns, and Mindanao.

The Mindanao panel was convened on 2 February 2010 and was chaired by Associate Professor Miriam Coronel Ferrer, who later became head of the government peace panel negotiating with the Moro Islamic Liberation Front (MILF). The papers in this issue of *Asian Studies*, written by UP Islamic Studies Dean Julkipli Wadi, UP Professor Eduardo Tadem, Mindanao State University Professor Rudy Rodil, and Dr. Francisco Lara, were all presented in that panel.

Online definitions of "conundrum" appropriate to this issue's theme include: "a paradoxical, intricate, confusing, insoluble, or difficult problem; a riddle, or anything that puzzles." Having defied attempts at resolution for generations, conflicts in Mindanao indeed constitute a conundrum that challenges all concerned parties. "Backrooms" refer to the ongoing negotiations between the Philippine government (PH) and the MILF. The discussions are currently in their end stages, but the remaining issues are

vi Editor's Note

still highly contentious and difficult to resolve. "Battlefields" denote the wars that have ravaged Mindanao and pitted the Philippine state against the Moro people, who have asserted their right to self-determination and social justice. "Backhoes" refer to the horrific Maguindanao Massacre of November 2009, a tragedy perpetrated by a warlord clan, who tried to bury the bodies by using backhoe excavating machines. The massacre left 59 people dead and mutilated, 34 of whom were journalists.

Tadem contrasts the popular belief that growth and development have bypassed Mindanao with the fact that the region's economies have been primary contributors to the country's productive capacities.³ But the wealth generated has only resulted in a more distressed socio-economic condition for Mindanao than for the nation as a whole, an enigma exacerbated by internal colonialism - the transfer of wealth from the south to the nucleus of political-economic power in the north.

Wadi stresses that the relation of the Philippine State and the Bangsamoro polity has often been subjected to a "Sisyphean ordeal." Each time a new development emerges - e.g., a vision of social order, political arrangement, or policy reform - it is always followed and oftentimes countered by subsequent developments, leaving the whole relation in tatters while the vision is left to cascade into dramatic irrelevance.⁴

Rodil draws attention to the plight of Mindanao's 35 *Lumad* tribes - indigenous communities who live outside Moro areas. Severely marginalized as a result of state resettlement programs, they now assert their own identity and right to self-determination by focusing on securing ancestral domain claims, a right that government and the other Mindanao sectors must recognize to allow the *Lumads* to create and develop their own social spaces.

For Lara, the Maguindanao massacre can be understood by looking at the interface between two types of armed challenges - "vertical armed challenge against the state," (i.e., MNLF and the MILF), and "horizontal armed challenges" symbolized by "inter- and intra-clan and group violence." In this context, Lara asserts that an "exclusionary political

economy developed through contest and violence" has impoverished Muslims. Growth has been artificial while "the exploitation of lootable or non-lootable resources opens up new arenas of conflict, and a rise in violence."

UP Professor Abraham Sakili analyzes and contextualizes the Bangsamoro Framework Agreement signed on 15 October 2012 between the Philippine government and the MILF. The Framework Agreement outlines, in general terms, the nature, structure, and powers of the Bangsamoro political entity, which aims to supersede the Autonomous Region in Muslim Mindanao (ARMM). Sakili contends that in the reactions to the Agreement, "the historical and cultural explanations of the causes of the problem in Mindanao" have been ignored. In pointing this out, Sakili reveals a properly nuanced view of Muslim history vis-à-vis Philippine history, which accounts for "a history of power and sovereignty of the Muslim peoples" and "how the incorporation of this once-sovereign community into what is now the Republic of the Philippines was facilitated through anomalous means."

It is extremely doubtful whether the views and recommendations of the February 2010 UP Academic Congress in general, and the Mindanao Panel in particular, were ever seriously considered by the regime of President Benigno S. Aquino III that took power five months later in June 2010. Being ignored by the powers-that-be has been the sad and recurring fate of unsolicited contributions from the academe, other independent scholars and intellectuals, and civil society groups. Only when elements from these sectors opt to join government and take on high positions in the bureaucracy are their opinions accorded the proper audience and hearing.

The Mindanao conundrum, centuries after it unraveled, continues to puzzle government, civil society, market forces, scholars, social movements, and local communities. As this special issue of *Asian Studies* goes to press, a crucial annex to the Bangsamoro Framework Agreement on wealth sharing has been signed, the result of an unhappy compromise

viii Editor's Note

on the part of the MILF. Other annexes on power sharing and normalization, however, remain on the negotiating table. In the light of these noteworthy, if fragile accomplishments in the PH-MILF peace talks, it might be worth asking: is a just and sustainable peace finally at hand, or will the Mindanao riddle still continue to baffle all concerned parties for many more years to come?

Eduardo C. Tadem, PhD

Editor in Chief

References

- 1 "UP Academic Congress challenges future leaders," 27 January 2010. ABS-CBN News online. See http://www.abs-cbnnews.com/nation/01/27/10/academic-congresschallenges-future-leaders
- 2 View the podcast of the opening remarks of UP Academic Congress Co-Convenor and then UP Law Professor and Dean Marvic Leonen at http://dilc.upd.edu.ph/index.php/ vodcast/eve/430-a-up-academics-congress-to-challenge-our-next-leaders
- 3 View the podcast of Professor E.C. Tadem's presentation at http://dilc.upd.edu.ph/index.php/vodcast/eve/431-development-and-distress-in-mindanao-a-political-economy-overview
- 4 View the podcast of Dean Julkipli Wadi's presentation at http://dilc.upd.edu.ph/index.php/vodcast/eve/428-the-philippines-and-the-bangsa-moro-polity-breaking-the-sisyphean-ordeal42
- 5 View the podcast of Professor Rudy Rodil's presentation at http://dilc.upd.edu.ph/index.php/vodcast/eve/429-magpuyong-malinawon-sa-yutang-kabilin-to-live-in-peace-in-our-ancestral-domain43
- 6 View the podcast of Dr. Francisco Lara's presentation at http://dilc.upd.edu.ph/index.php/vodcast/eve/432-development-and-distress-in-mindanao-a-political-economy-overview44



The Bangsamoro Framework Agreement and the Mindanao Problem: Foregrounding Historical and Cultural Facts and Concepts for Social Justice and Peace in the Southern Philippines

ABRAHAM P. SAKILI

Introduction

The Bangsamoro Framework Agreement

WITH THE SIGNING of the Bangsamoro Framework Agreement between the Philippine Government (GPH) and the Moro Islamic Liberation Front (MILF) on October 15, 2012, the hope for peace among the Muslims in Mindanao has become alive.

The Framework Agreement defines the nature, structure, and powers of the political entity called the Bangsamoro that will replace the Autonomous Region in Muslim Mindanao (ARMM), which President Aquino acknowledged as "a failed experiment." Among the salient features of the Agreement are the following:

 Creation of a Transition Commission, which shall draft the Bangsamoro Basic Law and make proposals to amend the Philippine Constitution, if necessary. While the Transition Commission is being organized, the

negotiating panels will continue to work on the annexes on power-sharing, wealth-sharing, normalization and transitional mechanisms, which are expected to be accomplished in 2012. The MILF shall gradually decommission its forces "so that they are put beyond use" and law enforcement shall be transferred to a civilian police force.

- 2) The Bangsamoro shall have the power to create its own sources of revenues, as well as to have an equal share in the revenues derived from natural resources. The Central Government will have reserved powers on defense and external security, foreign policy, common market and global trade, coinage and monetary policy, citizenship and naturalization and postal service; and the Bangsamoro will have its exclusive or devolved powers.
- 3) Once the Bangsamoro Basic Law is signed by the President, a plebiscite shall be conducted in the envisioned territory of the Bangsamoro, which includes the current ARMM provinces, the cities of Cotabato and Isabela, and a number of named municipalities and barangays in Lanao del Norte and North Cotabato; and
- 4) The Bangsamoro Transition Authority shall be created to organize the ministerial form of Bangsamoro government "asymmetrically" related to the Central Government of the Philippines. It will also facilitate the transition between the period of the plebiscite and the 2016 election. In the 2016 election, the MILF and other political forces will participate through political parties and seek power through democratic means (OPAPP 2013).

In his 10 December 2012 *Philippine Daily Inquirer* article, Doronila emphasized that what has been agreed so far was "to work out the terms of a peace agreement the two parties can agree with." The details are in the Annexes being negotiated by the two parties as of this writing. These include issues related to wealth-and-power-sharing, normalization, modalities and arrangements that constitute the so-called road map for the implementation of the comprehensive peace agreement. The annexes on modalities and arrangements include the mechanics and structures of generally the "whole process" of the peace agreement.

Reactions on the Framework Agreement

When the Agreement was published, it elicited different reactions from the public. Expressions of support were cautious while criticisms were mostly based on legal interpretations from concerned lawyers whose pessimism about the outcome of the final agreement arises from doubts as to whether it could be substantiated with appropriate annexes that can solve the Mindanao problem. One newspaper columnist writes that the Agreement "is a curse to the nation" and an "agreement for PH dismemberment." Another one argues that the Bangsamoro Framework Agreement "fails to uphold the Constitution and overlooks inviolate provisions on sovereignty and territorial integrity." A careful reading of the Agreement, however, does not affirm such views; on the contrary, it upholds Philippine territorial integrity and national sovereignty.

The specific provision that solicits legal reaction is in Paragraph VII (4b), which provides that the Transition Commission will "work on proposals to amend the Philippine Constitution for the purpose of accommodating and entrenching in the constitution the Agreements of the Parties whenever necessary without derogating from any prior peace agreements." On this, Marvic Leonen, the chief peace negotiator clarifies that the Philippine Government "is not bound" to have the charter amended as President Aquino "did not guarantee the acceptance of (such) proposal (for amendment). It is clear," Leonen pointed out, "that the transition

commission can only make recommendations, but it is up to Congress to dispose." In the Philippine Constitution, amendments fall within the jurisdiction of the Congress.

Another critical point is in Paragraph 1 (4), which states that the relationship of the Central Government and the Bangsamoro Government shall be asymmetric." The term "asymmetric" is derived from the "asymmetric theory" popularized by Professor Brantly Womack of the University of Virginia. Womack originally used the theory to analyze the relationship between China and smaller and weaker nations. "Symmetry" is what characterizes the different states that make up the United States of America. The states enjoy the same status among themselves vis-à-vis the central government. "Asymmetrical" is a term that has been applied with reference to constituent units in both unitary states and federal systems, (such as) Aceh in the unitary Republic of Indonesia, which has an asymmetrical relationship with the Indonesian government; also the ARMM and the Cordillera Autonomous Region "are different from the regular local governments in the provinces, cities and municipalities, and the relationship of the autonomous regions to these regular local governments is asymmetrical."

The word "asymmetric," as clarified by the members of the Philippine peace panel is not a legal term but a political one. This is clarified by Prof. Miriam Coronel, who writes that "in political science, there is 'asymmetry' when a territorial unit within a political system enjoys a distinct or special status because of its peculiarities." Coronel describes this asymmetry as "a relationship that enhances the status of one part without diminishing the standing or sovereignty of the central over its parts. In concrete terms, the President shall have supervisory powers over the Bangsamoro and shall likewise have jurisdictions over major powers such as defense and foreign affairs, among others."

The critics of the Agreement, however, do not share the same positive meanings of the term. One critic interprets "asymmetric affiliation" as "dysfunctional, divisive and impaired, making assimilation extremely difficult if not impossible" (Yasay, *UCCP Cosmopolitan Church Forum*, 21 November 2012). As such, assimilation has been unacceptable to the Muslims. They regard it similar to a plague; Peter Gowing refers to it as the Muslim's "Christian problem," which threatens the security and integrity of their distinct *bangsa* or Muslim identity. Assimilation for the Muslims is tantamount to "psychological death" and preventing it from happening to their "Muslim way of life" lies at the core of their struggle in Mindanao for centuries.

Another portion in the Agreement that generates misinterpretation is the provision on the authority of the Bangsamoro to receive "block grants and subsidies from the Central Government" as "the power to block grants" (IV:3). Critics read it as "block" (to hinder) grants, which is different from the original meaning in the agreement. Coronel defines "block grants" as "lump sum funds for special development programs or projects. It is a technical term used in financing and economics. It is not used here as a verb to refuse or prevent."

On the other end, supporters of the Agreement such as Conrado de Quiros, describes it as a "landmark event." "What the signing achieved," he writes in the 16 October 2012 *Philippine Daily Inquirer*, "was to signify the breaking down of distrust. That distrust, built deceit by deceit, betrayal by betrayal, death by death, is not just decade-old, it is centuries-old...Trust is what makes for peace."

Cielito Habito, a Filipino economist, raises "hopes" (as well as thorns) and points to the economic potentials that the agreement could bring. He writes that the "Bangsamoro possesses a vast scope for economic growth and diversification owing to Mindanao's link to the BIMP-EAGA (Brunei-Indonesia-Malaysia-Philippines East Asia Growth Area) — a linkage that is of greater significance and potential for Muslim Mindanao relative to the rest of the country...(The fact that) the Muslims comprise the majority in Southeast Asia gives Bangsamoro the potential edge in meeting the regional market's particular demand for goods and services" (*Philippine Daily Inquirer*, 15 October 2012). However, he challenges the

Bangsamoro and Central government to set up the proper condition and to provide the needed infrastructures to attract foreign investments "that will boost jobs and income in the long-troubled Bangsamoro region" which he described as a "gem in the rough."

On the whole, while legal arguments dominate the debate about the Agreement, the historical and cultural contexts of the problem are relegated to the sideline. The main issue of the problem, which is primarily historical and cultural in context, is not widely communicated to nor understood by the public. The present concern is a repeat of the government's shortcoming while soliciting popular support during the 1996 Peace Agreement between itself and the MNLF. The lack of information was described as a case of "misunderstood war that leads to misunderstood peace" (Philippine Daily Inquirer). What was lacking, then and now, has been the historical and cultural explanations of the causes of the problem in Mindanao. With no such explanations and presentations of facts and figures, so to speak, it is not surprising for the Agreement to be bombarded with criticisms, doubts and fears from non-Muslim opinion makers.

At this junction, the succeeding paragraphs discuss the historical and cultural contexts of the Muslim struggle for independence in Mindanao.

The Historical-Cultural Approach and the Problem of Representation

To understand the Mindanao problem, this discussion makes use of a historical framework which outlines the Muslim history and cultural nuances vis-à-vis Philippine history. Muslim history in the Philippines articulates a history of power and sovereignty of the Muslim peoples and informs how the incorporation of this once-sovereign community into what is now the Republic of the Philippines was facilitated through anomalous means.

The cultural discussion emphasizes the profound beginnings and motivations of the Muslim struggle for freedom and social justice. As a tool for analysis, the cultural approach regards culture as an ideational system instead of as a formal or structural-functional one. According to Edgar Schein (1990:26) "to understand a group's culture, one must attempt to get at its shared basic assumptions" which Schein defines as the "takenfor granted and hard-to-decipher belief systems which are operational at the unconscious level." Filipino Muslims associate their culture with *Deen* or Islam, and with *addat* or customs; therefore their belief system serves as a potent force in sustaining their life and identity as a people.

In this paper, both the Muslim culture and Philippine history are regarded as significant concepts in determining the root cause of the Mindanao problem. Together, they are also seen as potent antidotes to the problem of "representation."

Representation as a problem is explained by Edward Said as a highly artificial means of enacting or positioning a subject, such as Muslim history and culture through texts of mainstream scholarship (Said 1978/1991:21). The representation of Philippine Muslim history and culture in mainstream information channels, such as schools and mass-media, involves a systematic means of selecting, excluding and distributing these texts to restructure and exercise control over the lives of the Muslim inhabitants in the Philippines.

Such problem of representation manifests when the primary roots of the Mindanao struggle is defined as largely economic or legal, instead of being regarded as a historical and cultural issue. Identifying the nature of the issue as inherently legal or economic confuses the outcome from the cause, and in the process, the Muslims appear as culprits rather than victims. Likewise, the Muslim struggle for freedom and justice is misread as the *root* rather than the *effect* of the problem.

The Bangsamoro and the ARMM

The Muslim groups in Mindanao, numbering about four to five million, include the Tausug of Sulu, Sama of Tawi-tawi, Maranao of Lanao, Maguindanao of Cotabato and Yakan of Basilan. As a sociopolitical group they are called *Bangsamoro* (or Moro nationality). *Bangsa* literally means "nationality," which is technically defined as "a people

who, because of their belief in their common descent and their mission in the world, by virtue of their common cultural heritage and historical career, aspire to sovereignty over a territory or seek to maintain or enlarge their political or cultural influence in the face of opposition" (Wirth 1936: 723).

The term "Moro" originated from the "Moors" of Mauritania, an irony used by the Spaniards to call anyone who is Muslim. The term is also used to refer to quarrelsome and uncivilized people during the era of Spanish conquest, and Muslim Filipinos used it with caution. However in the 1970s, when fighting between the Muslim communities and the Philippine government dramatically escalated, the term came back into common use on both sides (Gowing 1979:xii). For the Muslims, the name "Bangsamoro" symbolizes the anti-colonial struggle for freedom and justice.

Since becoming Philippine citizens, the Bangsamoro people continue to suffer from severe economic conditions and problematic relations with the other inhabitants in Mindanao. Unlike other Muslim groups in Southeast Asia who have regained freedom from colonizers and have been living progressively, Muslims in the Philippines continue to suffer.

Sixty-three percent (63%) of the population of ARMM is living below poverty line. Four of its provinces are among the 10 poorest provinces nationwide: Sulu ranking first, Tawi-Tawi third, Maguindanao sixth and Lanao del Sur seventh. Tawi-Tawi's population has the lowest lifespan, where most of the adult population does not survive beyond 40 years. Further, lack of access to water, unemployment and inadequate economic opportunities aggravate poverty in the ARMM (Philippine Human Development Report, 2002).

HISTORICAL CONSTRUCT AND FACTS OF HISTORY

The Philippine History as a Social Construct

Philippine history as a social construct has been tied to the development of power structure. As a construct, its language and texts are framed and selected to correspond to the culture of power operating in the production of knowledge. This problem of "historical construction" is now being gradually addressed by the implementation of Republic Act 10086, which mandates the National Historical Commission of the Philippines (NHCP) to oversee the resolving of historical issues in the Philippines. It is hoped that much would be accommodated to correct the "historical wrongs inflicted (upon the history of Muslims in the Philippines)." In the recently signed Bangsamoro Framework Agreement there is a provision in Article VIII, Section 12 to "correct historical injustices and address human rights violations."

Unless substantially addressed and reformed, the exteriorization of Muslim history in mainstream scholarship will fail to provide Philippine history a comprehensive representation of the issues that are part of the making of the present nation-state. As expressed by MCM Santamaria: "apparently biased dominant Christian discourse seems to disable us from recognizing the great achievements of the (Muslims in the Philippines)—the setting up of state organizations beyond the level of the *barangay* and the maintenance of military might with the well-tested capability to resist the West" (*Business Mirror*, 16 July 2008).

Philippine Muslim History of Power and Sovereignty

For centuries, the Philippine Muslims had maintained their sovereign independence. The Muslim sultanate's obligation to promote the interest of its inhabitants and to conduct foreign relations was an assertion of that sovereignty. Blair and Robertson (1909:190) reveal that the Spanish accounts from the 16th and 17th centuries have readily acknowledged the sovereignty of the Muslim rulers in Mindanao and Sulu, "who, unlike those of Luzon are accustomed to power and sovereignty."

The Maguindanao Sultanate reached the zenith of its glory during the reign of Sultan Kudarat in 1630-40, when it controlled most parts of Mindanao. Sultan Kudarat entered into a treaty with the Spaniards, who recognized the sultan's territory from Sibugay, which flows from Sibugay

Bay in the present provinces of Zamboanga to the Tagalook Bay (the present Davao Gulf) (Majul,1970:150 citing the data of Combes, pp. 269-348, 425-433).

As to the Sultanate of Sulu, it was the richest Muslim settlement in pre-Spanish Philippines. Sulu's strategic location and possession of rich maritime and forest resources made it a primary center of international trade. During the height of its glory, the rulers of Sulu controlled vast territories¹ including parts of Kalimantan; it also established international relations by entering into treaties with foreign powers.² What the Sulu leaders signed "was a treaty, strictly so-called that is one between two sovereign and independent states, each is recognized as such by the other," a Jesuit scholar wrote in 1935 (H. de la Costa S.J. 1935/1965:97).

The Mindanao Problem

The conflict in the southern Philippines, which has often been oversimplified in mainstream media as an economic and/or integration problem, has a multi-dimensional component which needs to be understood holistically and dealt with positively. An American scholar, Peter Gowing, rooted the problem in the fact that "the Muslims in the Philippines constitute a nationality distinct from and older than the Filipino nationality" (Gowing 1979).

Structurally and administratively, the unitary or highly centralized structure of the Philippine government has been inappropriate in administering peoples of different cultures with different historical experiences, such as the Islamized and Christianized peoples of the Philippines. Politically, the unitary structure of the Philippine government has been less responsive to the needs of the Muslims for political empowerment and for adequate representation in multi-oriented governmental functioning and management.

On the socio-psychological problem of Muslim-Christian relationship, the negative Moro image in the minds of many, if not most

Christian Filipinos, continues to operate and manifest, especially in times of crisis. These and other causes of the so-called Moro Problem are summarized in the succeeding parts of this paper.

How the Muslims were dispossessed of their lands in Mindanao

The Cadastral Act of 1913, which called for a general survey, parceling and allocation of "public lands" to American planters and homesteaders, opened up the portals of Mindanao and soon displaced the Muslims and other indigenous inhabitants. Between 1913 and 1917, seven agricultural colonies were established in Moroland—six in Cotabato Valley and one in Lanao. During this period alone, some 8,000 colonists and their dependents settled in Cotabato and Lanao (Magdalena in Moro Kurier 1990:17). By 1930, Moroland accommodated 4,194 families of colonists or a total of 19,441 persons (Mastura 1981 in Magdalena 1990:17). A vigorous program of agricultural colonization came into place with the creation of the National Land Settlement Administration (NLSA) in 1939 to sustain the earlier aim of greater migration (Pelzer 1945:125 in Magdalena 1990:18). Upon the grant of independence in 1946, the Philippines embarked on an accelerated program of moving people into the areas inhabited by the Muslims and the Lumad in Mindanao. Several resettlement programs were organized after World War II, such as, among others, the Rice and Corn Administration (RCA) in 1949, the Economic Development Corporation Farms (EDCOR), the Land Settlement and Development Company (LASEDECO) in the early 1950s, and the National Resettlement and Rehabilitation Administration (NARRA) in 1954 during the time of President Magsaysay.

The impact of agricultural settlement and the consequent migration into Moroland can be discerned from the "phenomenal growth" of population in Mindanao since World War II. The following statistics show that the population of Mindanao doubled in only ten years, or twice as fast as the national average:

DATA ON MINDANAO POPULATION

Year	Muslim population (Moros)	Christian population (Indios)
1850	500,000	89,500
1918	417,768	491,218
1939	920,436	1, 285, 868
1960	1,300,839	3, 846, 759
1970	1, 584,394	5, 610,709
	% increase	% increase
1918- 1970	274.2%	1, 141.8%
	Increase per annum	Increase per annum
1918-1970	5.3 %	29.9%

Sources: Data from 1850 (McMicking,1967; Bowring ,1963); from 1918 (Forbes,1928), from 1939 through 1960 (Census of the Philippines). The above figures do not include the data from Palawan. These data were taken from the discussion paper of Dr. Federico Magdalena in Moro-Kurier, January-June 1990 issue. Data from 1970 was derived from Thomas J. O'Shaughnessy, Philippine Studies, 23/3 (1975), 375-382.

Commenting on the population shift in Mindanao as a result of the government's program of migration and resettlements, a scholar writes that "it was aimed to obliterate the distinct character of the Muslims and the *Lumad*. The consequent dislocation and displacement of the local population by migrants, eventually led... to the takeover and control over economic resources and political power" (Rodil 1987: 15). Another scholar, Dr. Federico Magdalena writes that "it is one of massive displacement of the native Moros... (who) have become marginalized and minoritized in their own homeland..." (1990:8).

How the Muslims lost their lands to the settlers is described in the following accounts by Gowing: "The Muslims have been protesting against the sending of settlers into their territories... powerful business interests or wealthy Christians, in connivance with corrupt bureau officials... grab

from (the Muslims) large tracts of their best lands" (1978: 190). In 1963, the Senate Committee on National Minorities reports that "lands applied by the natives were awarded to Christians and that government surveyors do not pay attention to the minorities... Connivance between influential people, local politicians and government agents in charge of disposition of land matters were blamed for the occurrence of land problems in Mindanao" (Philippine Senate, 1963:4). In 1971, the Senate Committee on National Minorities reported that "through either indifference, insincerity or lack of foresight, the seeds of discord were sown when the Commonwealth Government embarked on a policy of bringing settlers from Luzon and Visayas to Mindanao without a parallel program of helping the natives legitimize their land holdings or assisting them in making their farms productive after the Second World War... the prior influx of settlers and immigrants to the verdant valleys of Cotabato continued... the prior rights of the natives were disregarded and even trampled upon" (Philippine Senate, 1971: 22,23).

The 1898 Treaty of Paris and the "anomalous" transaction that happened

Aside from "land grabbing," another critical point of historical injustice was the Treaty of Paris of December 10, 1898. The "anomalous" incorporation of the Muslims into the Philippines through this treaty is an ugly chapter in Philippine history. On this regard, Dr. Onofre D. Corpuz writes:

In Paris in 1898, when Spain and the new imperialist United States were selling and buying a country and people, Spain sold something it did not own or possess. What it sold was paper; pieces of paper that said that Sulu was part of the Spanish crown and that Mindanao and Basilan and Sulu and Tawi-Tawi were a province of Filipinas... (emphasis supplied)

Another reflection of that event is presented by a Mindanao scholar: "the supposed transfer of the Spanish possession to the Americans by the Treaty of Paris and the further transfer of the same by the Americans to the Republic of the Philippines is an exercise of the Regalian Doctrine, plain and simple... For the Republic of the Philippines to base its possessory rights from the Americans is a complete disregard of the historical realities before them. The Philippine possession is to sustain the legitimacy of the Regalian Doctrine and uphold colonialism. Worse, this colonial act is enshrined in the Philippine Constitutions of 1935, 1973 and 1986" (Rodil, 1987:28, emphasis added).

Summary and Conclusion

Based on the previous discussion, the following factors contribute to the Mindanao problem: (1) lack of cultural awareness on the Muslim way of life by the public; (2) exteriorization of Muslim history in the larger history of the Philippines, particularly on Muslim sovereignty prior to the era of colonialism; (3) the inadequacy of the central structure of the Philippine government in the administration of multiple ethnicities with unique historical experiences; (4) the existence of unequal playing fields in the socio-political and economic affairs in the Philippines that hinder the proper representation of the Muslims in government administration; (5) economic problems that have turned the Muslim communities into the "poorest of the poor," as seen in the provinces of the ARMM; (6) land problems especially in guaranteeing of the remaining ancestral domains for the Muslims; (7) and the persistence of the "Moro image," a negative perception of the Muslims in the psyche of the majority of non-Muslim Filipino citizens.

A Philippine senator once said that solving the Mindanao struggle requires "extraordinary measures." Such measures must accommodate historical narratives and cultural facts which are vital to the problem. Regarding the issue as inherently economic, legal or purely structural-functional in nature confounds the root cause as the effect and vice versa, and also hinders the process of finding proper, just and lasting solutions to

the issue. As such, the programs and mechanisms used to handle the issue have failed to provide answers and contributed to the worsening of the situation that resulted in social injustice, poverty and loss of lives.

The Bangsamoro Framework Agreement has recently been signed, but until it has been affirmed by the Congress and substantiated with annexes based on historical and cultural realities, only then can the Muslims in Mindanao finally harvest the "fruits of peace." When realized, this can be a win-win situation for all concerned: for the Philippines, it may be the preservation of territorial integrity and national sovereignty; and for the Muslims in Mindanao, progress and development under the Bangsamoro identity. Only then can the long struggle of the Muslims in the Philippines can be finally put to rest.

References

- Abbahil, Abdulsiddik. 1984. "The Bangsa Moro: Their Self Image and Inter-group Ethnic Relations." *Dansalan Quarterly* 5(4):197-250.
- Arguellas, Carol, et. al. 1996. "Misunderstood War Leads to Misunderstood Peace," *Philippine Daily Inquirer*, 29 January 29. pp. 1 and 11.
- Blair, Emma H. and James A. Robertson (eds.). 1903/09. *The Philippine Islands*, 1493-1898. 55 Vols. Cleveland: A.H. Clark.
- Bulatao, Rodolfo. 1974. "Ethnic Attitude in Five Philippine Cities," *PSSC Social Science Information* 1/3 (January), 8-11,13.
- Constantino, Renato. 1975. A History of the Philippines from the Spanish Colonization to the Second World War. New York: Monthly Review Press.
- Corpuz, O. D. 1989. The Roots of the Filipino Nation. Quezon City: Aklahi Foundation Inc.
- De la Costa, H., S.J. 1935. "Muhammad Alimuddin I, 1745-1773," *Philippine Historical Review* 1(1):97.
- Diokno, Maria Serena. 1994. "Philippine Nationalist Historiography and the Challenge of New Paradigm," a paper read at the Colloquium on Indigenous Southeast Asian Historiography, Tokyo, Japan. September.
- Fernando-Armesto, Felipe. 1995. "Rewriting History," Index on Censorship.
- Fianza, Myrthena I. 1994. "Colonization and the Moro Land Question in Mindanao, Philippines and Some Continuing Issues," a paper read during the 13th International Conference of the International Association of Historians of Asia, Sophia University, Tokyo, Japan, September 5-9.

Fox, Robert. "Generalized Lowland Philippine Social Organization." Reprinted from the Philippines, Vol, I.

- Gowing, Peter. Muslim Filipinos: Heritage and Horizon. Quezon City: New Day Publishers.
- Guerrero, Leon Ma. 1972. Encounter of Cultures: The Muslims in the Philippines. Manila: National Media Production Center For the Department of Foreign Affairs. 25 pp.
- Haussier, Klaus. 1968/69. "Agricultural Colonization in the Kapatagan Basin, Lanao del Norte, Philippines," Yearbook Of The South Asia Institute, Heidelberg University, pp. 100-116.
- Hurley, Vic. 1985. Swish of the Kris: The Story of the Moros. Quezon City: Cacho Hermanos, Inc. (Reprint of the 1936 Edition).
- Kaye, Harvey. 1995. "Why do ruling classes fear history?" Index On Censorship. March.
- Lacar, Luis and Chester Hunt. 1972. "Attitude of Filipino Christian College Students Toward Filipino Muslims and Their Implications for National Integration," in *Solidarity*, VII/7 (July), 3-9.
- Lefebvre, Henri. 1993. The Production of Space (Translated by Donald Nicholson Smith). Massachusetts: Blackwell Publishers.
- Magdalena, Federico. 1990. "Colonization and the Moro-Indio Conflict in Mindanao," Moro Courier, 5(1-2) January to June, 1990, Iligan City.
- Majul, Cesar Adib. 1973. Muslims in the Philippines. Quezon City: University of the Philippines Press for the Asian Center Mindanao Peoples Peace and Human Rights Agenda (MPPHRA).
- Noble, Lela G. 1977. "Muslim-Christian Conflict: Its Religious Background," *Solidarity*, 11(2) March-April, pp. 15-20.
- Pascual, Ricardo R. 1962. *The Philosophy of Rizal*. Quezon City: University of the Philippines Press.
- Pertierra, Raul. 1995. "Anthropology and the Crisis of Representation," *Diliman Review*, Vol. 43, No. 2.
- Philippine Senate, Committee on National Minorities. 1963. Report on the Deteriorating Peace and Order Condition in Cotabato. April.
- _____. 1970. Reports on the Problems of Philippine Cultural Minorities. Manila, 36 pp.
- Rasul, Jainal. 1970. The Philippine Muslims: Struggle for Identity. Manila: Nueva Era Press.
- Rodil, Rudy. 1987. "Whose Ancestral Domain is Mindanao, Sulu and Palawan?" *Moro Kourier*, 2(3), April to June 1987, pp. 23-28.
- Said, Edward. 1977. Orientalism. Penguin Group in England, USA, Australia, Canada and New Zealand.

- Sakili, Abraham P. 1997. "A Response to the Problem of Representation of Muslims in Texts of Philippine History and Culture," read during the 18th National Conference on Local and National History, Mindanao State University-Sulu, Jolo, Sulu, October.
- ______. 2003. Space and Identity: Expressions in the Culture, Arts and Society of the Muslims in the Philippines. Quezon City: Asian Center, University of the Philippines.
- Salazar, Zeus A. 1989. "Ang Pantayong Pananaw Bilang Diskursong Pangkabihasnan," *Philippine Currents* 4(11): 11-12.
- Saleeby, Najeeb. 1908. The History Of Sulu. Manila: Filipiniana Book Guild (Reprint of the 1908 edition).
- Schein, Edgar. 1992. "Assumptions About Reality, Truth, Time and Space," Organizational Culture And Leadership (Second edition). San Francisco: Jossey-Bass Publishers, pp.94-122.
- Silva, Rad A. 1977. *Two Hills Of The Same Land.* Mindanao-Sulu Critical Studies and Research Group, September.
- Smircich, Linda and Maria B. Calas. 1987. "Organizational Culture: A Critical Assessment." Context, Internal And External Environments. University of Massachusetts.
- Tan, Samuel. 1973. "The Muslim Armed Struggle in the Philippines, 1900-1941," PhD. Dissertation, Syracuse University.
- Tañada, Wigberto. 1996. "Right Way to Peace?," in *Today*, 3 July.
- Warren, James Francis. 1985. The Sulu Zone, 1768-1898. Quezon City. New day Publishers.
- Wirth, Louis. 1936. "Types of Nationalism," American Journal in Sociology.
- Woodward, Mark R. 1987. Islam in Java: Normative Piety and Mysticism in the Sultanate of Yogyakarta. Tucson: University of Arizona Press.

2012 NEWSPAPER AND INTERNET ARTICLES:

- De Quiros, Conrado. 2012. "First Step," Philippine Daily Inquirer, October 16.
- Doronila, Amando. 2012. "Peace talk issues seen in annexes," *Philippine Daily Inquirer*, December 10.
- ______. 2012. "Roadmap for peace: Highlights of the Bangsamoro Framework agreement," compiled by Amanda T. Fernandez, *GMA News*, October 15.
- Ferrer, Miriam Coronel. 2012. "The Making of the Framework Agreement on Bangsamoro," posted on the internet, November 5.
- Habito, Cielito. 2012. "Braving it and making it," Philippine Daily Inquirer, December 10.
- _____. 2012. "ARMM to Bangsamoro: a 'Golden Transition'?," Philippine Daily Inquirer,
 October 29.

- _____. 2012. "Bangsamoro: Hopes and thorns," *Philippine Daily Inquirer*, October 15.
- OPAPP (Office of the Presidential Adviser on the Peace Process). 2012. Document on The Framework Agreement On The Bangsamoro.
- Pagalangan, Raul. 2012. "A Framework with missing Agreements," Philippine Daily Inquirer, October 18.
- Ricardo, Saludo. 2012. "Bangsamoro Framework: An Assessment," *The Manila Times*, October 29.
- Romero, Purple. 2012. "Mendoza questions Bangsamoro framework agreement," posted in *rappler.com*, October 17.
- Santa Maria, Mel. 2012. "Issues and Questions on the 'Bangsamoro' Framework Agreement," News 5, October 8.
- Tiglao, Rigoberto. 2012. "Aquino-MILF pact a curse to the nation," Philippine Daily Inquirer, October 25.
- ______. 2012. "Framework agreement for PH dismemberment," *Philippine Daily Inquirer*, October 17.
- Yasay Jr., Perfecto. 2012. "A Critique of the Framework Agreement on Bangsamoro," UCCP Cosmopolitan Church Forum, Manila, published on 21 November.

Notes

- Sulu territory became very extensive in the 1760s, as can be read from the account of a European writer and traveler, Alexander Dalrymple, who was in Sulu in 1761 and 1764. He writes that "Sooloo...as an independent sovereignty had dominion so extensive (which included) Palawan, the Northwest and Northern parts of Borneo, and the intermediate islands were acquired from the King of Borneo... and were the price of the Sooloo aid in a civil war in the Kingdom of Borneo. About the year 1704, the Sultan of Borneo made a cession of the north part of Borneo from Keemanes northward with the islands of Palawan, Banguey, Balambangan, etc to Sooloos" (Majul,1973:180-181, citing a London 1774 document, pp.18-19).
- 2 The Sulu Sultanate had treaty relations with Spain in 1578, 1646, 1725, 1737, 1805, 1837, 1851, and 1878; with the British in 1761, 1764, 1769, 1849, and 1878; with the French in 1843 and 1845; and with the Americans in 1842, 1899 and 1915 (Majul 1973).



Development and Distress in Mindanao¹ A Political Economy Overview

EDUARDO CLIMACO TADEM

IT IS WIDELY BELIEVED that economic growth and development have bypassed the southern regions of the Philippines. This is seen as the cause of the serious political problems that now plague Mindanao. A closer look at Mindanao's economic development, however, reveals that far from being isolated from the mainstream of the national economy, the island has been a major performer and a primary contributor to the country's productive capacities.

Lured by vast reserves of natural resources, businesses have invested capital and technology and established ventures that have generated enormous profits for their owners and executives. But the resulting wealth and incomes have not benefited the greater majority. Poverty and other social indicators point to a more distressed condition for Mindanao than for the nation as a whole.

This paradox of high growth rates and the simultaneous existence of an impoverished population have challenged scholars and development planners for many years. In the Mindanao case, this enigma is exacerbated by the effects of internal colonialism - the transfer of wealth from the southern regions to the nucleus of economic and political power in the north.

Demography

Mindanao, together with the Sulu Archipelago, occupies a land area of 10.2 million hectares or one-third of the country's area of 30 million

20 Tadem

hectares. The historian Rudy Rodil classifies Mindanao's population of 18.13 million as of 2000 into two major categories – the indigenous peoples and the migrant settlers.

The indigenous population can be further classified into three groups. The first are the Islamized peoples (a.k.a. Moros) who number 3.63 million or 20 percent.

The second indigenous category is composed of the Lumad population who number 907,000 (6 percent). Some of these are the Manobo, Bagobo, B'laan, Higaunon, Mamanwa, Mansaka, Manuvu, Subanen, T'boli, and Teduray peoples.

The third indigenous category number around 900,000 (5 percent) and is composed of the Visayan-speaking, Christianized population of Northern and Eastern Mindanao and the Chavacano speakers of Zamboanga and Basilan, who were already in Mindanao when the Spanish arrived in the 17th century.

Approximately 70 percent of the Mindanao population is composed of settlers who arrived in the 20th century from Luzon and the Visayas as part of government resettlement programs. Predominantly Christian, they also included Chinese settlers and those belonging to the third indigenous category. Together with the third indigenous category, this group constitutes about 13.6 million people (75 percent).

There are, at the moment, six politico-administrative regions: Region IX (Zamboanga Peninsula), Region X (Northern Mindanao), Region XI (Davao Region), Region XII (SoCCSKSarGen), Caraga Region, and the Autonomous Region in Muslim Mindanao (ARMM). A total of twenty-eight (28) provinces and nine (9) chartered cities belong to the six Mindanao regions.

Mindanao's Contribution to the National Economy

Mindanao's large productive base enables it to contribute significantly to the country's economic growth. Its forest area comprises 41 percent of the country's vegetative cover and 56 percent of Philippine commercial forest land. It produces 73 percent of the national value added in the forestry sector. Fifty-six percent of total Philippine commercial forest land is in Mindanao. More than half of timber licenses issued in the country are granted for Mindanao operations. Mindanao wood products such as plywood, veneer, and lumber comprise over 90 percent of the country's total production. Mindanao's exports account for 70 percent of logs, 52 percent of lumber, over 90 percent of plywood, and 92 percent of veneer.

Its agricultural area of 3.73 million hectares comprises 38 percent of the country's total farm area. The island produces 43 percent of the Philippines' agricultural output. Mindanao rice lands account for 26 percent of the national total while corn lands occupy a 47 percent share. In terms of production, Mindanao *palay* (unhusked rice) harvests are 23 percent of the Philippine total, while corn production is almost 60 percent. Mindanao is a palay-surplus producing area with Region XII (SoCCSKSarGen) considered the traditional "rice bowl" and one of the top two rice-producing regions in the country. Overall, Mindanao supplies 40 percent of the country's food requirements and 30 percent of the national food trade.²

Commercial and export crops are planted in about 51 percent of farm areas, and include coconut, tobacco, rubber, sugar, export bananas, palm oil, coffee, abaca, and fruits. Commercialized agriculture has been on the rise with land utilization and growth exceeding that of food crops.

The waters around Mindanao and Sulu contribute 32 percent of the country's total fishery products and more than half of the country's total commercial fish catch. Tuna fishing has become the country's number one fishery sector with major export markets in Japan and the US. Thirteen Mindanao fishing firms based in the cities of General Santos and Zamboanga export about 80 percent of the country's tuna.

The Philippines is the world's leading producer of coconut and coconut products and more than half of the country's coconut area is in Mindanao. Compared to the national average of 86 percent, almost 90 percent of nuts gathered in Mindanao are processed into copra. This implies that Mindanao's coconut industry is more commercialized than that of the country as a whole.

22 Tadem

More than 60 percent of Philippine copra and coconut oil exports come from Mindanao, which houses most of the country's coconut oil mills. Agriculture, fishery and forestry production in Mindanao combine for 36 percent of value added for these three sectors of the country.

Rubber plantations in the Philippines are exclusive to Mindanao with some 60,000 hectares planted. Sugarlands in Mindanao total 56,000 hectares with three large sugar mills in Bukidnon, North Cotabato and Davao del Sur. The Bukidnon-based BUSCO has an ultra-modern mill funded by the Japan Import-Export Bank. Mindanao is also the main producer for coffee (75 percent) and for one-third of the country's livestock products.

In the minerals sector, Mindanao's share of the national total is about 25 percent. Gold, copper, nickel, chromite and coal are the major mining products of Mindanao, as are silver, zinc, and lead. The world's largest nickel reserves are in northeastern and southern Mindanao. In February 2010, Sumitomo Metal Mining Company announced plans to invest \$2.11 billion over a three-year period to expand its nickel operations in Surigao del Norte.³ Gold and copper are extensively mined in Agusan and Davao provinces. Five companies in Mindanao produce Portland cement. These include the country's biggest and modern cement manufacturer, Bacnotan Consolidated Industries in Davao City.

Mindanao's export sector plays a significant role in the country's total external trade, with one-fourth of the country's total export receipts. Its coconut products account for 43 percent of the country's coconut exports, while wood products corner 60 percent of the national total. The country's fruit exports are composed almost entirely of bananas and pineapples, 90 percent of which come from Mindanao.

In terms of gross domestic product (GDP), however, Mindanao's contribution appears less significant. In 2003, the island's GDP of P192 billion was only 18 percent of the national total. The same year, Luzon's share was 66 percent. Northern Mindanao had the highest GDP share of 27.1 percent of Mindanao's total. The Davao Region was next with 25.4 percent while Soccskargen was in third with 20.1 percent. The Zamboanga

region was fourth with 14.8 percent, Caraga fifth with 7.6 percent while ARMM was last with only 5.2 percent.

Mindanao's growth rate, though less than the national rate and behind that of Luzon, is not that far behind. Between 1990 and 2000, Mindanao grew by 22.7 percent compared to the national rate of 24.4 percent. Between 1995 and 2000, Mindanao's average GDP growth rate of 3.69 percent was only slightly less than the national average rate of 3.76 percent and of Luzon's 3.97 percent. From 2003 to 2007, Mindanao's average growth rate rose to 5.02 percent, with the 2007 growth rate alone standing at 6.91 percent.

Despite lagging behind the rest of the country in several economic indicators, Mindanao enjoyed a positive trade balance in 2003, with US\$707 million compared to the country's negative trade balance of US\$1.7 billion. Despite this overall positive note trend, interregional disparities still characterize Mindanao trading patterns, with the Davao and the Soccskargen regions having the highest surpluses. In 2007, Mindanao exports totaled \$2.6 billion while imports amounted to \$1.2 billion, or a trade surplus of \$1.44 billion.

Capital Formation

The Securities and Exchange Commission (SEC) lists a total of 3,954 corporations in Mindanao that registered between 2002 and 2008. All had a total paid-up capital of P2.81 billion. Measured against the national figures, Mindanao's new firms accounted for only 3.46 percent of the Philippines' total and 2.61 percent of paid-up capital.

The Mindanao Economic Development Council (MEDCO) announced that, in 2008, 40 investment projects valued P13.7 billion were registered with the Board of Investments (BOI). This constituted a 72 percent growth from the 2007 figure. MEDCO further reported that local investments almost doubled in value from P6.124 billion in 2007 to P12.004 billion in 2008 or a 96 percent increase. This surpassed the record set in 1998 of P9.5 billion.

24 Tadem

Foreign Investments

According to the MEDCO, direct foreign investments registered for 2008 in Mindanao had a total value of P1.704 billion. Sixty percent of these were Japanese investments in the power generation sector, and in marine and petroleum products. Second were the Canadians with a 21 percent share, mainly in the mining business. The British and South Koreans had shared 4 each and were engaged in the export of Cavendish bananas and petroleum products. They also took part in the coco peat/coco fiber business.

Foreign and foreign-affiliated firms (FFCs) in Mindanao operate in 21 categories of product and industry lines. The wood products industry had the most number of participating FFC firms, with 16; followed by manufacturing with 13; fishing and fish products, 12; banana production, 9; mining, 7; and coconut products, coffee, and cacao (cocoa) with 6 firms each.⁴

American TNCs lead all other nationalities with exclusive affiliation with 41 corporations and 21 others in joint affiliation with other foreign firms. The Japanese have 22 corporations as exclusive partners and ten others in joint affiliations. The British are a poor third with six exclusive affiliates and eight others in joint affiliations.

In terms of regional and provincial distribution, the FFCs operate in 119 locations in Mindanao. Many firms are present in several provinces and even several towns in one province. The Davao region is the major host of FFC operations with 50 locations (42 percent) followed by Northern Mindanao with 30 locations (25 percent) while the Zamboanga region has 28 (24 percent).

Infrastructure Development

In her 2009 State of the Nation Report, President Gloria Macapagal-Arroyo announced the completion of several major infrastructure projects in Mindanao, including the P2.1 billion 882-meter Diosdado Macapagal Bridge in Butuan City, the 210 MW Clean Coal-Fired Power Plant, the 1-megawatt Solar Power Plant in Cagayan de Oro City, the P572.87-million Cagayan de Oro Port, and the P420.22-million Davao Port.

Still under construction are the P8.01-billion Abaga-Kirahon-Maramag-Bunawan 230 kV Transmission Line, the P688-million lligan City Circumferential Road, the P2.24-billion Lebak—Maguindanao Road, the P3.94-billion Zamboanga West Coast Road, the P500-million Dinagat Island Road, the Hawilian—Salug—Sinakungan Barangay Road, the Dapitan—Dakak Road, and the Surigao—Davao Coastal Road.

Airport projects include the P700-million Butuan Airport Upgrading Project; the P600-million Cotabato Airport Rehabilitation Project; the P478-million Dipolog Airport Improvement Project; the P215-million Ozamis Airport Development Project; the P545-million Pagadian Airport Development Project; and the P423.50-million Zamboanga Airport Improvement Project.

A major undertaking is the Cotabato-Agusan River Basin Development Project (CARBDP), which was implemented from 1975 to 2000 with an initial cost of P15.7 billion. Covering 11 provinces or one-third of Mindanao's land area, it was funded mainly by foreign loans from the Asian Development Bank, the World Bank, and Japan. The project budget has since ballooned such that for 1998 and 1999 alone, total allotments for the project reached P173 billion. Total project assets reached P331 billion by 1999. The Lower Agusan Development Project is the newest component of the CARBDP and consists of two phases with a total project cost of P2.18 billion.

Official Development Assistance (ODA)

Since the September 11, 2001 attacks in the US mainland, Mindanao has been given increased attention by foreign donors under the assumption that the Moro separatist movement is somehow linked to a global Islamic militant movement. This is not to say that donors have not paid attention to Mindanao in the past. The World Bank had, in 1998, committed US\$10 million for the Special Zone of Peace and Development (SZOPAD) Social Fund Project following the signing of a peace agreement between the Philippine government and the Moro National Liberation Front (MNLF) in 1996.

26 Tadem

The US Agency for International Development (USAID) has, since 1996, also provided grants under various programs in Mindanao that, as of 2006, totaled US\$292 million. Following the post 9/11 pattern, USAID assistance almost tripled after 2001 from US\$90.6 million in 1996-2001 to US\$242 million in 2002-2006.

As of September 2006, there were 21 active ODA loan projects in Mindanao totaling US\$917.75 million. Ten of these were Japan-funded projects, with loan amounts amounting to US\$473.04 million, or 52 percent of the total for the area. All these projects, plus the grants program of USAID, are ostensibly meant to advance the peace-building process in Mindanao. Japan had earlier launched, in December 2002, a "Support Package for Peace and Security in Mindanao."

In April 2003, President Macapagal-Arroyo launched what has been dubbed a "Mini-Marshall Plan" called "Mindanao Natin," which is worth P5.5 billion in government funds and US\$1.3 billion in ODA funds for the next three to five years. The program targeted 5,000 Muslim villages in Mindanao's regions, but the figures as of December 2006 show that not all of the announced projects got off the ground. For example, the World Bank's commitment of US\$279 million for four projects was eventually pared down to one project worth only US\$34 million.

Aside from the "Mindanao Natin" initiative, a multi-donor Mindanao Trust Fund – Reconstruction and Development Program (MTF-RDP) has been established with the World Bank as the lead donor and Secretariat Coordinator. Other donors are the European Commission, Canada, New Zealand, Sweden, Australia, and UNDP. Also known as the Peace Fund, MTF-RDP identified the rehabilitation needs of MILF combatants, MILF communities and indigenous peoples (IPs), which are to cost US\$400 million.

Development Strategies

Mindanao development strategies are driven essentially by the Philippine state's objective of integrating the southern economy into the national mainstream. The focus is on large-scale infrastructure development to attract investments in export-led and market-driven growth industries. The aim is to open up more of Mindanao's natural resources to exploitation and extraction with the private sector as the prime mover. Scarce attention, however, is paid to the actual needs of Mindanao's peoples. Poverty and inequality, which are the principal causes of unrest and rebellion, are not directly addressed.

During Ferdinand Marcos' authoritarian rule (1972-1986), strategies were formulated in the midst of increasing social tensions, the depletion of the land frontier, land concentration and agrarian conflicts, and marginalization and impoverishment, especially of the Moro and Lumad peoples. Post-Marcos development strategies did not differ. Whether these be Corazon Aquino's regional industrial centers, Fidel Ramos' Mindanao Investment Development Authority (MIDA) and Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA), or Gloria Macapagal-Arroyo's "Mindanao National Initiatives" (Mindanao Natin), the basic premises, principles, and thrusts have remained unchanged.

In 2006, President Macapagal-Arroyo launched what she called the Super Regional Development Strategy, which is meant to "harness the common competitive advantages of a cluster of regions and provinces." The country was then divided into five Super Regions with "Agribusiness Mindanao" being one of them. As the name implies, Mindanao is to focus on agribusiness as its "competitive edge," particularly in the cultivation of "high value crops."

In January 2010, Congress passed a bill creating a Mindanao Development Authority (MinDA), which seeks to accelerate growth and development by setting up a central planning agency for Southern Philippines. MinDA is to replace and strengthen MedCo and provide the strategic direction for Mindanao by formulating an integrated regional development framework.⁵

Echoing Macapagal-Arroyo's initiative, MinDA would focus on agribusiness as a major area for economic development. It is doubtful, however, whether Mindanao's hope lies in agribusiness, which, at the 28 Tadem

moment, already occupies a central place in the island's economy. Agribusiness activities have caused more problems than solutions for Mindanao's people, including environmental degradation, human rights violations, corruption, health problems, and wealth transfers.

Human Development Pitfalls

Despite the decades-long economic growth thrusts in Mindanao and apart from the economic disparities engendered by the unequal economic relations within the island and between Mindanao and the rest of the country, basic human development indicators reveal that economic growth has not benefited Mindanao's peoples.

Using the human development index (HDI) developed by the United Nations Development Program (UNDP), one can see that Mindanao provinces fared badly compared with other Philippine provinces. Mindanao's average HDI was only 0.635 in 2003, or 15 percent lower than the national HDI of 0.747. Seventeen out of 24 Mindanao provinces were situated in the bottom half of the national list. Worse, nine of the bottom ten provinces were all located in Mindanao. No Mindanao province placed in the upper fifteen percent. The highest-ranked province, Misamis Oriental, was situated in the bottom 20 percent. The bottom four provinces were all from Muslim-dominated provinces. The only bright spot in this otherwise dismal picture was Lanao del Sur, which was cited as among the top ten nationwide gainers in human development even though it was still ranked a lowly 70th.

In the per capita income category, Mindanao has an average of only US\$1,546, which is a mere 41 percent of the national per capita income of US\$2,609. Furthermore, eight Mindanao provinces occupy the last eight places among the 77 provinces of the country and twelve of the last 14 places. Four of the twelve low-ranked provinces are Muslim-dominated and are part of the ARMM. The highest nationally ranked Mindanao provinces, South Cotabato at 17th with US\$2,223, Davao del Sur at 18th with US\$2,158, Camiguin at 20th with US\$2,110, and Misamis

Oriental at 25th with US\$2,045, all still had per capita incomes that were lower than the national average.

Poverty incidence in Mindanao is consistent with the island's low standing in the national human development index. Its average poverty incidence of 42.4 percent in 2003 was 40 percent higher than the national average of 25.7 percent. Four Mindanao provinces, however, had poverty incidences that were lower than the national average of 25.7 percent. These were South Cotabato, North Cotabato, Davao del Sur, and Davao del Norte. On the other hand, six Mindanao provinces had exceedingly high poverty incidences that were greater than 50 percent. These were Sulu (88.8%), Tawi Tawi (69.9%), Basilan (65.6%), Zamboanga del Norte (63.2%), Maguindanao (55.8%), and Siquijor (51.9%). Another seven provinces had poverty rates between 40 percent and 47 percent in 2003.

Between 2000 and 2003, the poverty situation deteriorated in thirteen Mindanao provinces. Large increases in poverty were registered for Maguindanao (by 19.6%), Surigao del Sur (by 14.4%), Davao Oriental (by 13.4%), Zamboanga del Norte (by 11.3%), and Surigao del Norte (by 8.2%). Nationwide, five Mindanao provinces were cited as among the ten top losers in poverty reduction incidence between 2000 and 2003. These were Maguindanao, Surigao del Sur, Davao Oriental, Zamboanga del Norte, and Surigao del Norte.

Inequality measures for Mindanao reflect wide disparities in income distribution and consumption patterns among the population. Its 2003 average Gini index of 40.8, however, although better than the Philippines national index of 43.9, represented a decline from the 2000 index of 36.4 points. On a province-by-province assessment, 21 out of 24 Mindanao provinces suffered declines in their inequality measures between 2000 and 2003.

Another measure of poverty is the subsistence incidence or the capacity to satisfy food requirements. For the country as a whole, 13.8 percent of the population was living below the subsistence food threshold

30 Tadem

and was thus unable to meet their food requirements in 2003. For Mindanao, however, all its regions registered lower capacities than the national average. The Zamboanga and Caraga regions had the worst record as the two landed at the bottom of the list of 17 Philippine regions (32.8, 17th and 31.8, 16th respectively). Taking all six Mindanao regions, the subsistence incidence was 24.88, or 11.1 points higher than the national figure. This is an ironic situation given Mindanao's reputation as the Philippines' food basket; the region supplies 40 percent of the country's food requirements and 30 percent of the national food trade.

Development Issues

Massive infrastructure projects in Mindanao generate social costs when large-scale irrigation projects cause small farmers to lose substantial areas of their already small holdings. Site selection takes place often without the participation of the affected population and, sometimes, the selected sites are wrongly identified as uninhabited lands.

Furthermore, tribal communities lose their ancestral lands and their cultural heritage. More often than not, they are not compensated for the loss. But how does one make up for the loss of cultural heritage? Disruptions of cultural and religious practices by hydroelectric projects have been denounced by Islamic communities around Lake Lanao.

Large-scale projects entail high construction and maintenance costs, unlike small irrigation systems and scaled-down hydroelectric units, which can do the job just as well with lower costs and less social displacements. Large irrigation projects are also major pollutants as several irrigation systems discharge their return flows to only one major river, thus depriving families living on river banks of a safe water supply. In addition, huge dams also reduce soil fertility.

The major industries in Mindanao are of the extractive type, which exploits and depletes natural resources. The rate of depletion of forests and fishing grounds is alarming and unfortunate because these are, after all, renewable resources. On the other hand, industries dependent on non-

renewable riches such as minerals pose long-term risks for their dependent workforce once total depletion occurs. In the tuna fish sector, lack of supply sometimes forces canneries to import fish.

Dislocation and displacement have often accompanied the entry and expansion of corporate operations in Mindanao. Scores of tribal Filipinos and settler communities have also been dislocated by logging operations in northern and southern Mindanao. The expansion of pineapple production by Del Monte in Bukidnon has pushed local communities off their lands. Also in Bukidnon, ancestral lands belonging to Manobo communities have been grabbed by cattle ranchers who then sold the lands to the Bukidnon Sugar Corporation.

The extensive monocropping patterns of agribusiness corporations dependent on high levels of chemical applications deplete soil nutrients. In the case of the banana and pineapple industries, it is feared that once their operations cease, the badly damaged soil would not be able to sustain any other crop for many years. The cultivation patterns of pineapple plantations erode the soil, adversely affecting neighboring farmlands.

Depletion of resources without adequate replenishment measures ultimately damages the environment. Periodic flooding in logged-over areas in Northern Mindanao causes deaths and render thousands homeless. Extensive use of chemicals in farms disturbs the ecological balance in the area. Pineapple plantations encroach into watershed areas "causing substantial damage due to floods" while small farmers complain about "the massive land destruction caused by floods from plantation areas during the rainy season." Northern Mindanao's coastal industrial belt, which includes cement factories, chemical plants, mineral processing factories and coconut processing plants, has been a major source of pollution.

Extensive use of agricultural chemicals by agribusiness operations also poses health hazards. Banana workers are endangered by exposure to harmful chemicals as plantation owners often do not institute health and safety measures, and doctors and nurses at these farms are not trained in occupational safety methods. Thousands have been victims of pesticide

32 Tadem

poisoning in the plantations. Aerial spraying of pesticides by banana companies has become a major issue in the area.

Most industries in Mindanao are export-oriented and are dependent on the vagaries of international trade over which local producers have no control, since the products they export are of low value added and do not fetch premium prices. Price instability and uncertainty thus affect Mindanao products such as coconuts, wood products, bananas, pineapples, minerals and fish. In the pursuit of the volatile export market, local needs are sacrificed. In the case of the fishing industry, the growth of an export sector has raised the prices of fish in the local market and put it beyond the reach of poor families.

Despite the expansion of economic activities in Mindanao, the southern economy has remained largely underdeveloped, with features characteristic of a dependent type of capitalism. The emphasis on exports and TNC dominance has stunted local initiatives for developing an economic base with a higher level and quality of processing and manufacturing. Indigenous research is practically absent as selectively introduced foreign technology is exclusively utilized.

Processing activities have not gone beyond preliminary manufacturing stages and center on export-oriented goods. The wood industry, one of the oldest sectors, remains dependent on the intermediate processing of logs and lumber into plywood and veneer. Import dependence also characterizes a large number of these industries. The export fruit sector depends on the import of expensive chemical inputs to maintain high production levels. The Kawasaki sintered-ore plant imports almost all of its raw materials of iron ore and coke. The exceptions are agricultural and fish processing, but being food products, their net value added is relatively low. The economic underdevelopment of Mindanao explains its low share of the country's gross domestic product.

Wealth Transfers and Internal Colonialism

There is no doubt that large amounts of wealth have been created from Mindanao's abundant resources. Where all this wealth goes can be traced to the pattern of income distribution among different social classes and regions in Mindanao, the uneven development of the country's regions, and the relations of dependency between countries of different states of development.

In the first place, in Mindanao's industries, the owners of the means of production capture a disproportionately larger share of the surplus than the workers while granting the latter less than a living wage. Second, within Mindanao itself, the more affluent regions, i.e., Davao and Northern Mindanao, take in a greater share of the income. Third, the Mindanao regions are being drained of incomes by more developed northern regions. Fourth, on the international plane, and as a result of the dominant role of transnational corporations in virtually every aspect of the various industries in Mindanao, wealth and resource transfers also occur in the direction of the developed economies of the world.

The theory on internal colonialism describes and analyzes "the distribution of power and advantage within states" between a center and a periphery …where economic resources and power are concentrated at the center, to the advantage of which the periphery is subordinated."

This situation is clearly evident in the Mindanao case. The data shows how large volumes of copra from Mindanao farms are shipped to Cebu and Manila and fish products caught in Mindanao waters are unloaded in Manila and Iloilo ports. Corporations operating in Mindanao usually have their main offices in Metro Manila where they pay their taxes, thus depriving local governments of revenue. Internal colonialism would explain why, despite the presence of massive government projects and highly profitable industries, the Mindanao regions remain poor and deprived.

34 Tadem

Conclusion

Mindanao has been the object of relentless economic exploitation since the turn of the 20th century. This process has produced immeasurable wealth and riches for a few mostly non-Mindanaoan firms and individuals. But it has also generated poverty and social marginalization for its working population, whether Moro, Lumad, or working-class Christian settlers. Furthermore, its natural resources are being depleted at an uncontrollable pace, stoking fears of an ecological backlash.

In the meantime, the Manila government is bent on accelerating the same age-old patterns of inequitable growth that have long deprived Mindanaoans of their just share of the economic surplus. The country's leaders must initiate a process of constructing a new development paradigm for Mindanao that will finally render social and economic justice for Mindanao's peoples. The grim alternative will be the continuation of the cycle of violence and warfare that have long characterized the southern Philippines.

Notes

- This essay is based on a presentation made at the UP Academic Congress, Malcolm Hall, University of the Philippines Diliman, 2 February 2010. It is a shorter version of a paper revised and updated from two previous studies by the author: "The Political Economy of Mindanao: An Overview" in Mark Turner, et al (eds), Mindanao: Land of Unfulfilled Promise (Quezon City: New Day Publishers) 1992 and "Mindanao Briefing Paper" (2007) a research report submitted to the Consuelo Foundation. For the updated data, the research assistance of Sascha Gallardo is gratefully acknowledged. Eduardo Climaco Tadem, Ph.D., is Professor of Asian Studies, University of the Philippines Diliman.
- 2 Medium Term Philippine Development Plan 2004-2010, p. 34.
- 3 Riza T. Olchondra, "Sumitomo to invest \$2.1B in Surigao mine project," Philippine Daily Inquirer, 16 February 2010, p. B5.
- 4 These data on TNCs in Mindanao are based on studies conducted in the 1980s and need to be updated for changes that have taken place, particularly in the plantations which have since been placed under the 1988 Comprehensive Agrarian Reform Program. The general picture, however, remains valid.
- 5 Bernard Allauigan, "New Mindanao development body gains ground," Business World, 19 January 2010 and Tina Arceo-Dumlao, "Fulfilling the promise of growth in Mindanao," Philippine Daily Inquirer, 24 January 2010.
- 6 Michael Hechter, Internal Colonialism (London, 1975). See also David Brown, The State and Ethnic Politics in South-East Asia (Routledge, 1994) pp. 158-205.



The Philippines and Bangsamoro Polity: Breaking the "Sisyphean Ordeal" 1

JULKIPLI WADI

RELATIONS BETWEEN the Philippine State and the Bangsamoro polity have been continually subjected to a cycle that can be referred to as a "Sisyphean ordeal." Every time a new development emerges, say, a vision of social order, political arrangement, policy reform and the like, it is always followed by a contrary development, leaving the whole relationship in tatters while the vision is left to cascade into irrelevance. When this happens, it would take another time before a new effort, another visioning is made once again. Ironically, Philippine-Moro relations has been punctuated by a series of such cycles in history.

The government's lack of urgency and the utter failure of the State to address the ordeal have led the latter to rely on a traditional system of politics that is dominated by local traditional forces, political dynasties, warlords and other similar forces. As a result, it is easy for these local forces to become the new sources of power in Moro areas as they are driven to dominate and even exploit the unstable situation to their advantage.

This essay has three parts: (1) a discussion of the national-local relations in Moro areas, where the ordeal is vividly evident; (2) a brief exposition about the "unholy alliance" between the State and local traditional forces, such as the Moro political dynasties and the like, which brought forth a culture of excess and impunity, and brutal consequences such as the "Maguindanao massacre;" and (3) a recommendation for the new administration to hammer out a new form of relationship through a comprehensive peace process with ideologically based Moro fronts.

36 Wadi

This paper is general in scope and, at times, may even be viewed as espousing a contradictory thesis. On the one hand, it creates the impression that nothing substantial has taken place in the effort to resolve the Mindanao conflict these past years as everything mainly happens in cycles; hence, the use of the term "Sisyphean" ordeal. On the other hand, it hints that there is actually a way out of the morass as it proposes ways to break free of the ordeal, so that a new and genuine start can address the Mindanao conflict.

As I was answering these two-fold concerns – exhibiting pessimism on the one hand and optimism on the other – I realized that the UP Academic Congress "intends to identify current issues, map the various approaches that have been tried in the past, provide some assessment of their gains and failures and draw out possible actions that must be done by the next administration." Hence, I have decided to discuss this "Sisyphean" ordeal and reflect on the efforts done in addressing the Mindanao conflict.

First, my reference to the relations between the Philippine State and the Bangsamoro polity embraces the entire structural, political, economic, social, and cultural aspects of their relations and how these connect the two entities. The Philippine State refers to that specific entity, which possesses all the wherewithal of a respectable state: government, people, and sovereignty among others. Meanwhile, I purposely used "polity" to identify or characterize the Bangsamoro, and to signify their level of political development based on political identity, legitimacy, authority and autonomy; I also consider other elements that helped forge a unique form of relations, which other indigenous cultural communities do not have, with the Philippine State.

Second, I posit that the relationship of the two has long suffered from a "Sisyphean ordeal." Although I am not an expert on Greek mythology, the term denotes the fate of the Greek king who was led to roll a stone uphill, only to see it roll back down. He pushes it up again, and the entire process repeats in an endless cycle. This illustrates the current state of affairs between the state and the Bangsamoro. The structural and political instrumentalities which were put in place to stabilize their relations have caused them, at times to work together, and at other times to struggle

against each other. More often than not, the relations suffer from the same fate as that of Sisyphus: a recurrent cycle of solutions and processes that rarely reaches the mountaintop.

My use of this term emphasizes the dramatic situation of the Mindanao conflict these past years, much like a Greek drama or tragedy. As previously mentioned, the relationship is extensive, comprising the totality of connections between the two in terms of social structure, political institutions, cultural relations, and so on. But for a dramatic portrayal, allow me to highlight a particular dimension of the relationship, situated in the realm of national-local relations that suffers from what I also call "malaise of tier-making and tier-changing in the Muslim South."

Allow me to identify these tiers, which I mentioned in a short paper I wrote for the *Diliman Review* in 2000, and which was subsequently reprinted by the Center for People Empowerment and Governance (CENPEG):

FIGURE 1
American Period and Philippine Commonwealth

Tier/Unit/Office	Nature	Function	
1. Military District of Mindanao and Jolo	Military	To oversee US Benevolent Policy in Mindanao and Sulu	
2. Military Department of Mindanao and Jolo	Military	To rule via four districts: first and second, comprising Mindanao; third, Sulu; fourth, Palawan and other adjacent areas	
3. District of Mindanao	Military	To rule via two districts over Christian areas: one in the north through a headquarter in Cagayan; the other in the south and central Mindanao with headquarter in Zamboanga	1900

38 Wadi

Tier/Unit/Office	Nature	Function	Year
4. Seventh Separate Brigade	Military	To continue the thrust of MDMJ after the latter's geographical department was temporarily closed for ten months	1901
5. Bureau of Non- Christian Tribe	Administrative	To investigate non- Christian peoples; ascertain tribal distinction, territorial limits, social organization, language, belief, manner and custom	1901
6. Department of Mindanao	Military	To carry on the missions of DM in 1900 and SSB in 1901	1902
7. Moro Province	Military	To initiate and organize American government policy of direct rule and interference on Moro internal affairs	1903
8. Department of Mindanao and Sulu	Administrative	To effect the Filipinization of Mindanao and Sulu in preparation for Philippine independence; to unify the structure and powers of provincial and municipal governments in Moroland with rest of the country; to institute "rapid amalgamation with the inhabitants of other islands"	1914
9. Office of Commissioner for Mindanao and Sulu	Administrative	To develop Mindanao for the immediate benefit of the Philippine Commonwealth	1937

Source: Julkipli Wadi "Tier-Making and Tier-Changing in Mindanao and Sulu," Diliman Review Vol. 48, No. 2, 2000.

As the data above reveal, up to the Philippine Commonwealth, the American- and Filipino-led government created political, administrative and bureaucratic tiers and offices for the administration of Mindanao and Sulu. The first was the creation of the Military District of Mindanao and Jolo in 1899 and the last was the Office of Commissioner for Mindanao and Sulu in 1937.

FIGURE 2
Post-Colonial Philippine Administrations

Tier/Unit/Office	Nature	Function	Year
1. Commission on National Integration	Administrative	To foster the moral, material and political advancement of non-Christian Filipinos	1957
2. Mindanao Development Authority	Administrative	To accelerate the development of the region	1961
3. Rehabilitation and Development Program	Administrative	To rehabilitate, reconstruct and develop areas ravaged by war in the late 60s and early 70s; to restore normalcy in the region; to assist evacuees; to repair damaged infrastructure; to expand agricultural production; improve education and health services	1973
4. Presidential Task Force for the Reconstruction and Development of Mindanao	Administrative	To implement the RPD; to assess damage on private property; to mobilize funds; to prepare an integrated program of full reconstruction; to restore peace and order	1973

40 Wadi

Tier/Unit/Office	Nature	Function	Year
5. Southern Philippines Development Authority	Administrative	To promote economic development and social stability through cooperation and non-cooperation ventures	1975
6. Autonomous Governments in Region IX and XII	Political	To implement regional autonomy in accordance with the Tripoli Agreement (according to the Philippine government)	1977
7. Ministry of Muslim Affairs	Administrative	To ensure the integration of Muslim Filipinos into the mainstream Filipino society with due regard to their beliefs, customs, traditions, and institutions	1981
8. Autonomous Region for Muslim Mindanao	Political	To implement regional autonomy in accordance with Art. X Sec. 15 of the 1987 Philippine Constitution	1989
9. Mindanao Economic Development Council	Administrative	To promote and coordinate the active participation of all sectors to effect the socio-economic development of Mindanao through a holistic and integrated approach	1992
10. Southern Philippine Council for Peace and Development	Administrative	To oversee and coordinate peace and development in the Special Zone of Peace and Development whose area of jurisdictions covers the thirteen provinces mentioned in the Tripoli Agreement	

Tier/Unit/Office	Nature	Function	Year
11. Bangsamoro People's Regional Autonomous Government	MNLF's proposed political and regional unit in the phase 2 of the GRP-MNLF Peace Agreement	To implement regional expanded autonomy in accordance with the phase 2 provision of the 1996 GRP-MNLF Peace Agreement after the supposed amendment of the Organic Act of the ARMM	
12. Maglanco-Socsargen Council	President Joseph Estrada's proposed administrative council to the MILF (before the all-out war in 2000)	To implement peace and development in areas under the sphere of influence of the MILF, i.e., Maguindanao, Lanao, North Cotabato, South Cotabato, Saranggani, and General Santos	1991
13. Expanded ARMM	Political	To implement RA 9054 mandating the expansion of territorial coverage of the ARMM	2001
14. Bangsamoro Juridical Entity	MILF's proposal to broaden political power and territorial coverage of the jurisdiction of the ARMM	To effect the establishment of State-sub state arrangement between the Philippines and the BJE	2009

Source: Julkipli Wadi, "Tier-Making and Tier-Changing in Mindanao and Sulu," Diliman Review Vol. 48, No. 2, 2000. Unlike the old list, the table has been added with new tiers, namely: the expanded ARMM in 2001 and the proposed BJE in 2008 in accordance with the bungled Memorandum of Agreement on Ancestral Domain (MoA-AD).

42 Wadi

If we add the 9 tiers that were created during the American period and the succeeding 14 tiers from 1957 onwards, there have been 23 tiers of various natures – political, administrative, bureaucratic, office and otherwise – which have been created and abolished for more than a hundred years. Of the 23 tiers, the expanded Autonomous Region of Muslim Mindanao (ARMM), the Southern Philippines Development Authority (SPDA), and the Office of Muslim Affairs are the only ones left standing to address the political, administrative and cultural interests of the Bangsamoro people. While a new form of politico-administrative arrangement called the Bangsamoro Juridical Entity (BJE) was contemplated recently, it was subsequently shelved after the bungled attempt of the MoA-AD in 2008. That year, to say the least, Sisyphus' proverbial stone cascaded again dramatically.

What precipitated this malaise of tier-making and tier-changing in Mindanao and Sulu? Why did it become a Sisyphean ordeal of the nation? Allow me to recount what I wrote as the source of the morass:

The main source of instability is anchored on a century of unresolved contestation over the political status of Mindanao and Sulu. Moreover, the colonial mixture of Philippine political system that failed to address the "power vacuum" in Mindanao and Sulu reinforces intergovernmental instability. The unitary set-up of the Philippine government was a legacy of Spain... Yet, the set-up was institutionalized by the "Philippine Commission to facilitate the extension of American sovereignty to the Philippines" including Mindanao and Sulu. The separation of powers (executive, legislative, and judiciary) was copied from the US. The unitary set-up defines the "vertical" division of powers (structure of government) between the national government and local government units while the "horizontal" separation of powers defines the form of government (e.g., presidential or parliamentary).

In all indications, the colonial-political mixture is what creates a disjuncture between the "horizontal" and "vertical" relation of

powers because, from the point of view of governance, a unitary setup requires a relatively homogenous society while an effective application of separation of powers presupposes a stable system of democracy... As a consequence, it emboldened inter-governmental problem and rendered futile the national government effort of tiermaking and tier-changing and further worsened the "power vacuum" in southern Philippines (Diliman Review 2000).

Notwithstanding the historical relations between the government and Muslims in Mindanao and the results of the Mindanao peace process since 1975, the results of the MoA-AD and the 1996 Peace Agreement have seemingly thrown the stone into a downward direction, bringing the whole process back to square one.

There is probably no need to dramatize the elusiveness of peace in Mindanao and its impact on the critical dimensions of relations in Muslim areas such as the level of economic development, poverty, education, literacy, foreign assistance and its implications, among others. To say the least, many studies like the *Philippine Human Development Report* and others have shown vivid findings on how the Muslim Mindanao region, in practically all major indicators, have been relegated to the tail-end of development compared with other areas in the country.

What must be underscored, however, is the structural formation of the traditional system of Moro society, where political dynastic families were tolerated by the State as an alternative to Moro reform groups, such as the Moro Liberation Fronts, who demand substantial power and authority. Even a supposedly regional institution (e.g., ARMM) is being traded off to a strong political family, subjecting it under the latter's behest and control. Hence, reform-oriented groups ought to ask why they should struggle to form and develop political institutions when in the end, these would eventually be controlled by traditional ruling elites and political families, consequently fossilizing the Moro society.

44 Wadi

For instance, the "Maguindanao massacre" is an outright result of the unhealthy convergence of traditional structural formation and political institutional deformities in Moro areas. On the other hand, the political restructuring and vying for autonomy by Moro reform groups is viewed as inimical to long-term national interest. Unless the situation is reversed and expanded and real reform is undertaken, Mindanao will remain mired in the bungle of forces and deformities.

Is there a way to break out of this ordeal? Is a new, genuine start possible?

Given the deepening and widening "political void" in Mindanao, the next administration will have to address the peace process with both the Moro Islamic Liberation Front (MILF) and the Moro National Liberation Front (MNLF). The bungling of the Memorandum of Agreement on Ancestral Domain (MoA-AD) on August 5, 2008 and the Maguindanao Massacre on November 23, 2009 were two major events that not only created a "black eye" in the image of the Philippines here and abroad, but also backpedaled the country, particularly Mindanao and the Muslim areas, into a stupor. While the two issues appear to be separate, they are undeniably interrelated in terms of their political and geographical aspects as they added new dimensions into the complexity of the age-old "Mindanao problem."

In hindsight, the war between the Armed Forces of the Philippines and the MILF following the non-signing of the MoA-AD and the Maguindanao massacre would have been avoided had the MoA-AD been allowed to proceed unhindered. Moreover, the "politics" of Moro political dynasties, including their propensity to election-related violence, could have been restrained and politically framed by a collective vision of reforms had the proposed Bangsamoro Juridical Entity (BJE) been pursued, the latter being the core of an envisioned peace agreement between the Philippine government and the MILF. Because of a politically expedient attitude that dominated the administration's psychology and strategy in

handling the Mindanao peace process, the peace talks between the government and the MILF that started in 2001 has cascaded dramatically since August 2008.

Meanwhile, the 1996 Peace Agreement between the government and the MNLF was left to fossilize with many unimplemented provisions, including those which should have been continuously subject to bilateral negotiations between the two parties. As commitment to the MNLF was reneged, it was easy to trade off the control of the ARMM to Moro political dynasties, allowing the latter to lord it over while amassing wealth unhindered and to assume the garb of untouchables behind a worsening culture of excess and impunity. The government failed in its neglect in taking the peace process as a national agenda where major branches of government and critical sectors were left blind; this is a reason why a peace framework like the MoA-AD could become a source of legal wrangling and thus could easily be relegated to irrelevance.

The next administration should not simply address the issue by engaging in a hit-and-miss peace process as if the question of "process" were more important than the imperative of attaining "peace." It needs to pursue a peace policy geared towards the forging of a comprehensive peace agreement with both MILF and MNLF as early as possible so that the remaining years of the new administration's term would be concentrated on the implementation of the agreement and the institution of reforms in Moro areas. It cannot afford to waste another six precious years. Indeed, a peaceful Mindanao would ultimately mean development for the whole country.

(The last four paragraphs of this paper were shared to the "UP Forum" (February 2010 Issue) as answer to the question: "Should discussions with the MILF and/or the MNLF frame the next administration's approach to the Mindanao issue?")

46 Wadi

Notes

- 1 A paper presented during Session 3: Backrooms, Battlefields, and Backhoes: The Mindanao Conundrum, on February 2, 2010, at the UP Academic Congress, "Beyond 2010: Leadership for the Next Generation," Malcolm Hall, College of Law, University of the Philippines Diliman, February 1-5, 2010. The author is Associate Professor and Dean of the Institute of Islamic Studies, University of the Philippines Diliman.
- 2 Sisyphus is a mythic personality in Greek mythology who is condemned to roll a huge rock up a hill or mountain. But every time he is about to reach the peak, the rock cascades down, making him repeat this process forever.



Magpuyong malinawon sa yutang kabilin¹ (Living in Peace in their Ancestral Domain)

RUDY B. RODIL

MY ASSIGNED TOPIC is "Lumad role in Mindanao development." I decided, however, that rather than express my own thoughts about it, it is better to allow the Lumad peoples speak for themselves. Over the last 20 years, the Lumad, some 30 or more tribes and sub-tribes of them, have been able to express their collective voices in several written formal declarations. For this essay, I will focus on two of such documents.

Quick historical overview

Having been at the receiving end of the government policy of assimilation, and I refer to both Spanish and American colonial governments and the republic, the Lumad have always been told what to do or what was good for them; worse, they were not even given the courtesy of an explanation. This was how that segment of the population referred to today as "Indigenous Peoples" has become marginalized through the years.

The word "marginalized" implies that the Lumad have been given official labels. This means, among others, that their right to own and dispose of their ancestral lands was taken away from them; migrants were brought into or encouraged to move into their traditional territories and in effect displaced them from their own homes. In addition, their customary laws

48 Rodil

were set aside as they were required to interact actively with the more dominant cultures; thus they were made to exist in the periphery and become passive recipients of mainstream governance. Their livelihood systems were looked down upon and they were given no part in the economic developments embarked upon by the government.

They were, as a matter of government policy or at least until 1997, targeted for assimilation, also known as amalgamation or fusion or integration into the majority of the population. In short, since the onset of colonialism, the powers-that-be have designed their lives for them. Under these circumstances, their current drive to assert their right to self-determination is in essence a push for survival as a distinct segment of the Philippine population.

Their population, says the 2000 census, is roughly nine percent of the total inhabitants of Mindanao. With an estimated total population of 1.5 million, they form the majority in only 11 towns in the whole island, and are thinly spread out in the rest. This came about after less than sixty years of the implementation of the Manila government's various resettlement programs from 1913 to 1970.

Two collective documents, the first issued in 2001 and the other in 2008, clearly express not only their current situation but also their vision, and more crucially, their concept of development.

The Cagayan de Oro Declaration

Issued on August 27, 2008 in two languages, *Bisaya* and English, this document was a product of a four-day assembly at Manresa Conference Center, Cagayan de Oro City, where more than 200 tribal leaders from various Indigenous Peoples' communities in Mindanao and Palawan participated. Entitled "*Deklarasyon sa Cagayan De Oro kabahin sa Memorandum of Agreement on Ancestral Domain of the GRP-MILF Peace Panel*" (The Cagayan De Oro Declaration on the Memorandum of Agreement on Ancestral Domain of the GRP-MILF

Peace Panel), the manifesto was issued as a necessary and urgent reaction to the Memorandum of Agreement on Ancestral Domain (MOA-AD), which was promulgated at after nearly four years of intense negotiations between the Philippine Government and the Moro Islamic Liberation Front (MILF).

Content

The document is roughly divided into three general sections: the first deals with the Lumads' assertions of their rights and other basic premises; second, their fears and concerns; and third, their recommendations. The assertions include an affirmation of their right to self-determination as Indigenous Peoples; an acknowledgment of the Bangsamoro identity and its right to self-determination; a statement of reality that Mindanao is inhabited by the Bangsamoro, Indigenous Peoples and migrant settlers; and an expression of highest respect for the various traditional peace pacts, variously called *dyandi*, *sapa*, *tampuda hu balagun*, *pakang* and *kandugo/sandugo*, which were entered into between the ancestors of Indigenous Peoples and those of the Bangsamoro people.

Among their fears and concerns, the Lumad felt that the inclusion of their ancestral domains and resources within the Bangsamoro Juridical Entity, their being referred to as Bangsamoro in the MOA-AD, is a violation of their right to self-identification, their traditional customary laws, beliefs, governance and indigenous ways of living. They also expressed disappointment at the failure of the National Commission on Indigenous Peoples (NCIP) to secure their ancestral domains with the appropriate titles (Certificate of Ancestral Domain Title and Certificate of Ancestral Land Title) defining their ownership, possession and utilization of the resources therein. They also said that their free, prior and informed consent should have been sought prior to their inclusion in the Bangsamoro Juridical Entity (BJE).

50 Rodil

The Lumad have three sets of recommendations for the GRP-MILF panels, the NCIP and the Philippine Government, respectively. They demanded the exclusion of their ancestral territories from the area of the BJE, except those of the Teduray, Lambangian and Dulangan Manobo, whose lands are already located within the Autonomous Region in Muslim Mindanao (ARMM). They also sought respect for their rights to self-determination, which include traditional governance, tribal justice system, and their rights on their ancestral domain, particularly the utilization of its natural resources.

Since this assembly in Cagayan de Oro took place at the time when the negotiations between the Philippine government and the MILF had collapsed and fighting between it and the Philippine military had broken out in central Mindanao, the Lumad called for a stop to the war and the resumption of the talks but with representation and participation from the Indigenous Peoples. Their plea from the NCIP is for this office not only to fast track the processing and issuance of ancestral domain/land titles but also to assert its mandatory role in promoting and upholding of the Indigenous Peoples' cultures. What they seek from the national government in particular is to conduct dialogues between the Bangsamoro and the Indigenous Peoples on their fundamental rights, to respect their traditional governance over their ancestral domains and the utilization of their natural resources, and to stop identifying the Indigenous Peoples as Bangsamoro or associating them with the latter.

Lumad Right to Self-Determination: First articulation in 1986

At the founding congress of Lumad Mindanaw in Kidapawan, Cotabato in June 1986, participants from 15 tribes in Mindanao decided to give the indigenous peoples of Mindanao a collective name, *Lumad*. It is a Cebuano Bisayan word which means "indigenous." There were actually several suggestions for a name but since their lingua franca in all intertribal gatherings has been Bisaya, *Lumad* won the day.

The founding congress was historic because this was the first time they gave themselves a name they themselves chose. They had been given all sorts of names in the past, among them *paganos* by the Spaniards, "non-Christians" and "uncivilized" by the Americans, "National Cultural Minorities" and "Cultural Communities" by the Philippine government, and "Bangsamoro" by the Moro National Liberation Front (MNLF) and the Moro Islamic Liberation Front (MILF). They also asserted that they have the right to self-determination and the right to govern themselves within their respective ancestral domains in accordance with their customary laws. The 2008 document actually affirmed many points raised in the 2001 statement.

Assertion in 2001

In 2001, they started to explore the idea of having their own Lumad autonomous region in Mindanao, indicating a definite conceptual advance towards broader political units beyond the tribal sphere. How they would make this possible was not clear. These self-determination-related concepts found their way into the Indigenous Peoples Rights Act (IPRA), which allows Indigenous communities, among others, to file for and obtain titles to their ancestral domains and lands.

This was the first time since the Philippine Commission Act of 1903 that the Philippine Congress passed a law recognizing ancestral domain and allowing it to be titled on the basis of native title. Native title means that, as it is now enshrined in Philippine law, the land in question has been held since time immemorial and has never been public domain, or public land in plain layman's language. Note that the Philippine Commission Act of 1903 declared as null and void all land grants made by traditional leaders if done without government consent. It also made way for the entry and institutionalization of the regalian doctrine and the torrens system of landownership.

52 Rodil

Written in Bisaya, the 2001 document was entitled *Agenda sa mga Lumad sa Mindanao alang sa Kalinaw* (Lumad Peace Agenda for Mindanao). This is, they say, the unified stand of 67 leaders from 20 tribes who attended the Mindanao Indigenous Peoples Peace Forum on January 17-19, 2001 at GSP Camp Alano, Toril, Davao City. This also marks the first time, as far as we can determine, that a document of this nature made the following assertion: "that their ancestors entered into agreements with their Maguindanao (Moro) neighbors in which the parties recognized territorial boundaries between the concerned Lumad tribe and the Maguindanao (Moro)."

The Lumad are very concerned that the MILF included them in the Bangsamoro, as the MNLF did earlier, and claimed in effect that Lumad territories were part of Bangsamoro ancestral domains. This, the Lumad stressed, is a violation of said ancient agreements. This is why the leaders of *Panagtagbo* (or "convergence" in English) proposed, in a 2003 letter to the MNLF leadership, the immediate revival and institutionalization of the traditional peace pact agreements between their respective communities and the Maguindanao and Maranao groups of the MILF. As far as they are concerned, these agreements, witnessed by their *diwatas* (spirits), have not yet expired and, therefore, are still in force.

Concept of Development

So, what is their concept of development? A development that is not destructive to their culture and environment, and one that is responsive to the needs of the Lumad in the sphere of their economy, culture, education and politics. They put it graphically in the following words from the 2001 document. The original, as mentioned earlier, is in Bisaya. The English is my translation.

• wala kami nakabaton ug kalinaw ... padayon nga hulga sa among yutang kabilin ... sa pagkawala sa among kultura... [the absence of peace among us ... the continuing threat to our ancestral domain ... the degradation of our culture...]

- kadaghanan sa mga yutang kabilin sa mga Lumad gisudlan na sa plantasyon, logging concessions, dams, geothermals, minahan, ranchohan, gihimong ecotourist spots... [most of our ancestral lands have been penetrated by plantations, logging concessions, dams, geothermals, mines, cattle ranches, or were converted to eco-tourist spots.]
- diin buot isilsil sa among alimpatakan nga kini alang sa kalambuan, apan sa lalum namong pagsusi ug pagpamalandong kini nga mga proyekto makapahanaw sa among katungod sa malinawon namong pagpuyo sa among yutang kabilin ug makapahuyang sa among gahum sa pagdumala sa tribu... [where we are told that this is for development, but from our deeper examination, these are projects that diffuse our right to a peaceful life within our ancestral domain and weaken our authority to govern our own tribe.]
- ang pagpahawa kanamo gikan sa among yutang kabilin wala lamang kini naka-apekto sa among pamuyo apan labaw sa tanan sa among pagkinabuhi isip katawhang Lumad. [Our displacement from our ancestral lands has affected not only our lives, but also our being Lumad communities.]

Conclusion

At the end of the Spanish colonial regime, the 35 tribes and subtribes of Lumad indigenous communities in Mindanao were spread out in the greater part of Mindanao, except in traditional Moro areas. By the year 2000, as a result of sustained government resettlement programs, they have become severely marginalized, their population down to 8.9 percent of the total Mindanao inhabitants.

But they have now awakened to the realization that they, too, like the Indigenous Peoples all over the world, have their own identity, their 54 Rodil

own right to self-determination. Their efforts are focused on securing their ancestral domain claims and their right to govern themselves in accordance with their customary laws. It is important for the government and for the other segments of the Mindanao population to grasp that recognizing Lumad aspirations for self-determination within their ancestral domains, allowing them to create and develop their own social spaces, will solidly contribute to a better Philippines.

Note

1 Delivered at the UP Academic Congress, Malcom Hall, UP Diliman, Quezon City, February 1-5, 2010. Theme: "Beyond 2010: Leadership for the Next Generation," A UP Academic's Congress.



The New Face of Mindanao's Strong Men: The Politico-Economic Foundations of Legitimacy in Muslim Mindanao

FRANCISCO LARA, JR.

TWO MONTHS AGO and following the horrific events of November 23, 2009, I wrote a piece that called attention to the ruthless political entrepreneurs of Muslim Mindanao. This was followed by another essay on the interaction between local and national elites, and the often seamless transition between collusion and collision in sub-national states locked into conditions of war.¹

I spoke of the evolving shift in the "elite bargain," or the mutually beneficial arrangements entered into by national and local elites, in this case between Muslim Mindanao's political entrepreneurs and the Macapagal-Arroyo administration. The notion of an elite bargain is nothing new; in earlier studies, scholars including the French social scientist Francois Bayart, referred to these as forms of "elite accommodation." I argued, however, that the elite bargain was inexorably shifting in the direction of local warlords who had acquired extraordinary influence and power over national electoral outcomes, and hence, over the future power of national elites.

56 Lara, Jr.

These two essays landed in the national dailies, in editorials and commentaries, and other media outlets. Yet very little evidence was provided to support the argument posed in these short think-pieces. This paper seeks to fill this gap by providing some empirical evidence to support the claims made in those essays, and offer a few suggestions on what can be done to begin changing these conditions.

Why was there so much conflict at the post-conflict moment?

In the abovementioned essays I had argued that the Maguindanao massacre was a manifestation of the shift in politico-economic sources of violence and conflict in Muslim Mindanao. It signified the emergence of new-type warlords whose powers depend upon their control of a vast illegal and shadow economy and an ever-growing slice of internal revenue allotments (IRA). Both factors induced a violent addiction to political office.

Mindanao's "local strong men" were an essential component of the central state's efforts to extend its writ over the region. The elite bargain was built upon the state's willingness to eschew revenue generation and to grant politico-military dominance to a few Moro elites in exchange for the latter providing political thugs and armed militias to secure far-flung territories, fight the communists and separatists, and extend the administrative reach of the state.

However, the economic foundations of the elite bargain have changed since then. Political office has become more lucrative because of the billions of pesos in IRA remittances that electoral victory provides. The "winner-takes-all" nature of local electoral struggles in Muslim Mindanao also means that competition is costlier and bloodier. Meanwhile, political authority may enable control over the formal economy, but the bigger prize is the power to monopolize or to extort money from those engaged in the lucrative business of illegal drugs, gambling, kidnap-forransom, gun-running, and smuggling, among others. These illegal economies and a small formal sector comprise the "real" economy of Muslim Mindanao.

These arguments were initially revealed a year before the massacre in a research paper, *Inclusive Peace in Muslim Mindanao: Revisiting the Dynamics of Conflict and Exclusion*, which I co-authored with Phil Champain of the UK-based peace-building organization International Alert (IA). The study was based on earlier work done by IA in Muslim Mindanao, on my own doctoral field work in the region, and an analysis of descriptive statistics on the nature of growth in the region. Both sought to explain the foundations of the political economy of the conflict in Mindanao.



58 Lara, Jr.

My own objective was to discover the politico-economic foundations of legitimacy, or how the power and authority of local elites drew from the underlying foundations of economic and political power in Muslim Mindanao. This meant uncovering the "real economy" of the region. It also required a process of mapping out how local leaders entered into "bargains" with local citizens, as well as with national political elites.

My study was based on a single paradox that I felt had not been adequately addressed by earlier studies of conflict in the region. Why was there so much conflict in the post-conflict moment? This in turn was prompted by my own dissertation puzzle – if political legitimacy was crucial for state and peace building, why had legitimate self-rule under an autonomous and devolved political authority, i.e., the ARMM, failed to contain violence and conflict?

Data from a study undertaken by Asia Foundation, and the 2005 UNDP-funded HD Study of Mindanao and Conflict provided the facts behind the puzzle. Mindanao scholars such as James Kamlian, Abhoud Lingga, and Mochtar Matuan confirmed the rise in inter- and intra-clan and tribal conflict in the period immediately following the 1996 final peace agreement (Figure 1).

Exclusionary political economy

In the study published by International Alert, Champain and I argued that the sources of unrest were rooted in the nature of Mindanao's exclusionary economy. Muslim Mindanao was being geographically and socially excluded from the fruits of national economic growth. The region was undergoing similar patterns of exclusion comparable with striferidden Aceh in Indonesia and are validated by data on expected life at birth (ELB), poverty incidence, infant mortality, and percentage of unemployment (Table 1).

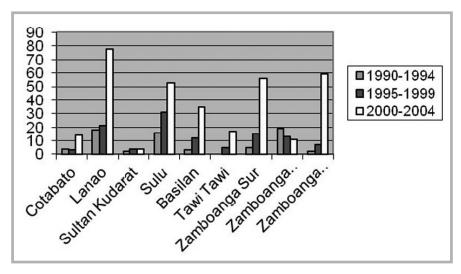


FIGURE 1
Increase in rido incidence after 1986 peace agreement:
Kamlian 2007

TABLE 1: Comparative human development indicators: Aceh and Muslim Mindanao, WB 2007, UNDP 2005

Province/ Country	ELB	Poverty	Infant Mortality (per 000)	Percentage o f Unemployed
Aceh	55 years	26 %	42 infants	29 %
Indonesia	67 years	17 %	35 infants	12.5 %
ARMM	52 years	45 %	55 infants	56 %
Philippines	71 years	36 %	49 infants	10 %

But this was not the whole picture. We also pointed out that in the few instances when growth was indeed occurring in the region – the sources of that growth were based on unsustainable sources, i.e., from election

60 Lara, Jr.

spending and reconstruction assistance. Previous election years such as 1998 and 2004, and the post-war reconstruction beginning in 2002 saw the most rapid increases in gross regional domestic product. Growth did not emerge from agriculture or natural resource extraction. GVA in agriculture, according to Mindanao Economic Development Council (MEDCO) statistics, remained low and investors were steering away from investing in mining, manufacturing, and agribusiness activities because of the conflict in the region.

This sort of growth is further confirmed when one uncovers another puzzle which I stumbled upon in my own research studies – why were tax revenues growing in the ARMM in the midst of conflict? I came upon these figures while gathering tax data from the five major revenue district offices in the region.

Those taxes came from tax remittance advice, which accounted for more than 70% of the increase in collections – or taxes deducted from incomes of infrastructure-building contractors by the BIR Large Taxpayers

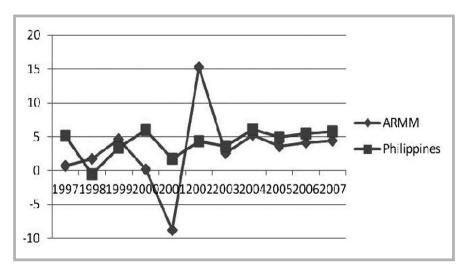


FIGURE 2
GRDP Growth Rates: ARMM vs Philippines (1997-2007, NEDA)

Office. Was it possible that revenue generation, a key indicator of success in any state building project, relied on the two-stage process of violence and reconstruction that was a feature of conflict?

I rechecked my facts and saw the same happening in other regions of the country – in Bicol, for example, where successive typhoons had produced destruction and dislocation and a paradigmatic increase in tax collections. From these I concluded that war and destruction had indeed become a necessary instrument in state building, as Charles Tilly suggested more than three decades ago. It had become, for all intents and purposes, a distinctive feature of sub-national state building in Mindanao.

From these facts it was easier to move forward in analyzing how political legitimacy and authority was constructed in the region.

Informal economy in Muslim Mindanao

Analysis of the "real" economy of Muslim Mindanao indicates that this economy was not actually "formal" in nature. The formal economy flowed from investments and spending in the civil service through internal revenue allotments (IRA), foreign and state-funded reconstruction projects, development aid, and a little agribusiness and fishery. They helped secure some credibility and legitimacy among some communities who benefited from these projects. In the main they were essential in gaining credibility from other stakeholders, most of whom were development and aid agencies, bilateral and multilateral donors, the Islamic world and the OIC, and the diplomatic posts.

The role of internal revenue allotments (IRA) as a motor of the local economy is indeed apparent, but the role of IRAs as political inducement is crystal clear. Despite the absence of revenues and the lack of any palpable signs of economic or social development, IRA remittances continued to flow into the ARMM and its warlord leaders. This is underscored by the rapid increase in government consumption expenditures in Muslim Mindanao, compared with the rest of Mindanao (Figure 3).

62 Lara, Jr.

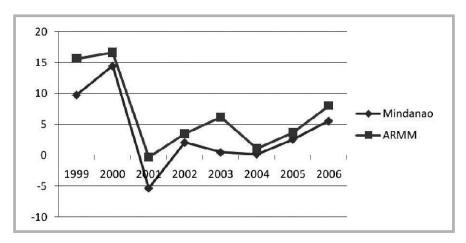


FIGURE 3 GCA Expenditures: ARMM vs. Mindanao (1999-2006)

Indeed, most of the real economy in the ARMM was of the informal type. Investigating that informal, shadow, hidden, illegal, underground, or third economy – whatever you want to call it – became a critical aspect in uncovering the politico-economic foundations of the power of clans and their warlords.

I studied the drug and arms trade – the most lucrative sources of illicit bounty from a region that was only part of the Philippines in name and location. While doing field work I also came across a whole range of illegal activities. These included pearls, gems, pirated discs, cross-border smuggling, most of which were treated as livelihoods, a few of which can be deadly and pernicious – KFR, carjacking, guns for hire.

The interplay between the formal and informal economy pointed to the real sources of economic and political power. A formal economy, from the civil service, reconstruction, aid, and a little agribusiness, became sources of credibility and legitimacy to stakeholders external to the region – development and aid agencies, diplomatic posts, financial agencies, etc. However, it was the underground economy, founded and controlled from within the structure of the clan, that really provided the legitimacy

necessary to capture the passive allegiance and support/acquiescence of ordinary citizens.

Yet even this analysis, I argue, has become insufficient.

Regional networks

To confine the dynamics of power to the sub-national (ARMM) and national level neglects a new source of politico-economic power which explains the resilience of warlord clans – their links to supra-national and regional criminal networks engaged in the lucrative arms and drug trade in Southeast Asia, and their increased access to considerable amounts of foreign aid and the millions in reconstruction assistance poured into conflict-affected areas. These have enabled warlords to embellish their legitimacy and tap into a new source of wealth and power that corrodes and transcends the nation-state.

The discovery of cocaine shipments in Davao City and in Philippine waters off Eastern Visayas underlies a shocking reality that stares the nation in the face – the Philippines has become an important trans-shipment point for high-value drugs such as cocaine and heroin, as well as a global supplier and consumer of methamphetamine hydrochloride (shabu), and a wide user of methylene dioxy-methamphetamine (ecstasy).

For international security agencies these events herald a tippingpoint in the narcotics terms of trade. They demonstrate how the Philippines has evolved as a major crossroad in the global trade in illicit drugs, provoking security specialists to intensively monitor local drug networks and identify the Muslim and Christian warlords embedded in the Triad and other criminal gangs in Asia.

At the same time, international pressure has forced local intelligence operatives to trace the origin of weapons used in the Maguindanao massacre and their links to national, cross-border, and regional gun-running syndicates, including the recently aborted smuggling of firearms from Indonesia, and the landing of illegal firearms in Sulu.

64 Lara, Jr.

The discovery of high-value weapons in the Ampatuan arsenal is alarming because of their underlying politico-military implications. One, they expose a rupture in the logistics chain that undermines existing security arrangements and military assistance programs between the Philippines and the United States. The possession of a Barrett sniper's rifle also implies that warlord clans may be engaged and harnessed in the dirty job of political assassinations.² Two, they indicate the extent and potential repercussions inherent in the outsourcing of armed violence that the Philippine State is engaged in – and how such policies can be manipulated by a warlord clan bent on liquidating its political opponents, instead of Muslim rebels and communist insurgents.

It highlights the alliances that lurk behind the trade in illegal drugs, illicit weapons and munitions, and the nation-state. The effective control of the illegal drug trade undoubtedly requires huge investments in firepower. The awesome resources available to warlords who can enlist and equip hundreds of paramilitaries are comparable to the costs of running a mid-sized bureaucracy. Meanwhile, continued access to weapons and the means to lug these around require the approval of the Leviathan that holds monopoly rights over the means of coercion. This uncovers an elite bargain that includes the de-facto sanctioning of a growing trade in lootable resources such as drugs. It begs an important question: how often has the Philippine State turned a blind eye to a clear and present danger in exchange for political support?

The issue resonates in the huge amounts of foreign aid and reconstruction assistance targeted towards an impoverished region reeling from both local and rebellion-related conflict. What sort of bargains have aid agencies entered into with powerful warlord clans to enable them to operate in conflict-affected areas under warlord control?

It is no secret that development assistance targeted to Maguindanao province and the ARMM regional government meant the forging of project arrangements with their overlords. The data shows how the mix of fiscal resources and foreign aid has enabled government consumption

expenditures in the ARMM to grow faster than in any other region in Mindanao, despite the negligible tax revenues from these areas. How ignorant or aware were aid agencies that they were negotiating with political entrepreneurs with a long history of corruption and violence?

To be sure, conflict areas outside the ARMM were also the beneficiaries of millions of dollars in infrastructure support coursed through government agencies such as the Department of Public Works and Highways (DPWH), Department of Agrarian Reform (DAR), and the Department of Agriculture. Numerous development programs directly supported by multilateral (World Bank, ADB, UN agencies) and bilateral (US, Japan, Australia) donors ostensibly meant dealing with the Muslim and Christian warlord clans of Mindanao.

While it is reasonable to expect official donors to deal directly with local officials as the authorized channels for welfare provisioning between governments, it is naïve to suggest that aid givers were ignorant of the dangers these entailed. Yet several project officers involved in Mindanao's development projects cannot help wondering if the aid money ended up in the giant mansions and expensive vehicles owned by warlords; was used in their profligate spending in the gambling capitals of the world; facilitated their purchase of the means to kill; and helped procure expensive infrastructure equipment, including the infamous backhoe.

Tracing the backhoe's provenance is strategic because it provides a way to unravel the indirect role played by government spending and aid money in the events leading to the massacre. The potential connections among violence, government spending, and aid money present a real dilemma that will linger long after Gloria Macapagal-Arroyo leaves the political stage. It will continue to fuel a growing concern among donor higher-ups about whether the integrity and viability of development programs were compromised in Mindanao. It provides the backdrop behind the temporary suspension of Mindanao operations by aid agencies such as the USAID, the Asian Development Bank (ADB), and the World Bank.

66 Lara, Jr.

Despite their often violent outcomes, the links between warlords and shadowy regional and global syndicates add another layer of legitimacy and credibility to the warlord clans. Combine this with their skills in reversing national electoral outcomes and what emerges is a new-type of warlord with a national and global profile.

Drawing from the scholarship of conflict specialists such as David Keen, Mark Duffield and William Reno, these new conditions would seem to mimic the situation in other civil wars in Eastern and Sub-Saharan Africa. But instead of junking national bureaucracies and the effective territorial control which their counterparts did elsewhere, warlords in Mindanao have found a way to manufacture consent-based political authority by allowing local people to engage in the same underground economy that survived and thrived under devolution.

This explains why the complexion of Mindanao's "strong men" has gained luster over the past decade. They were enabled by the central state to capture a large share of public funds, emboldened by a regional shadow economy that enlarged their resources, and connected to bilateral and multilateral aid agencies that helped strengthen their credibility and legitimacy.

These factors make political office more lucrative and the skill to engage in violent and protracted conflict a desired capability. They also display the changing parameters that determine people's perceptions of political legitimacy in the region. Neither Islam, nor a politician's primordial links to the royal houses of Sulu, Lanao, and Maguindanao are now sufficient to secure political office. Neither are the links to rebel armies, nor the ties that bind local "strong men" to national political elites. These layers of legitimacy will not be enough to overcome the contestation for power by ruthless entrepreneurs whose power knows no boundaries, and whose violent practice defies all norms.

What can be done?

It is important to voice our condemnation and to call for an end to impunity. But equally important is the need to understand what the violence in Maguindanao and elsewhere in the South is all about. Our studies demonstrate that the sources of violence at the outset of this long conflict are far different from the sources of violence that has made this conflict endure. Distinguishing between "conflict onset" and "conflict duration" is crucial. This is critical for actions of the state, civil society and the international community to have the desired, strategic impact on prospects for peace.

Peacebuilding strategies must include an understanding of how local clan-related conflict dynamics interacts with armed rebellion. Peace builders and aid agencies have often been seduced by the broader armed rebellion, the drama of insurgency, when the conditions actually indicate that we need to operate at the nexus between armed rebellion and local community conflict. More efforts to deliver agrarian reform, for example, are far more important than investing in "bantay ceasefire," "zones of peace," or even Muslim-Christian dialogues.

Scholars need to involve themselves in closely exploring the informal economy and the contestation for political influence that brings control of this economy. This will enable the true nature of political and economic exclusion to be unpacked and effectively addressed.

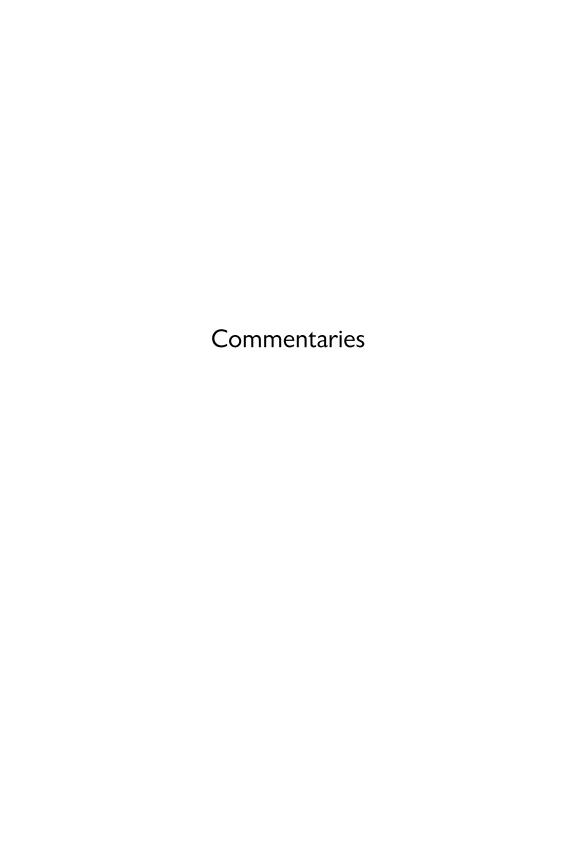
Finally, I think we should consider and reflect upon what the Mindanao scholar Albert Alejo refers to as the "privileging of history" in the peace negotiations and peace dialogues that accompanied the long conflict in Mindanao. Instead, a more interdisciplinary approach that harnesses sociologists, anthropologists, economists, and development and governance specialists is important to move the process forward.

68 Lara, Jr.

Notes

1 The Ruthless Political Entrepreneurs of Muslim Mindanao, November 25, 2009, published by MindaNews, and Collusion and Collision in Muslim Mindanao, published by GMA7News.

2 The Barrett rifle company's website proudly reports that their rifles "are made for civilian sports shooters, law enforcement agencies, the United States military and over 50 foreign countries that are American allies" (emphasis included by author).





It's Now or Later... or Never?

MOHAGHER IQBAL CHAIRMAN, MILF PEACE PANEL

(SPEECH DELIVERED at the 2012 International Conference of the Philippine Political Science Association (PPSA), 12-14 April 2012, Xavier University, Cagayan de Oro City.)

I thank the Philippine Political Science Association (PPSA) for inviting me as one of their speakers in this conference here in Cagayan de Oro City to speak on a subject that is close to my heart. In truth, I have been involved in the GPH-MILF peace negotiation for the last fifteen years or so, as chairman of the MILF peace panel for almost nine years since July 2003. In particular, I thank Dr. Teresa Encarnacion Tadem for this invitation; up to the last moment, my coming was still hanging in the balance. Had the 27th GPH-MILF Exploratory Talks pushed through on its original schedule and not moved to April 24-26, then definitely I would not be here today. Frankly, it is very hard on our part to commit to a particular date; even in that particular time we have no commitment yet, because scheduling the peace talks in Kuala Lumpur follows no regular pattern. It can be reset or cancelled at the instigation of one party. Moreover, as members of a revolutionary organization, unpredictability in our movements is more predictable than its pattern.

Before I try to answer the query contained in the theme of this session, "GPH-MILF Peace Agreement: Now or Never?" let me say this first: I don't know the future and I prohibit myself to predict with certainty what lies ahead. I am just analyzing data or events related to the peace negotiation as objectively as possible, the outcome of which may or may not be correct. Besides, it is unfair to prejudge the capability of the government to come to terms with the MILF. We still trust President Benigno Aquino III in his commitment to solve the Moro Question and the armed conflict in Mindanao during his term of office. Moreover, there is still time to do it.

However, the signs of the times speak otherwise. Our negotiation with the government has dragged on for more than a decade already. Since January 1997 we have already dealt with four Philippine presidents and ten chief peace negotiators or peace panels, not to mention the signing of around 90 documents on various issues and concerns. Combine all these with the time, efforts and resources that both the peace panels and their principals, and the Malaysian government as facilitating country have invested on this peace process—the result would be staggering and awesome. And only the penultimate agenda, i.e., finding the political solution to this sovereignty-based conflict in Mindanao remains on the negotiating table. It is therefore time to conclude this negotiation under the Aquino administration. Passing the buck to the next administration is not a good policy; it is laden with uncertainties.

Frankly, whether there is signing of peace agreement now or never is not easy to make. I must confess I don't have the exact answer now. I don't know if my counterpart from the government who had addressed this conference earlier had given you a categorical answer. They are the ones who made that ambitious deadline that a comprehensive agreement with the MILF will be signed during the first quarter of 2012. It is now April and as far as I am concerned, there is no sign of it yet. I don't know if that hoped-for "miracle" by Secretary Teresita "Ging" Deles-Quintos would ever happen, especially during our forthcoming meeting in Kuala Lumpur this month. I hope the good secretary would explain to the public how this miracle unfolds itself.

Candidly, I don't want to appear pessimistic before you, because as a negotiator, we are taught by our hard experience not to be pessimistic or optimistic. By the intensity of reality, we are educated to be very objective. And for this reason, I have to tell you very directly that signing an agreement with the government now can only happen if the MILF agrees to their formula or if they agree to ours. This sounds weird, but this is the only way I can give you an affirmative answer that there is signing now. Truly, the current state of the negotiation is so tough and fraught with complexities that unless the government sees the light of our proposal for a state-substate

72 Iqbal

asymmetrical arrangement and adopts it, we see no instant or forthcoming breakthrough.

Added to this difficulty in moving fast the process is the almost characteristic flip-flopping of the government on many agreed points. Set aside the Memorandum of Agreement on Ancestral Domain (MOA-AD) because that was quite a long time ago in 2008. The latest of this attitude was the sudden reversal of position by government in annotating the agreed text of the 11-point basic principles which the two peace panels had already settled and crafted during the 25th GPH-MILF Exploratory Talks on February 13-15, 2012 and was readied for signing on the subsequent 26th GPH-MILF Exploratory Talks last March 19-21. Sensing bad faith and the annotation destroying the letter and spirit of the document, the MILF did not sign it.

Close to the end of the second year in office of President Aquino, no substantive agreement, as pointed out earlier, has been signed with the government. Much of it was spent on peripheral issues. To date, the government insists on its 3-in-1 or 3 for 1 formula to address the Moro Question and the armed conflict in Mindanao. We have already rejected this proposal and we will continue to do so, because it will never solve the age-old problem in Mindanao. On the contrary, it would only prolong and complicate it. Even outsiders like Fr. Eliseo Mercado Jr. and Judge Soliman Santos Jr. did not see the government proposal as the key to solving this centuries-old problem in Mindanao. Mercado told the government to abandon the 3-in-1 formula, because it is merely a formula to reform the Autonomous Region in Muslim Mindanao (ARMM) while Santos told a roundtable forum at the Ateneo de Davao University last month that the GPH panel "should not just think of the current PNoy (President Benigno "Noynoy" Aquino) administration and its doables or what it can do up to 2016; it should think also of leaving a more strategic legacy beyond that," adding, "it is the centuries-old Bangsamoro problem that we are solving here, not just its fate under PNoy."

What is this 3-in-1 formula of government? Simply put, the proposal has three components: (1) socio-economic development wherein the MILF partners with government in the implementation of projects; (2) creation of a Bangsamoro Commission, wherein the MILF gets three out of nine slots; and (3) the rewriting of Moro history on the premise, without stating, that Moro narration is part of the national reality. On the first component, even without this negotiation, development projects can still be implemented by government. Besides, the government has been doing this since the birth of this republic. The second component is nothing but an attempt of the government to effect convergence in the Autonomous Region in Muslim Mindanao (ARMM) of the MILF, MNLF, and those running the entity right now. Its reform is the crux of the ARMM agenda. If the MILF accepts this offer, it would only become the laughingstock of everybody; for what the MNLF got in 1996 is clearly better than this one. The third is the cheapest of all. We don't negotiate facts of people's history; we write them down as honestly as possible.

In essence, this formula is still glued to integration as the ultimate solution to the Moro Question and the armed conflict in Mindanao. It perpetuates the status quo wherein Manila rules and decides and Moros merely follow and obey. The unitary system is so one-sided and arbitrary that being the majority in the Moro Province¹ from 1903 to 1913, today we are not only minoritized but we also lost most of our ancestral lands in Mindanao. Through "legalized landgrabbing," only around 12-15% of our original landholdings remain at our hands. All the rest were lost forever.

What the MILF wants to happen in this negotiation is to redefine this totality of relationship between the Philippine state and the Moros. We want that Moros run their own internal affairs, pursuant to the principle of the right to self-determination (RSD) and the essence of real autonomy. This is the reason why the agenda on power-sharing, wealth-sharing, territory and interim arrangement are on the negotiating table. We are not seceding from this Republic; the future Moro substate or whatever name we can agree with the government to call it is still part of the larger

74 Iqbal

Philippine state. This is a formula of peace and unity to ensure that this republic is intact especially in the face of the saber-rattling in South China Sea and the missiles launched by North Korea. It is sound national policy to consolidate the home front first before confronting the larger external enemy.

Through this state-substate arrangement, the Moros would like to stand on their own feet. Whether they swim or they drown, they themselves are to be blamed. It is time to prove which of the two sides of the argument is correct: The Moros are a problem, and are thus referred to as the "Moro Problem." Their marginalization is caused by outsiders, especially the suffocating effects of the unitary system prevailing in this country. The Moros are much maligned, despised, or even hated—why not let them self-destruct by giving them their substate? This sounds nihilistic, but we are solving a problem. Sometimes, in curing a serious illness you have to amputate a leg, hand, or finger.

As pointed out earlier, the negotiation is seemingly going nowhere. Even my counterpart from the government, former Dean Marvic Leonen, who boldly claimed that there would be a signing of a peace deal with the MILF in the first quarter of 2012, had already predicted this bad omen in his opening statement in Kuala Lumpur last March that negotiation is "nearing a stalemate." He said unambiguously: "We are approaching what would seem to be a stalemate in our ideas for transition as well as in our ideas of how to make permanent the solutions that work for our peoples."

Under this situation what will be the most logical decision of the MILF? To go and proceed with the negotiation aimlessly, run the risk of becoming irrelevant and lose its moral ascendancy as the vanguard of the Moro revolutionary movement in Mindanao? Or just fold its arms and allow the mercy of circumstances to give the necessary shot in the arm to resuscitate itself? Or change options and resume hostilities in Mindanao? How about the radical elements within and outside of the MILF, what will they do? The truth is that the current MILF leadership has a hard time defending its position in entering into a peace negotiation with the

government, which uses it as a counter-insurgency measure. The difficulty increases manifold after the government proves an intractable partner in this negotiation. Perhaps, the Aquino administration is not yet in this category, but we want to give it the benefit of the doubt.

To reiterate, faced with this dilemma, what will the MILF do? Of course, this decision is not mine to make or to know. The mandate rests with the MILF Central Committee, the highest policy-making and executive organ of the MILF. I think this decision is forthcoming.

However, all conflict resolution experts whom I talked to, including those involved in the negotiations in South Sudan, Northern Ireland, Kosovo, Mozambique, Aceh in Indonesia, East Timor, and South America, told us that no matter what happens to the negotiation we are "to stay engaged." We are still engaged; that is why I am here with you today.

Thank you and good day!

EDITOR'S NOTE: Since Iqbal's speech at the April 2012 conference of the Philippine Political Science Association, and despite its pessimistic tone, the PH-MILF peace negotiations have since moved forward capped by the signing of the Bangsamoro Framework Agreement in October 2012 and an Annex on Wealth Sharing in June 2013. Progress, however, is considered slow and the discussions still highly contentious. Two more equally litigious annexes need to be agreed on: power sharing and normalization - after which a new enabling law has to be crafted and approved by the Philippine Congress.

Note

The Moro Province was made of five districts namely, Cotabato, Davao, Sulu, Lanao, and Zambonga. The capital was Zamboanga.



Comments on the Framework Agreement between the Philippine Government (GPH) and the Moro Islamic Liberation Front (MILF)

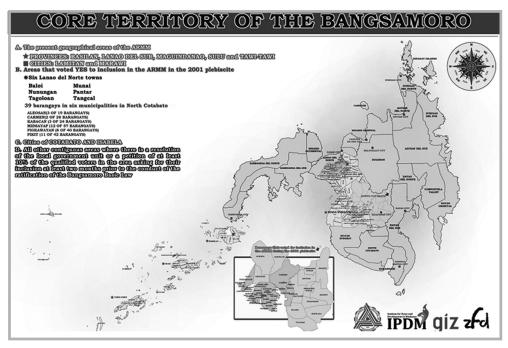
BY RUDY BUHAY RODIL

THE BANGSAMORO'S ASSERTION of self-determination, from the Muslim Independence Movement (MIM) in 1968 to the Moro Islamic Liberation Front (MILF), has always been a sensitive issue, especially to non-Muslim and *Lumad* (indigenous peoples) inhabitants who feel threatened. The Bangsamoro core territory as defined in the Framework Agreement is to be composed of the following:

- The present geographical area of the Autonomous Region of Muslim Mindanao (ARMM);
- 2. The municipalities of Baloi, Munai, Nunungan, Pantar, Tagoloan and Tangkal in the province of Lanao del Norte and all other barangays in the municipalities of Kabacan, Carmen, Aleosan, Pigkawayan, Pikit and Midsayap that voted for inclusion in the ARMM in the 2001 plebiscite;
- 3. The cities of Cotabato and Isabela; and
- 4. All other contiguous areas where there is a resolution of the local government unit or a petition of at least 10% of the qualified voters in the area asking for their inclusion at least two months prior to the ratification of the Bangsamoro Basic Law and the process of delimitation of the Bangsamoro.

These territories are contiguous to the ARMM territory. The two maps below show the core territory of the Bangsamoro.

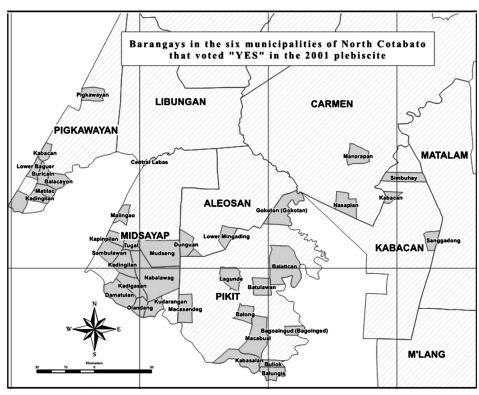
FIGURE 1
Core Territory of the Bangsamoro



Source: Minda-News.com

According to the terms of the Organic Act, which was submitted to the 2001 plebiscite, the municipalities of Baloi, Munai, Nunungan, Pantar, Tagoloan and Tangkal were supposed to have been constituted into one province and appended to ARMM, but it never happened.

78 Rodil



 $\label{eq:FIGURE 2} \textbf{FIGURE 2}$ The thirty-nine (39) Barangays in the Six Municipalities in North Cotabato

Source: Prof. Miriam Ferrer's lecture entitled "The Political Settlement with the Bangsamoro Compromises and Challenges", 20 January 2013.

Consent of the governed

Even prior to the Spanish conquest of the islands, the Muslims had been a self-respecting sovereign state, and it only became part of the Philippines under the Treaty of Paris in 1898. This inclusion was done without their consent, and unfortunately was carried onto the formulation of the Republic of the Philippines in later times.

At the core of today's democratic world, consent of the governed is crucial. As such, the Framework Agreement is a product of mutual consent that embodies the Muslim assertion to self-determination. Hence, the "yes" votes in the 2001 plebiscite represent this democratic consent. The following data reveal information about the six municipalities in North Cotabato that participated in the plebiscite.

TABLE 1. Barangays, who voted "Yes" in the 2001 Plebiscite in the 6 municipalities of North Cotabato

Municipality/Barangay	Yes (%)
ALEOSAN (has 19 barangays)	
Dunguan	90.00
L. Mingading	51.90
Tapodoc	77.27
CARMEN (has 28 barangays)	
Manarahan	64.60
Nasapian	97.06
KABACAN (has 24 barangays)	
Nanga-an	69.46
Simbuhay	57.71
Sanggadong	73.91
MIDSAYAP (has 57 barangays)	
Damatulan	59.11
Kadigasan	75.00
Kadingilan	65.22
Kapinpilan	96.80
Kudarangan	84.08
Central labas	98.58
Malingao	94.44

80 Rodil

Municipality/Barangay	Yes (%)
Mudseng	93.02
Nabalawag	77.63
Olandang	85.65
Sambulawan	95.24
Tugal	82.57
PIGKAWAYAN (has 40 barangays)	
Lower Baguer	96.99
Balacayon	58.33
Buricain	92.77
DatuBimasing	62.52
Kadingilan	64.65
Matilac	65.22
Patot	91.89
L. Pangankalan	52.63
PIKIT (has 40 barangays)	
Bagoenged	95.99
Balatican	85.94
S. Balong	55.54
S.Balongis	62.05
Batulawan	51.38
Buliok	87.28
Gokoton	78.32
Kabasalan	72.28
Lagunde	56.06
Macabaul	72.84
Macasendeg	82.94

The following numbers show the population of the Muslim communities relative to the population in the six municipalities in North Cotabato:

- Aleosan 6 out of 19 barangays are Muslim-dominated, representing 25.54% of the total municipal population. Three (3) of the 6 Muslim-dominated barangays voted "yes."
- Carmen 12 out of 28 are Muslim-dominated, representing 34.17% of the total population. Only two (2) barangays out of the 12 voted "yes."
- Kabacan 11 out of 24 barangays are Muslim-dominated, representing 41.38% of the population. Only three (3) barangays voted "yes."
- Midsayap 16 out of 57 barangays are Muslim-dominated, representing 29.62% of the total population. Twelve (12) barangays voted "yes."
- Pigkawayan 13 out of 40 barangays are Muslim-dominated, representing 26.91% of the total population. Eight (8) said "yes."
- Pikit 32 out of 40 barangays are Muslim-dominated, representing 75.28% of the total population. Only eleven (11) voted "yes."

Overall, only 90 out of the 208 barangays in the six municipalities are Muslim-dominated. Moreover, out of the 90, only 39 (roughly one-third of the population) Muslim barangays voted for their inclusion in the ARMM territory.

Does this settle the territorial issue within the six municipalities? Yes, it seems settled, but only temporarily. No, if we refer to the item in the Framework Agreement which indicates that local political units may petition for their inclusion in the Bangsamoro.

82 Rodil

Further, does this satisfy the definition of "geographical areas" as defined in the 1987 Philippine Constitution? According to Article X, Section 15:

There shall be created autonomous regions in Muslim Mindanao and in the Cordilleras consisting of provinces, cities, municipalities, and geographical areas sharing common and distinctive historical and cultural heritage, economic and social structures, and other relevant characteristics within the framework of this Constitution and the national sovereignty as well as territorial integrity of the Republic of the Philippines. (emphasis added)

Then, the answer is yes.

However, since only one-third of the barangays voted for their inclusion in the Bangsamoro territory, what remains of the other barangays who opted for non-inclusion? Perhaps this is where administrators and the local peoples of the six municipalities can nurture the seeds of peace. At the height of the GPH-MILF conflict in 2003, the people of Pikit, popularly called the GINAPALADTAKA, fostered fraternal relations and demonstrated a harmonious process by creating peace sanctuaries, which still remain extant until today.

Moreover, another consideration for the Framework Agreement is the inclusion of the indigenous communities living within Muslim territory. The succeeding discussion elaborates on the participation of the Lumad communities in the Bangsamoro agreement.

The Lumad inhabitants and the Bangsamoro

There are at least two Lumad communities which are directly affected by the Framework Agreement, namely the Manobos in North Cotabato and the Teduray-Lambangian-Dulangan Manobo in Maguindanao. Since 1986, the Manobos have lobbied for their right to self-determination and the protection of their ancestral domain.

The Manobos are the traditional inhabitants of Cotabato from Pigkawayan to Mt. Apo. The area includes the six towns of Aleosan, Carmen, Kabacan, Midsayap, Pigkawayan and Pikit; all six are part of the ancestral domains of both the Manobo and the Maguindanao Moros, who trace their ancestry to the Tabunaway and Mamalu. During the American colonial period, government-sponsored resettlement programs resulted in the influx of non-Lumad, thus changing the demographics in the area. The Lumad communities became the minorities in their traditional territories.

According to the census in 2000, Aleosan reports a population of 463 Lumad inhabitants. However, Barangays Dunguan, L. Mingading and Tapodoc have no single Lumad population. In Carmen, Barangays Manarahan and Nasapian have also reported zero Lumad population.

In Kabacan, Barangay Simbuhay has 192 Lumad inhabitants, Sanggadong has 6, while Nanga-an has none. In Midsayap, Barangay Tugal has 10, another has 2, one has 1, while all the rest have none. In Pigkawayan, Barangay Kadingilan has 6, Burican has 1 and the rest have zero. In Pikit, Barangay Balatican has 1, while all the rest has zero. Overall, only Barangay Simbuhay of Kabacan will benefit from the new order.

Another Lumad community involved in the Framework Agreement are the Tedurays. They are the traditional inhabitants of a vast territory in the south of Cotabato City, once referred to as the Tiruray Highlands. Along with the Lambangian and Dulangan Manobo, who happen to be their kin, the Tedurays are found in the province of Maguindanao. More than 80% of their population of 71,154 is found in the towns of Upi (24,650), South Upi (17,559), Datu Odin Sinsuat (6,846) and Shariff Aguak (5,801).

The Tedurays have also wanted to petition the reclaiming of the ancestral domain but the Indigenous Peoples' Rights Act does not apply in the ARMM. Likewise, the ARMM Legislative Assembly has not enacted

84 Rodil

an ancestral domain law. Hence, there is no law that could help these indigenous communities in staking their claim to their land. But can they pursue this under the Bangsamoro? Like the Muslims, the Lumad had also worked hard for the preservation of their customary law and the strengthening of their traditional structures for future self-governance. Will they be allowed to do so under the Bangsamoro? And how much participation can they expect in the formulation of the Basic Law?

How much of this consciousness has seeped down to the Manobos of Simbuhay? It would be an autonomy within an autonomy, a concern that should be involved in the formulation of the Bangsamoro Basic Law.

Provisions for the Lumad inhabitants in the Framework Agreement

At least five items in the Framework Agreement refer to the treatment of the Lumad communities in the Bangsamoro. These are the following:

Under "I. Establishment of Bangsamoro," item 5:

Those who at the time of conquest and colonization were considered natives or original inhabitants of Mindanao and the Sulu archipelago and its adjacent islands including Palawan, and their descendants whether of mixed or of full blood shall have the right to identify themselves as Bangsamoro by ascription or by self-ascription...The freedom of choice of other Indigenous peoples shall be respected. (Framework Agreement on the Bangsamoro 2012, 2-3)

This provision shows admirable statesmanship for stressing the element of free will, which is a fundamental principle in the consent of the governed. Further, religious affiliation is not regarded as an inclusive criterion; instead, it emphasizes the participation of the native inhabitants of the region.

Second and third refers to items under "III. Powers," item 6:



The customary rights and traditions of indigenous peoples shall be taken into consideration in the formation of the Bangsamoro's justice system. This may include the recognition of indigenous processes as alternative modes of dispute resolution. (emphasis added)

This affirms and institutionalizes the exercise and use of customary laws as part of the law of the land. Recognizing and utilizing indigenous processes as "alternative modes of dispute resolution" ought to have been done early on.

The fourth is under "VI. Basic Rights," item 2:

Vested property rights shall be recognized and respected.

Is collective ownership of ancestral domain regarded as a vested property right?

Finally, under the same heading, item 3 refers to:

Indigenous peoples' rights shall be respected.

These provisions affirm the recognition and acceptance of the Lumad population within the broader Bangsamoro community; hopefully these will contribute to the creation and sustenance of a climate of mutual respect and recognition between and among different culture groups.

Response to the Bangsamoro Framework Agreement

In his speech last October 7, President Aquino expressed the following sentiments on the signing of the Bangsamoro Framework Agreement:

This agreement creates a new political entity, and it deserves a name that symbolizes and honors the struggles of our forebears in Mindanao, and celebrates the history and character of that part of our nation. That name will be "Bangsamoro."

86 Rodil

These words are a public affirmation and acceptance of the Bangsamoro by the Philippine government, a feat that is unprecedented in national history. Although I have not shed tears (of joy), this brings an overwhelming response for both parties who have worked hard and long to bring this into fruition.

Traditionally in "*rido*," or clan conflicts, it is typical for clan members to sob or bawl aloud when the settlement of a feud is reached. Shedding tears seems to simulate the melting of hatred between parties, a fact brought to mind by the signing of the Bangsamoro Framework Agreement.

The process also recalls the traditional "sandugo" or "blood compact," which is a traditional way of settling disputes and reaching peace agreements. Only when I conducted fieldwork among the Dibabawon of Davao del Norte in 1974, and later among the Blaans of South Cotabato, did I begin to understand the significance of this cultural tradition. In a blood compact, an important factor is the presence of a neutral elderly that mediates between the two parties. At present, we call this back-channeling. After a settlement is reached, it is succeeded by a ritual presided over by a *baylan* or priest. In this celebration, "spirits" are summoned and the families and kin of the two clans are required to witness the restoration of harmony and peace between the parties involved. Although today we no longer have "spirits," having international actors as witnesses to an agreement somehow generates a similar effect.

The official acceptance of the Bangsamoro is a quantum leap in history. The Framework Agreement is not only a peace agreement between the Philippine government and the MILF, but also an inauguration of a new relationship: brotherhood, *kapatiran* (in Tagalog), *panagsuon* (in Bisaya) that irons out the wrinkles in the long history of the nation. It is the story of how two streams, divided by history, finally converge and become one not by virtue of colonial fiat, but by force of an agreement and act of will.

Nahinog rin sa wakas (Ripe at last).

Immediately after the signing of the framework, the Tedurays expressed their aspirations by coming out with a statement asserting the indigenous peoples' self-determination in light of the Bangsamoro Framework Agreement. The following is an excerpt from the statement issued by the Timuay Justice and Governance (JTG) on 4 November 2012:

We, the Baglalan (title holders) of the Timuay Justice and Governance (JTG) in the Province of Maguindanao, Autonomous Region in Muslim Mindanao (ARMM) continue to assert our inherent and inalienable right to self-governance and determination in the context of the Framework Agreement on the Bangsamoro (FAB) between the Government of the Philippines (GPH) and the Moro Islamic Liberation Front (MILF).

This assertion is anchored on the historically-accepted covenants/agreements/treaties between native inhabitants of Mindanao that were traced by blood relationship or products of fraternal relationships and alliances among communities with common root but live separately with different beliefs and traditions. The most notable aspect of this relationship is the Recognition of and Respect for each other's Distinct Identity.

...Today we re-affirm our 2005 commitment of support and full participation to the Mindanao peace processes based on the traditional pacts as follows:

That we accept and recognize the Bangsamoro as the new political entity in place of the ARMM;

That if the Bangsamoro is the collective identity of the constituents of the Bangsamoro Government, then we shall be known as the Bangsa-Mamalu to distinguish our distinct identity within the Bangsamoro entity;

That our domains shall also be accepted as distinct in accord with the ancient pacts between our ancestors;

88 Rodil

That there will be sharing of powers and control and supervision in the management and development of resources within the Bangsa-Mamalu territorial domains:

That the political relationship be akin to autonomy within an autonomy where we can freely exercise self-governance in accordance with the customary practices;

Finally, those available laws for the Indigenous Peoples in the Philippines shall be the legal basis in formulating provisions of laws for the Bangsa-Mamalu in the Bangsamoro entity including the United Nations Declaration on the Rights of Indigenous Peoples and other UN charters and conventions.



2012 Framework Agreement on the Bangsamoro

2012 Framework Agreement on the Bangsamoro (GPH Copy)

JOINT GPH-MILF DRAFT

In the Name of God, the Beneficent, the Merciful

FRAMEWORK AGREEMENT ON THE BANGSAMORO

The Philippine Government (GPH) and the Moro Islamic Liberation Front (MILF) herein referred to as the Parties to this Agreement,

HAVE AGREED AND ACKNOWLEDGED AS FOLLOWS:

I. ESTABLISHMENT OF THE BANGSAMORO

- The Parties agree that the status quo is unacceptable and that the Bangsamoro shall be established to replace the Autonomous Region in Muslim Mindanao (ARMM). The Bangsamoro is the new autonomous political entity (NPE) referred to in the Decision Points of Principles as of April 2012.
- 2. The government of the Bangsamoro shall have a ministerial form.

The Parties agree to entrench an electoral system suitable to a ministerial form of government. The electoral system shall allow democratic participation, ensure accountability of public officers primarily to their constituents and encourage formation of genuinely principled political parties. The electoral system shall be contained in the Bangsamoro Basic Law to be implemented through legislation enacted by the Bangsamoro Government and correlated with national laws.

The provinces, cities, municipalities, barangays and geographic areas within its territory shall be the constituent units of the Bangsamoro.

The authority to regulate on its own responsibility the affairs of the constituent units is guaranteed within the limit of the Bangsamoro Basic Law. The privileges already enjoyed by the local government units under existing laws shall not be diminished unless otherwise altered, modified or reformed for good governance pursuant to the provisions of the Bangsamoro local government code.

- 4. The relationship of the Central Government with the Bangsamoro Government shall be asymmetric.
- 5. The Parties recognize Bangsamoro identity. Those who at the time of conquest and colonization were considered natives or original inhabitants of Mindanao and the Sulu archipelago and its adjacent islands including Palawan, and their descendants whether of mixed or of full blood shall have the right to identify themselves as Bangsamoro by ascription or self-ascription.

Spouses and their descendants are classified as Bangsamoro. The freedom of choice of other Indigenous peoples shall be respected.

II. BASIC LAW

- 1. The Bangsamoro shall be governed by a Basic Law.
- 2. The provisions of the Bangsamoro Basic Law shall be consistent with all agreements of the Parties.
- 3. The Basic Law shall reflect the Bangsamoro system of life and meet internationally accepted standards of governance.
- 4. It shall be formulated by the Bangsamoro people and ratified by the qualified voters within its territory.

III. POWERS

 The Central Government will have reserved powers, the Bangsamoro Government shall have its exclusive powers, and there will be concurrent powers shared by the Central Government and the Bangsamoro Government.

The Annex on Power Sharing, which includes the principles on intergovernmental relations, shall form part of this Agreement and guide the drafting of the Basic Law.

- 2. The Central Government shall have powers on:
 - a) Defense and external security
 - b) Foreign policy
 - c) Common market and global trade, provided that the power to enter into economic agreements already allowed under Republic Act No. 9054 shall be transferred to the Bangsamoro
 - d) Coinage and monetary policy
 - e) Citizenship and naturalization
 - f) Postal service

This list is without prejudice to additional powers that may be agreed upon by the Parties.

- 3. The Parties recognize the need to strengthen the Shari'ah courts and to expand their jurisdiction over cases. The Bangsamoro shall have competence over the Shari'ah justice system. The supremacy of Shari'ah and its application shall only be to Muslims.
- 4. The Bangsamoro Basic Law may provide for the power of the Bangsamoro Government to accredit halal-certifying bodies in the Bangsamoro.

- 5. The Bangsamoro Basic Law shall provide for justice institutions in the Bangsamoro. This includes:
 - a) The competence over the Shari'ah justice system, as well as the formal institutionalization and operation of its functions, and the expansion of the jurisdiction of the Shari'ah courts;
 - b) Measures to improve the workings of local civil courts, when necessary; and
 - c) Alternative dispute resolution systems.
- 6. The customary rights and traditions of indigenous peoples shall be taken into consideration in the formation of the Bangsamoro's justice system. This may include the recognition of indigenous processes as alternative modes of dispute resolution.

IV. REVENUE GENERATION AND WEALTH SHARING

- 1. The parties agree that wealth creation (or revenue generation and sourcing) is important for the operation of the Bangsamoro.
- 2. Consistent with the Bangsamoro Basic Law, the Bangsamoro will have the power to create its own sources of revenues and to levy taxes, fees, and charges, subject to limitations as may be mutually agreed upon by the Parties. This power shall include the power to determine tax bases and tax rates, guided by the principles of devolution of power, equalization, equity, accountability, administrative simplicity, harmonization, economic efficiency, and fiscal autonomy.
- 3. The Bangsamoro will have the authority to receive grants and donations from domestic and foreign sources, and block grants and subsidies from the Central Government. Subject to acceptable credit worthiness, it shall also have the authority to contract loans from domestic and foreign lending institutions, except foreign and domestic loans requiring sovereign guaranty, whether explicit or implicit,

which would require the approval of the Central Government.

- 4. The Bangsamoro shall have a just and equitable share in the revenues generated through the exploration, development or utilization of natural resources obtaining in all the areas/territories, land or water, covered by and within the jurisdiction of the Bangsamoro, in accordance with the formula agreed upon by the Parties.
- 5. The Bangsamoro may create its own auditing body and procedures for accountability over revenues and other funds generated within or by the region from external sources. This shall be without prejudice to the power, authority and duty of the national Commission on Audit to examine, audit and settle all accounts pertaining to the revenues and the use of funds and property owned and held in trust by any government instrumentality, including GOCCs.
- 6. The details of revenue and wealth sharing arrangements between the Central Government and the Bangsamoro Government shall be agreed upon by the Parties. The Annex on Wealth Sharing shall form part of this Agreement.
- 7. There shall be an intergovernmental fiscal policy board composed of representatives of the Bangsamoro and the Central Government in order to address revenue imbalances and fluctuations in regional financial needs and revenue-raising capacity. The Board shall meet at least once in six (6) months to determine necessary fiscal policy adjustments, subject to the principles of intergovernmental relations mutually agreed upon by both Parties. Once full fiscal autonomy has been achieved by the Bangsamoro then it may no longer be necessary to have a representative from the Central Government to sit in the Board. Fiscal autonomy shall mean generation and budgeting of the Bangsamoro's own sources of revenue, its share of the internal revenue taxes and block grants and subsidies remitted to it by the central government or any donor.

8. The Parties agree that sustainable development is crucial in protecting and improving the quality of life of the Bangsamoro people. To this end, the Bangsamoro shall develop a comprehensive framework for sustainable development through the proper conservation, utilization and development of natural resources. For efficient coordination and assistance, the Bangsamoro legislative body shall create, by law, an intergovernmental body composed of representatives of the Bangsamoro and the Central Government, which shall ensure the harmonization of environmental and developmental plans, as well as formulate common environmental objectives.

V. TERRITORY

- 1. The core territory of the Bangsamoro shall be composed of: (a) the present geographical area of the ARMM; (b) the Municipalities of Baloi, Munai, Nunungan, Pantar, Tagoloan and Tangkal in the province of Lanao del Norte and all other barangays in the Municipalities of Kabacan, Carmen, Aleosan, Pigkawayan, Pikit, and Midsayap that voted for inclusion in the ARMM during the 2001 plebiscite; (c) the cities of Cotabato and Isabela; and (d) all other contiguous areas where there is a resolution of the local government unit or a petition of at least ten percent (10%) of the qualified voters in the area asking for their inclusion at least two months prior to the conduct of the ratification of the Bangsamoro Basic Law and the process of delimitation of the Bangsamoro as mentioned in the next paragraph.
- 2. The Parties shall work together in order to ensure the widest acceptability of the Bangsamoro Basic Law as drafted by the Transitory Commission and the core areas mentioned in the previous paragraph, through a process of popular ratification among all the Bangsamoro within the areas for their adoption. An international third party monitoring team shall be present to ensure that the process is free, fair, credible, legitimate and in conformity with international standards.

- 3. Areas which are contiguous and outside the core territory where there are substantial populations of the Bangsamoro may opt anytime to be part of the territory upon petition of at least ten percent (10%) of the residents and approved by a majority of qualified voters in a plebiscite.
- 4. The disposition of internal and territorial waters shall be referred to in the Annexes on Wealth and Power Sharing.
- 5. Territory refers to the land mass as well as the maritime, terrestrial, fluvial and alluvial domains, and the aerial domain and the atmospheric space above it. Governance shall be as agreed upon by the parties in this agreement and in the sections on wealth and power sharing.
- 6. The Bangsamoro Basic Law shall recognize the collective democratic rights of the constituents in the Bangsamoro.

VI. BASIC RIGHTS

- In addition to basic rights already enjoyed, the following rights of all citizens residing in the Bangsamoro bind the legislature, executive and judiciary as directly enforceable law and are guaranteed:
 - Right to life and to inviolability of one's person and dignity;
 - b. Right to freedom and expression of religion and beliefs;
 - c. Right to privacy;
 - d. Right to freedom of speech;
 - Right to express political opinion and pursue democratically political aspiration;
 - f. Right to seek constitutional change by peaceful and legitimate means;
 - g. Right of women to meaningful political participation, and protection from all forms of violence;
 - Right to freely choose one's place of residence and the inviolability of the home;

- Right to equal opportunity and non-discrimination in social and economic activity and the public service, regardless of class, creed, disability, gender and ethnicity;
- j. Right to establish cultural and religious associations;
- k. Right to freedom from religious, ethnic and sectarian harassment; and
- l. Right to redress of grievances and due process of law.
- 2. Vested property rights shall be recognized and respected. With respect to the legitimate grievances of the Bangsamoro people arising from any unjust dispossession of their territorial and proprietary rights, customary land tenure or their marginalization shall be acknowledged. Whenever restoration is no longer possible, the Central Government and the Government of the Bangsamoro shall take effective measures for adequate reparation collectively beneficial to the Bangsamoro people in such quality, quantity and status to be determined mutually.
- 3. Indigenous peoples' rights shall be respected.
- 4. The Central Government shall ensure the protection of the rights of the Bangsamoro people residing outside the territory of the Bangsamoro and undertake programs for the rehabilitation and development of their communities. The Bangsamoro Government may provide assistance to their communities to enhance their economic, social and cultural development.

VII. TRANSITION AND IMPLEMENTATION

- 1. The Parties agree to the need for a transition period and the institution of transitional mechanisms.
- 2. The Parties agree to adopt and incorporate an Annex on Transitional Arrangements and Modalities, which forms a part of this Framework Agreement.

- 3. There shall be created a Transition Commission through an Executive Order and supported by Congressional Resolutions.
- 4. The functions of the Transition Commission are as follows:
 - a. To work on the drafting of the Bangsamoro Basic Law with provisions consistent with all agreements entered and that may be entered into by the Parties;
 - b. To work on proposals to amend the Philippine Constitution for the purpose of accommodating and entrenching in the constitution the agreements of the Parties whenever necessary without derogating from any prior peace agreements;
 - c. To coordinate whenever necessary development programs in Bangsamoro communities in conjunction with the MILF Bangsamoro Development Agency (BDA), the Bangsamoro Leadership and Management Institute (BLMI) and other agencies.
- 5. The Transition Commission shall be composed of fifteen (15) members all of whom are Bangsamoro. Seven (7) members shall be selected by the GPH and eight (8) members, including the Chairman, shall be selected by the MILF.
- 6. The Transition Commission will be independent from the ARMM and other government agencies. The GPH shall allocate funds and provide other resources for its effective operation. All other agencies of government shall support the Transition Commission in the performance of its tasks and responsibilities until it becomes functus oficio and cease to exist.
- The draft Bangsamoro Basic Law submitted by the Transition Commission shall be certified as an urgent bill by the President.

- 8. Upon promulgation and ratification of the Basic Law, which provides for the creation of the Bangsamoro Transition Authority (BTA), the ARMM is deemed abolished.
- 9. All devolved authorities shall be vested in the Bangsamoro Transition Authority during the interim period. The ministerial form and Cabinet system of government shall commence once the Bangsamoro Transition Authority is in place. The Bangsamoro Transition Authority may reorganize the bureaucracy into institutions of governance appropriate thereto.
- 10. The Bangsamoro Transition Authority shall ensure that the continued functioning of government in the area of autonomy is exercised pursuant to its mandate under the Basic Law. The Bangsamoro Transition Authority will be immediately replaced in 2016 upon the election and assumption of the members of the Bangsamoro legislative assembly and the formation of the Bangsamoro government.
- 11. There will be created a third party monitoring team to be composed of international bodies, as well as domestic groups to monitor the implementation of all agreements.
- 12. At the end of the transition period, the GPH and MILF Peace Negotiating Panels, together with the Malaysian Facilitator and the Third Party Monitoring Team, shall convene a meeting to review, assess or evaluate the implementation of all agreements and the progress of the transition. An 'Exit Document' officially terminating the peace negotiation may be crafted and signed by both Parties if and only when all agreements have been fully implemented.
- 13. The Negotiating Panel of both Parties shall continue the negotiations until all issues are resolved and all agreements implemented.

VIII. NORMALIZATION

- The Parties agree that normalization is vital to the peace process. It is through normalization that communities can return to conditions where they can achieve their desired quality of life, which includes the pursuit of sustainable livelihoods and political participation within a peaceful deliberative society.
- 2. The aim of normalization is to ensure human security in the Bangsamoro. Normalization helps build a society that is committed to basic human rights, where individuals are free from fear of violence or crime and where long-held traditions and value continue to be honored. Human insecurity embraces a wide range of issues that would include violation of human and civil rights, social and political injustice and impunity.
- 3. As a matter of principle, it is essential that policing structure and arrangement are such that the police service is professional and free from partisan political control. The police system shall be civilian in character so that it is effective and efficient in law enforcement, fair and impartial as well as accountable under the law for its action, and responsible both to the Central Government and the Bangsamoro Government, and to the communities it serves.
- 4. An independent commission shall be organized by the Parties to recommend appropriate policing within the area. The commission shall be composed of representatives from the parties and may invite local and international experts on law enforcement to assist the commission in its work.
- The MILF shall undertake a graduated program for decommissioning of its forces so that they are put beyond use.
- 6. In a phased and gradual manner, all law enforcement functions shall be transferred from the Armed Forces of the Philippines (AFP) to the police force for the Bangsamoro.

The Parties agree to continue negotiations on the form, functions and relationship of the police force of the Bangsamoro taking into consideration the results of the independent review process mentioned in paragraph 4.

- 7. The Joint Coordinating Committees on Cessation of Hostilities (JCCCH) as well as the Ad hoc Joint Action Group (AHJAG) with the participation of the International Monitoring Team (IMT) shall continue to monitor the ceasefire agreement until the full decommissioning of the MILF forces. These existing coordinating mechanisms shall be the basis for the creation of a Joint Normalization Committee (JNC) to ensure the coordination between the Government and remaining MILF forces, and through which MILF shall assist in maintaining peace and order in the area of the Bangsamoro until decommissioning shall have been fully completed.
- 8. Both Parties commit to work in partnership for the reduction and control of firearms in the area and the disbandment of private armies and other armed groups.
- The details of the normalization process and timetables for decommissioning shall be in an Annex on Normalization and shall form part of this Agreement.
- 10. The Parties agree to intensify development efforts for rehabilitation, reconstruction and development of the Bangsamoro, and institute programs to address the needs of MILF combatants, internally displaced persons, and poverty-stricken communities.
- 11. The Parties recognize the need to attract multi-donor country support, assistance and pledges to the normalization process. For this purpose, a Trust Fund shall be established through which urgent support, recurrent and investment budget cost will be released with efficiency, transparency and accountability. The Parties agree to adopt criteria for eligible financing schemes, such as, priority

areas of capacity building, institutional strengthening, impact programs to address imbalances in development and infrastructures, and economic facilitation for return to normal life affecting combatant and non-combatant elements of the MILF, indigenous peoples, women, children, and internally displaced persons.

12. The Parties agree to work out a program for transitional justice to address the legitimate grievances of the Bangsamoro people, correct historical injustices, and address human rights violations.

IX. MISCELLANEOUS

3PH-MILE

- 1. This Agreement shall not be implemented unilaterally.
- The Parties commit to work further on the details of the Framework Agreement in the context of this document and complete a comprehensive agreement by the end of the year.

Annex on Revenue Generation & Wealth Sharing

In the Name of God, the Beneficent, the Merciful

ANNEX ON REVENUE GENERATION AND WEALTH SHARING

- 1. This Annex on Wealth Sharing forms part of the Framework Agreement between the Government of the Philippines (GPH) and the Moro Islamic Liberation Front (MILF) and outlines and elaborates additional details regarding revenue generation and wealth sharing.
- 2. The Parties acknowledge that wealth creation (or revenue creation and sourcing) is important for the operation of the Bangsamoro, considering that the Bangsamoro territory is among the most underdeveloped in the Philippines due to the decades-long conflict. Moreover, the existing tax base therein is very limited. There is a need to bridge the financial gap between the Bangsamoro's prospective needs and the revenues being created therein. In this way, the Bangsamoro can catch up with the more progressive areas of the country.
- 3. The Parties commit to jointly pursue measures to increase the Bangsamoro's revenue generation and wealth creation capacity. The Central Government shall devolve powers to create sources of revenues and to levy taxes, fees and charges for the Bangsamoro Government to attain the highest form of fiscal autonomy. The power of the Bangsamoro to create its sources of revenues and to levy taxes, fees and charges shall be guided by the principles of devolution of powers, equalization, equity, accountability, administrative simplicity, harmonization, economic efficiency and fiscal autonomy.

yle

N.

A T

Page 1 of 8

I. Taxation

A. Taxing Powers

- 1. All taxing powers already devolved to the ARMM by R.A. No. 9054 and other legislations shall be exercised by the Bangsamoro.
- 2. Where all taxable elements are within the Bangsamoro, capital gains tax, documentary stamp tax, donor's tax and estate tax, shall be levied by the Bangsamoro and not by the national Bureau of Internal Revenue (BIR), and the same shall be provided in the Basic Law. Where all taxable elements are not situated entirely within the Bangsamoro, the intergovernmental fiscal policy board shall address problems relating to implementation.

Copies of the returns on the said taxable elements shall be provided to the national BIR for purposes of implementing number 3 below.

3. Revenues from the additional taxes beyond those already devolved to the ARMM and the Bangsamoro share in revenues derived from exploration, development and utilization of natural resources will be deducted from the amount comprising the annual block grant. This is without prejudice to the just share of the Bangsamoro's constituent local government units in the national taxes.

fl

These deductions shall be suspended for four years from the full operation of the Bangsamoro.

4. Central Government taxes, fees and charges collected in the Bangsamoro, other than tariff and customs duties, shall be shared as follows:

a. Twenty five (25%) percent to the Central Government

 Seventy five (75%) percent to the Bangsamoro, including the shares of the local government units.

The Bangsamoro Basic Law may provide that the twenty-five percent (25%) due to the Central Government will be remitted to the Bangsamoro for a limited period of time.

5. To encourage investments and other economic activities, the Bangsamoro Government shall have the power to grant tax exemptions, rebates, tax holidays and other incentives with reference to Part C below. The Bangsamoro may also opt instead to impose a

4

J.



S



flat rate lump sum tax on small and medium enterprises.

- 6. The Bangsamoro shall have the power to establish offices for the purpose of assessing and collecting the taxes mentioned herein.
- 7. The Central Government shall extend assistance to the Bangsamoro Government in the matter of tax administration and fiscal management. This assistance shall include capacity building and training programs.
- B. In enacting revenue-raising measures, the Bangsamoro shall observe the principles of uniformity and equity in taxation and shall not impose confiscatory taxes or fees of any kind.
- C. All powers over taxes and revenue generation already granted to the ARMM under the Republic Act No. 9054 and other legislations and issuances, including those powers and functions devolved to the ARMM Regional Board of Investments, shall be transferred to the Bangsamoro.

II. Other Sources of Revenue

- A. Government income derived from the operations of Bangsamoro government-owned and -controlled corporations, financial institutions, economic zones, and freeports operating therein, shall go to the Bangsamoro Government.
- B. The Bangsamoro shall have authority and control over existing government-owned and -controlled corporations and financial institutions operating exclusively in the Bangsamoro territory, after determination by the intergovernmental fiscal policy board of its feasibility.

C. An intergovernmental mechanism shall be created to determine the participation of the Bangsamoro in the ownership and management of Al-Amanah Islamic Investment Bank of the Philippines and the Southern Philippines Development Authority (SPDA).



D. The Bangsamoro Government shall be represented in the board of directors or in the policy-making bodies of government-owned or controlled corporations that operate a substantial portion of their businesses directly or through their subsidiaries in the Bangsamoro or where the Bangsamoro has substantial interest. The manner of such representation shall be determined in the Basic Law.



E. The intergovernmental fiscal policy board shall determine the

Page 3 of 8

participation of the Bangsamoro Government in the results of operations of government-owned or -controlled corporations and its subsidiaries operating in the Bangsamoro. It shall also determine a formula for the share of the Bangsamoro Government from the results of said operations.

- F. The Bangsamoro may receive grants derived from economic agreements entered into or authorized by the Bangsamoro Assembly (donations, endowments, and other forms of aid), subject to the reserved powers of the Central Government over foreign affairs.
- G. The Bangsamoro shall also be entitled to benefits resulting from conventions to which the Central Government is a party.

III. Fees and Charges

The Bangsamoro will have the power to levy fees and charges pursuant to the powers and functions that it shall exercise in accordance with the list of concurrent and exclusive powers in the Annex on Power-Sharing, including powers already granted under Republic Act No. 9054 and other legislations.

IV. Grants and Donations

Grants from donors shall be received directly by the Bangsamoro Government and shall be used solely for the purpose for which they were received, if donors specify such purpose.

M

32

V. Fund Transfers from Central Government

14

A. The Central Government shall provide a block grant to the Bangsamoro. The Bangsamoro block grant shall be based on a formula provided in the Bangsamoro Basic Law which in no case shall be less than the last budget received by the ARMM immediately before the establishment of the Bangsamoro Transition Authority. The Basic Law shall also provide a system of automatic appropriation for and regular release of the block grant. The formula shall be subject to review by the Central Government and the Bangsamoro Government after ten (10) years, on the basis of need and actual revenues generated.



B. The Central Government shall also provide for a Special Development Fund to the Bangsamoro for rehabilitation and development purposes upon the ratification of the Bangsamoro Basic Law. The amount of the

9

Page 4 of 8

Fund that shall be proposed by the Transition Commission in the drafting of the Bangsamoro Basic Law shall be recommended by a joint needs assessment team to be created by the panels for this purpose.

- C. The Bangsamoro Government's annual block grant shall undergo internal budget processes and shall be allocated by the Bangsamoro Government in an appropriations act.
- D. Once the Bangsamoro attains financial self-sustainability, it will also assist other regions in their development efforts.
- VI. Contracting of Loans and Overseas Development Assistance (ODA)

The Bangsamoro shall have the authority to contract loans, credits, and other forms of indebtedness with any government or private bank and other lending institutions, except those requiring sovereign guaranty, which require Central Government approval. The Central Government shall assist the Bangsamoro in complying with the requirements for a speedy issuance of the sovereign guaranty, to finance local infrastructure and other socio-economic development projects in accordance with Bangsamoro-approved development plan.

The Bangsamoro is also authorized to issue bonds, debentures, securities, collaterals, notes and obligations to finance self-liquidating, income producing development or livelihood projects pursuant to the priorities established in its approved development plan.

Overseas Development Assistance (ODA) shall be availed of by the Bangsamoro to achieve inclusive growth and poverty reduction, particularly through the implementation of priority development projects for the attainment of the Millennium Development Goals.

yll

In pursuit of its development goals, the Bangsamoro may enter into build-operate-transfer type arrangements under public-private partnerships for the financing, construction, operation and maintenance of any financially viable infrastructure facilities. These arrangements may likewise be supported by foreign or domestic loans, in accordance with relevant laws.

Syl Syl

The Bangsamoro shall appropriate in its annual budget such amounts as are sufficient to pay their loans and other indebtedness incurred. The Bangsamoro may also redeem or retire bonds, debentures, notes and other obligations.



Page 5 of 8



The Bangsamoro may borrow from government financial institutions when it needs to finance its development needs.

VII. Natural Resources

Government income derived from the exploration, development and utilization of all natural resources within the Bangsamoro shall be allocated as follows:

- With respect to non-metallic minerals (sand, gravel, and quarry resources) within the Bangsamoro, such revenues shall pertain to the Bangsamoro and its local government units.
- 2. With respect to metallic minerals within the Bangsamoro, seventyfive percent (75%) of such revenues shall pertain to the Bangsamoro.
- 3. With respect to fossil fuels (petroleum, natural gas, and coal) and uranium, the same shall be shared equally between the Central and Bangsamoro governments. Both Parties shall endeavor to provide for a review mechanism in the Basic Law with regard to this sharing arrangement.

The shares of the Bangsamoro above shall include those for its constituent local government units, as shall be provided by law.

The Bangsamoro Sustainable Development Body referred to in the Framework Agreement (Part IV, Sec. 8) shall get funding support from the proceeds of the revenues collected from these sources.

VIII. Additional Fiscal Powers

Both parties recognize the Bangsamoro aspiration for the exercise of additional fiscal powers in order to reach full fiscal autonomy and shall cooperate towards achieving this goal through necessary processes and

modalities.

IX. Auditing Body

The Bangsamoro auditing body shall have auditing responsibility over public funds utilized by the Bangsamoro. The Bangsamoro Basic Law shall provide for a clear delineation of the Bangsamoro auditing body.

Page 6 of 8







This should be without prejudice to the power, authority and duty of the national Commission on Audit to examine, audit and settle all accounts pertaining to the revenues and the use of funds and property owned and held in trust by any government instrumentality, including GOCCs.

The Bangsamoro shall ensure transparency mechanisms consistent with open government practices.

X. Intergovernmental Fiscal Policy Board

The intergovernmental fiscal policy board shall be composed of the heads and/or representatives of the appropriate ministries and offices in the Bangsamoro Government. The Central Government shall likewise be represented in the Board until full fiscal autonomy is achieved. The board may create a secretariat and sub-committees as it may deem necessary.

To address revenue imbalances and fluctuations in regional financial needs and revenue-raising capacity of the Bangsamoro, the Board shall undertake periodic review of the taxing powers, tax base and rates of the Bangsamoro Government, wealth sharing arrangements, sources of revenues, vis-a-vis the development needs of the Bangsamoro. An annual report shall be submitted by the body to the Central Government and the Bangsamoro Government.

XI. Bangsamoro Development Plan

The Bangsamoro shall formulate its development plans, consistent with national development goals but recognizing their unique needs and aspirations. Towards this end, the Bangsamoro may participate in mational development planning. The plan shall also consider the revenue generation efforts needed for the post-conflict rehabilitation, reconstruction, and development in the region.

Som

XII. Gender and Development

m

In the utilization of public funds, the Bangsamoro shall ensure that the needs of women and men are adequately addressed. For this purpose, the Bangsamoro shall set aside at least 5% of the official development funds that it receives for support programs and activities for women in accordance with a gender and development plan.

yel of

91

Page 7 of 8

Done this 13th day of July 2013 in Kuala Lumpur, Mal	aysia.
FOR THE GPH: FOR T	THE MILF:
Dian Onl Is	100
PROF. MIRIAM CORONEL-FERRER MR. MOHA	AGHER IQBAL Panel Chair
)	
SIGNED IN THE PRESENCE OF:	
TENGKU DATO' AB CHAFAR TENGKU MO Malaysian Facilitator	DHAMED WILL
suc	f _k
Page 8 of 8	

Comparing the ARMM Law (RA 9054) and the Wealth Sharing Annex, Bangsamoro Framework Agreement

THE INSTITUTE FOR AUTONOMY AND GOVERNANCE, COTABATO CITY

R.A. 9054 ARMM Organic Act

Annex on Wealth Sharing

ARTICLE IX Fiscal Autonomy

SECTION 1. Revenue Source. – The Regional Government shall have the power to create its own sources of revenues and to levy taxes, fees, and charges, subject to the provisions of the Constitution and this Organic Act.

SEC. 2. Fiscal Autonomy. – The Regional Government shall enjoy fiscal autonomy in generating and budgeting its own sources of revenue, its share of the internal revenue taxes and block grants and subsidies remitted to it by the central government or national government or any donor.

All taxing powers already devolved to the ARMM by R.A. no. 9054 and other legislations shall be exercised by the Bangsamoro.

V. Fund Transfers from Central Government

A. The central Government shall provide a block grant to the Bangsamoro. The Bangsamoro block grant shall be based on a formula provided in the Bangsamoro Basic Law which in no case shall be less than the last budget received by the ARMM immediately before the establishment of the Bangsamoro Transition Authority. The Basic Law shall also provide a system of automatic appropriation for and regular release of the block grant. The formula shall be subject to review by the Central Government and the Bangsamoro Government after ten years, on the basis of need and actual revenues generated.

R.A. 9054 ARMM Organic Act Annex on Wealth Sharing B. The Central Government shall also provide for a Special Development Fund to the Bangsamoro for rehabilitation and development purposes upon the ratification of the Bangsamoro Basic Law. The amount of the Fund that shall be proposed by the Transition Commission in the drafting of the Bangsamoro Basic Law shall be recommended by a joint needs assessment team to be created by the panels for this purpose. C. The Bangsamoro's annual block grant shall undergo internal budget processes and shall be allocated by the Bangsamoro Government in an appropriations act. D. Once the Bangsamoro attains financial self-sustainability, it will also assist other regions in their development efforts. The utilization of its share of the internal IX. Auditing Body revenue taxes and block grants or subsidies from the central government or The Bangsamoro auditing body shall have auditing responsibility over public national government shall be subject to a semi-annual and annual audits by the funds utilized by the Bangsamoro. The Commission on Audit and to the rules Bangsamoro Basic Law shall provide and regulations of the Department of for a clear delineation of the Bangsamoro auditing body. This Budget and Management. All accountable should be without prejudice to the officials of the Regional Government shall, upon demand, furnish the Commission on power, authority and duty of the

Annex on Wealth Sharing

Audit all documents, papers, and effects necessary for the completion of the audit. Failure to do so shall empower the President or the Secretary of Finance to reduce, suspend, or cancel the release of funds intended for the autonomous region to the extent of the amounts that cannot be audited for reasons attributable to the officials of the autonomous region or are unaccounted for after audit. XXX

national Commission on Audit to examine, audit and settle all accounts pertaining to the revenues and the use of funds and property owned and held in trust by any government instrumentality including GOCCs. The Bangsamoro shall ensure transparency mechanisms consistent with open government practices.

SEC. 5. Uniform, Equitable Taxation; Prohibition Against Confiscatory Taxes, Fees. - In enacting revenueraising measures, the Regional Assembly shall observe the principles of uniformity and equity in taxation and shall not impose confiscatory taxes or fees of any kind. Until a regional tax code shall have been enacted by it, the Regional Assembly may not revoke or amend, directly or indirectly, any city or municipal ordinances imposing taxes or fees on purely local businesses. Prior to the revocation or amendment of such city or municipal ordinances, the Regional Assembly shall consult with the city or municipal government concerned.

I.B. In enacting revenue-raising measures, the Bangsamoro shall observe the principles of uniformity and equity in taxation and shall not impose confiscatory taxes or fees of any kind.

SEC. 6. *Payment of Taxes.* – Corporations, partnerships, or firms

I.6. The Bangsamoro shall have the power to establish offices for the

Annex on Wealth Sharing

directly engaged in business in the autonomous region shall pay their corresponding taxes, fees, and charges in the province or city, where the corporation, partnership, or firm is doing business.

Corporations, partnerships, or firms whose central, main, or head offices are located outside the autonomous region but which are doing business within its territorial jurisdiction, by farming, developing, or utilizing the land, aquatic, or natural resources therein, shall pay the income taxes corresponding to the income realized from their business operations in the autonomous region to the city, or municipality where their branch offices or business operations or activities are located.

SEC. 7. Extent of Tax Powers; Exceptions. – Unless otherwise provided herein, the taxing power of the regional government and of the provinces, cities, municipalities, and barangay located therein shall not extend to the following:

- (a) Income tax, except when levied on banks and other financial institutions;
- (b) Documentary stamps tax;
- (c) Taxes on estate, inheritance, gifts, legacies, and other acquisitions *mortis* causa, except as otherwise provided by law;

xxx

purpose of assessing and collecting the taxes mentioned herein.

I.7. The Central Government shall extend assistance to the Bangsamoro Government in the matter of tax administration and fiscal management. This assistance shall include capacity building and training programs.

I.A.2. Where all taxable elements are within the Bangsamoro, capital gains tax, documentary stamp tax, donors and estate tax, shall be levied by the Bangsamoro and not by the national Bureau of Internal Revenue (BIR), and the same shall be provided in the Basic Law. Where all taxable elements are not situated entirely within the Bangsamoro, the intergovernmental fiscal policy board shall address problems relations to implementation.

Copies of the returns of on the said taxable elements shall be provided to

R.A. 9054 ARMM Organic Act	Annex on Wealth Sharing
	the national BIR for purposes of implementing number 3 below.
	3. Revenues from the additional taxes beyond those already devolved to the ARMM and the Bangsamoro share in revenues derived from exploration, development and utilization of natural resources will be deducted from the amount comprising the annual block grant. This is without prejudice to the just share of the Bangsamoro's constituent local government units in the national taxes.
	These deductions shall be suspended for four years from the full operation of the Bangsamoro.
SEC. 8. Sources of Regional Government Revenue. – The sources of revenues of the Regional Government shall include, but are not limited to, the following: (a) Taxes, except income taxes, imposed by the Regional Government; (b) Fees and charges imposed by the Regional Government; XXX	III. Fees and Charges The Bangsamoro will have the power to levy taxes and charges pursuant to the powers and functions that it shall exercise in accordance with the list of concurrent and exclusive powers in the Annex on Power Sharing, including powers already granted under Republic Act no. 9054 and other legislations.

Annex on Wealth Sharing

SEC. 9. Sharing of Internal Revenue, Natural Resources Taxes, Fees and Charges. – The collections of a province or city from national internal revenue taxes, fees and charges, and taxes imposed on natural resources, shall be distributed as follows:

- (a) Thirty-five percent (35%) to the province or city;
- (b) Thirty-five percent (35%) to the regional government; and
- (c) Thirty percent (30%) to the central government or national government. The share of the province shall be apportioned as follows forty-fivepercent (45%) to the province, thirty-five percent (35%) to the municipality and twenty percent (20%) to the barangay. The share of the city shall be distributed as follows: fifty percent (50%) to the city and fifty percent (50%) to the barangay concerned.

XXX

SEC. 15. Collection and Sharing of Internal Revenue Taxes. – The share of the central government or national government of all current year collections of internal revenue taxes, within the area of autonomy shall, for a period of five (5) years be allotted for the Regional Government in the Annual Appropriations Act.

Central government taxes, fees and charges collected in the Bangsamoro, other than tariff and customs duties, shall be shared as follows:

- a. twenty five (25%) percent to the Central Government
- b. Seventy five (75%) percent to the Bangsamoro, including the shares of the local government.

The Bangsamoro Basic Law may provide that the twenty-five percent (25%) due to the Central Government will be remitted to the Bangsamoro for a limited period of time.

VI. The Bangsamoro is also authorized to issue bonds, debentures, securities, collaterals, notes and obligations to finance self-liquidating, income producing development or livelihood projects pursuant to priorities established in its approved development plan.

Annex on Wealth Sharing

SEC. 10. Treasury Bills, Notes and Other Debt Papers. –The Regional Government may issue treasury bills, bonds, promissory notes, and other debt papers or documents pursuant to law enacted by the Regional Assembly.

The Bangsamoro shall appropriate in its annual budget such amounts as are sufficient to pay their loans and other indebtedness incurred. The Bangsamoro may also redeem or retire bonds, debentures, notes and other obligations.

The Bangsamoro may borrow from government financial institutions when it needs to finance its development needs.

SEC. 11. Economic Agreements. – Subject to the provisions of the Constitution, the Regional Government shall evolve a system of economic agreements and trade compacts to generate block grants for regional investments and improvements of regional economic structures which shall be authorized by law enacted by the Regional Assembly. Pursuant to specific recommendations of the Regional **Economic and Development Planning** Board, the Regional Government may assist local government units in their requirements for counterpart funds for foreign-assisted projects. XXX

F. The Bangsamoro may receive grants derived from economic agreements entered into or authorized by the Bangsamoro Assembly (donations, endowments, and other forms of aid), subject to the reserved powers of the Central Government over foreign affairs.

G. The Bangsamoro shall also be entitled to benefits resulting from conventions to which the Central Government is a party.

SEC. 14. Foreign or Domestic Loans. – The Regional Governor may be authorized by the Regional Assembly to contract foreign or domestic loans in

VI. Contracting Loans and Overseas Development Assistance (ODA)

accordance with the provisions of the Constitution. The loans so contracted may take effect upon approval by a majority of all the members of the Regional Assembly.

In all cases, the Regional Government shall remit to the local government units their respective shares within sixty (60) days from the end of each quarter of the current taxable year.

The provinces, cities, municipalities, and barangays within the area of autonomy shall continue to receive their respective shares in the Internal Revenue Allotment (IRA), as provided for in Section 284 of Republic Act No. 7160, the Local Government Code of 1991.

The five-year (5) period herein abovementioned may be extended upon mutual agreement of the central government or national government and the Regional Government.

Annex on Wealth Sharing

The Bangsamoro shall have the authority to contract loans, credits and other forms of indebtedness with any government or private bank and other lending institutions, except those requiring sovereign guaranty, which require Central Government approval. The Central Government shall assist the Bangsamoro in complying with the requirements for a speedy issuance of the sovereign guaranty, to finance local infrastructure and other socio-economic development projects in accordance with Bangsamoro-approved development plan.

Overseas Development Assistance (ODA) shall be availed of by the Bangsamoro to achieve inclusive growth and poverty reduction, particularly through the implementation of priority development projects for the attainment of the Millennium Development Goals.

In pursuit of its development goals, the Bangsamoro may enter into build-operate-transfer type arrangements under public-private partnerships for the financing, construction, operation and maintenance of any financially viable infrastructure facilities. These arrangements may likewise be supported by foreign or domestic loans, in accordance with relevant laws.

R.A. 9054 ARMM Organic Act	Annex on Wealth Sharing
	II. A. Government income derived from the operations of Bangsamoro government-owned and controlled corporations, financial institutions, economic zones and freeports operating therein, shall go to the Bangsamoro government.
	B. The Bangsamoro shall have authority and control over existing government-owned and controlled corporations and financial institutions operating exclusively in the Bangsamoro territory, after determination by the intergovernmental fiscal policy board of its feasibility.
	C. An intergovernmental mechanism shall be created to determine the participation of the Bangsamoro in the ownership and management of Al-Amanah Islamic Investment Bank of the Philippine and the Southern Philippines Development Authority (SPDA).
SEC. 7. Representatives in Government-Owned or-Controlled Corporations. – The Regional Government shall be represented in the board of directors or in the policy-making bodies of government-owned or-controlled corporations that operate businesses directly or through their subsidiaries in the autonomous region.	D. The Bangsamoro Government shall be represented in the board of directors or in the policy-making bodies of government-owned or controlled corporations that operate a substantial portion of their businesses directly or through their subsidiaries in the Bangsamoro or where the Bangsamoro has substantial interest.

Annex on Wealth Sharing R.A. 9054 ARMM Organic Act The manner of such representation shall be determined in the Basic Law. E. The intergovernmental fiscal policy board shall determine the participation of the Bangsamoro Government in the results of operation of governmentowned or controlled corporation and its subsidiaries operating in the Bangsamoro. It shall also determine a formula for the share of the Bangsamoro Government from the results of said operations. ARTICLE XII VIII. Natural Resources Economy and Patrimony XXX Government income derived from the exploration, development and (b) Sharing Between Central utilization of all natural resources Government or National Government within the Bangsamoro shall be and Regional Government in Strategic allocated as follows: Minerals Revenues, Taxes, or Fees. Fifty percent (50%) of the revenues, taxes, or 1. With respect to non-metallic fees derived from the use and minerals (sand, gravel, and quarry development of the strategic minerals resources) within the Bangsamoro, such shall accrue and be remitted to the revenues shall pertain to the Regional Government within thirty (30) Bangsamoro and its local government days from the end of every quarter of units. every year. The other fifty percent (50%) 2. With respect to metallic minerals shall accrue to the central government or within the Bangsamoro, seventy-five national government. percent (75%) of such revenues shall pertain to the Bangsamoro. (c) Sharing Between Regional Government and Local Government 3. With respect to fossil fuels Units in Strategic Minerals Revenues, (petroleum, natural gas, and coal) and

Taxes, or Fees. The share of the Regional Government mentioned above is hereby apportioned as follows: thirty percent (30%) to the Regional Government; twenty percent (20%) to all the provinces; fifteen percent (15%) to all the cities; twenty percent (20%) to all the municipalities; and fifteen percent (15%) to all the barangays. If there are no cities in the autonomous region as of the date the sharing above mentioned is done, the share of the cities shall be divided equally by all the provinces, municipalities, and barangay in the autonomous region.

Art. XII Sec 10

The Board shall serve as the planning, monitoring, and coordinating agency for all development plans, projects, and programs intended for the autonomous

Annex on Wealth Sharing

uranium, the same shall be shared equally between the Central and Bangsamoro government. Both parties shall endeavour to provide for a review mechanism in the Basic Law with regard to this sharing arrangement.

The shares of the Bangsamoro above shall include those for its constituent local government units, as shall be provided by law.

The Bangsamoro Sustainable
Development Body referred to in the
Framework Agreement (Part IV, Section
8) shall get funding support from the
proceeds of the revenues collected from
these sources.

VIII. Additional Fiscal Powers

Both parties recognize the Bangsamoro aspiration for the exercise of additional fiscal powers in order to reach full fiscal autonomy and shall cooperate towards achieving this goal through necessary processes and modalities.

XI. Bangsamoro Development Plan

The Bangsamoro shall formulate its development plans, consistent with national development goals but

region. It shall evaluate and recommend for approval by the Regional Assembly, the annual work programs and comprehensive development plans of the autonomous region. Once approved, it shall be the duty of the Regional Governor to ensure the proper implementation of the said annual work programs and comprehensive development plans.

The Board shall formulate a master plan for a systematic, progressive, and total development of the region. The master plan shall take into account the development plans of the province, city, municipality, and barangay concerned as mandated by Republic Act No. 7160, the Local Government Code of 1991.

Annex on Wealth Sharing

recognizing their unique needs and aspirations. Towards this end, the Bangsamoro may participate in national development planning. The plan shall also consider the revenue generation efforts needed for the post-conflict rehabilitation, reconstruction and development in the region.

X. Intergovernmental Fiscal Policy Board

The intergovernmental fiscal policy board shall be composed of the heads and/or representatives of the appropriate ministries and offices in the Bangsamoro Government. The Central Government shall likewise be represented in the Board until full fiscal autonomy is achieved. The board may create a secretariat and sub-committees as it may deem necessary.

To address revenue imbalances and fluctuations in regional financial needs and revenue-raising capacity of the Bangsamoro, the Board shall undertake periodic review of the taxing powers, tax base and rates of the Bangsamoro government, wealth sharing arrangements, sources of revenues, vis—a-vis the development needs of the Bangsamoro. An annual report shall be submitted by the body to the Central Government and the Bangsamoro Government.

R.A. 9054 ARMM Organic Act	Annex on Wealth Sharing
	XII. Gender and Development In the utilization of public funds, the Bangsamoro shall ensure the needs of women and men are adequately addressed. For this purpose, the Bangsamoro shall set aside at least 5% of the official development funds that it receives for support programs and activities for women in accordance with a gender and development plan.



Poetry

The modern martyr

Hussein Macarambon

I dare you, my brown-skinned compatriot to bow your head, eyes on the ground whilst your foe kindles a riot tramps his feet, brass kris unbound. tin waves of his blade are tides that break against the face of a precipice, slashing the sinews of heart and hide. hear me! that is proper apotheosis.

then when the world starts to weep as fast as a Samal fixes his stilts, the enemy honors his guests, lets them sleep, only wakens them as they are to repent. by then, you have been forsaken. the enemy is our new *patrón*. his blood runs deep in your kin, declares himself a martyr and a proud *ladrón*.

¹ Spanish for thief.

126 Macarambon

Marahui and her son, Amai

Hussein Macarambon

her name, Marahui.

Amai was her son's.

a portrait, adorned the wall

and captured the lushness of their story,
their heritage, their land, this shelterher foremothers called *mala-a-walay*. ²
the house reeked of durian and marang,
of cracked shells of chickens,
colourful as the *Sarimanok*, ³
it hinted the scent of dead relatives
swathed in white buried
in nothing but loose soil.

Oh but times had changed.
her cousins brought newsnews of the white man,
wearing six golden crosses,
around his neck, and four fat fingers,
and around his head,
a cross on a black biretta.
her cousins fled their farmland
in the plains of Tubod⁴
fearing for their lives,
or afterlives.

² Literally, big house.

³ Sarimanok is the mythical bird found in Maranao and other cultures of the Southern Philippines.

⁴ Tubod is a municipality in Lanao del Norte.

Poetry 127

Why the nights grew shorter And the wind turned silent, She prayed she knew. She felt it. the rain, her only guest that night. her limbs cold as rainwater trickled down her thighs, and her inner thighs. The rain summoned the loud call, Allahu Akbar.⁵ She hurried. wiped Amai's face and hers both rapt with fatigue, and said "let us do our Salah.6"

she put on her abaya,7 and on Amai, a malong.8 Uttering words she did not understand, They both prayed. searchingly. She shed a tear then Aisha9 was over. Her day was over. Marahui slept by his side, He was in her dream. Amai, her son, whom she had seen dead in her dream, killed by a white man who put a bullet through his heart.

⁵ Arabic for God is the greatest!

⁶ Salah means prayer; it is one of the five pillars of Islam.

⁷ Abaya is a prayer garment for women.

⁸ A malong is a traditional tube skirt that is worn in the Southern Philippines.

⁹ Aisha is one of the five prayers each day. It is the last prayer of the day.

About the Authors

FRANCISCO J. LARA, JR. is the Philippine Coordinator of International Alert, "an independent peace-building organisation that works to lay the foundations for lasting peace and security in communities affected by violent conflict." He earned his Ph.D. at the London School of Economics and Political Science. He is also Research Associate at the Crisis States Research Center, Development Studies Institute, London School of Economics. He is currently a Lecturer at the University of the Philippines Department of Sociology and once headed the British Volunteer Service Organization (VSO) in the Philippines. He recently published (as editor and contributor) *Out of the shadows: Violent conflict and the real economy of Mindanao* (2013).

HUSSEIN MACARAMBON has worked with UNESCO Jakarta as Liaison Officer and has been involved in the technical working group of the United Nations Development Assistance Framework of the Philippine Country Team. He was a consultant to the Asian Development Bank, the World Bank Manila Office, and the Asian Disaster Preparedness Center in Bangkok. Formerly a researcher at the Asian Center, University of the Philippines Diliman, he was also a Lecturer at the Political Science departments of the Ateneo de Manila University and De La Salle University Taft. He has an MS in Environmental Policy from the Ritsumeikan Asia Pacific University and a BA in International Politics from Kyoto University, Japan.

RUDY BUHAY RODIL is a Mindanao historian and peace advocate. He was a member of the GRP peace negotiating panel in the GRP-MNLF peace negotiations in 1993-96, and also a member and vice chair of the GRP Panel in the talks with the Moro Islamic Liberation Front from December 2004 to September 3 2008. Now retired, he served as Professor of History at Mindanao State University - Iligan Institute of Technology (MSU-IIT) for 23 years. He started his studies on Mindanao, especially on the Moro and Lumad affairs, in the summer of 1973. He has written four books, several monographs and 117 articles. An active peace advocate, he participated as a resource person in more than 600 forums, seminars and conferences related to the creation of a culture of peace in Mindanao. He is a Ph.D. candidate in Philippine Studies at the University of the Philippines Diliman.

About the Authors 129

ABRAHAM SAKILI is Professor of Islamic Art in the Department of Art Studies, University of the Philippines Diliman. He obtained his Ph.D. in Philippine Studies at the Asian Center, University of the Philippines Diliman and has written extensively on Muslim art, including *Space and Identity: Expressions in the Culture, Arts and Society of the Muslims in the Philippines* (2003). He has held consultative positions relating to films, musicals and theatrical productions on Muslim history and culture. Sakili has also published works and researches on the historiography and representation of the Muslims in Philippine history. In 2013, he was appointed as board member of the National Historical Commission of the Philippines.

EDUARDO C. TADEM is Professor of Asian Studies at the University of the Philippines Diliman and Editor in Chief of Asian Studies. He holds a Ph.D. in Southeast Asian Studies from the National University of Singapore. He teaches graduate courses on theories and perspectives in area studies; social and economic development in Southeast Asia; life histories; alternative development strategies; and rural development and the peasantry in Asia. He has researched and published extensively on agrarian reform and rural development; industry studies; regional development; rural unrest and social movements; the political economy of foreign aid, Philippines-Japan relations; conflicts over natural resources; international labor migration; foreign investments; and contemporary politics.

JULKIPLI WADI is Dean and Associate Professor at the Institute of Islamic Studies, University of the Philippines Diliman. He has written a number of works on Islamic diplomacy, regional security, political Islam, the Philippines and the Muslim world, Bangsamoro struggle, and many others. He has attended international conferences and presented papers on various subjects and topics. He is a member of Research Association of Islamic Social Sciences; Philippine Political Science Association; International Movement for Just Society; and Human Development Network.

The INSTITUTE FOR AUTONOMY AND GOVERNANCE (IAG) is an independent and non-partisan think tank founded in 2001 to generate ideas on making autonomy an effective vehicle for peace and development in the Southern Philippines. Their website is aig.com.ph.

CALL FOR PAPERS

Asian Studies is a peer-reviewed journal published twice a year by the Asian Center, University of the Philippines Diliman. Since 1963, it has offered a critical and multidisciplinary forum where scholars, practitioners, researchers, and activists on Asia can explore various issues that impact Asian societies and their peoples.

The journal accepts original contributions in the form of:

- Research articles on the social sciences, humanities, and/or culture
- Commentaries and documents
- Reviews (books, e-media, events, etc.)
- Literary writings (poetry and short fiction)
- Travel narratives

Submission guidelines can now be found at:

http://asj.upd.edu.ph/submissions

Send all manuscripts to the editor in chief upasianstudies@gmail.com

Enjoy open access to all available issues of Asian Studies from 1963 to 2011. Please visit **asj.upd.edu.ph**.