

Philippine Human Development Report 2005: Metro Manila-Rizal Case Study

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I. Introduction

This case study is about the armed conflict in the Metro Manila-Rizal region between the Armed Forces of the Philippines (AFP) and the communist New People's Army (NPA). It looks into the costs and spillovers of armed conflict in a predominantly urban-industrial area of the country. Specifically, it examines the economic, social, and political costs, as well as the geographical impact of positive and negative spillovers of the armed conflict within and between Metro Manila and Rizal province. The study also looks into some possible approaches in preventing the armed conflict from spreading or deepening based on some anecdotal views of local government and community leaders in Rizal province.

This paper also looks into the spillover effects of Islamist secessionist and terrorist threats in Metro Manila. Specifically, it examines the economic, social, and political costs of terrorist threats attributed to groups such as the MILF and Abu Sayyaf, which were blamed for bombings in the National Capital Region in 2000 and for the sinking of Superferry 14 in February 2004, respectively.

A. Overview of Metro Manila and Rizal Province

1. Geography, Population, and Human Development Index

Metro Manila consists of 13 cities and 4 municipalities, and 1,693 barangays. There are approximately 10 million people in Metro Manila (2000 census), with a population growth rate of 2.25 percent. The National Capital Region (NCR) has a labor participation rate of 63.8 percent, employment rate of 83 percent, and Human Development Index of 0.889.²

Rizal's total land area is 1,308.9 square kilometers. Its topography is characterized by gently rolling hills, low-lying mountains, and large valleys. It is adjacent to the northeastern part of Metro Manila, and its eastern boundaries lie alongside the foothills of the Sierra Madre mountain range. The province consists of 13 municipalities and 1 city (Antipolo), two districts, and 188 barangays.³

There are 1.7 million people in the province of Rizal (2000 census), which is 14.48 percent of the population of Region IV-A (CALABARZON). It has an average annual population growth rate of 5.79 percent, the highest in the region. The Human Development Index of the province is 0.733⁴

2. Economic and Social Profile

Rizal province is part of the CALABARZON region that includes Cavite, Laguna, Batangas, and Quezon. The region has a total of thirty-six (36) industrial estates. Industries found in Batangas produce electronics products (passive and active electronic components), chemicals, steel products, consumer goods (e.g., cooking oil), logistic support service utilities (waterworks), clothing apparel and textiles, gifts, toys and house wares. For Cavite and Laguna, most of the industries manufacture clothing and fashion accessories, and electronics and telecommunications equipment (e.g., electronic components, computer software,

² NSCB Statwatch, from http://www.nscb.gov.ph/stats/statwatch_ncr.asp.

³ NSCB Statwatch, "Region IV-A: CALABARZON", 30 June 2004, RD40PSW#4A-2, Series of 2004.

⁴ Ibid.

hardware and services, consumer electronics and parts). These provinces also produce agricultural and engineering products, transport equipment, plastic, woodcraft, glass and aluminum products. Rizal, with its lone industrial estate in Tanay, manufactures electronic products, transport equipment such as passenger and cargo vehicles, parts and accessories, and infrastructure materials and equipment.⁵

Based on the 2002 Labor Force Survey, the province of Rizal employed 66.4 percent of its labor force in the service sector, followed by industry and agricultural sectors with 28.8 percent and 4.9 percent, respectively.⁶ In Cavite, 60 percent of the people are employed in the service sector, while less than 10 percent are in the agricultural sector.⁷ In Laguna, the 2001 Labor Force Survey indicated that the province employed 56.15 percent of its population in the service sector, followed by the industry and agricultural sectors, with 30.98 percent and 12.86 percent respectively.⁸

B. Armed Conflict Between AFP and NPA

Military encounters between the CPP-NPA and the AFP have been increasing since 1999 across the country (from 630 in 1999 to 807 in 2003). For the period 1999-2003, the total national encounters between the military and the communist guerrilla forces averaged 756. For the first half of 2004, there were 90 AFP soldiers and 111 NPAs killed from a total of 460 encounters nationwide.⁹

In Metro Manila or the NCR, military encounters have been sporadic, averaging 1.8 over the last five years. This makes the National Capital Region a low-intensity conflict area. However, in nearby provinces, particularly Region IV (Southern Tagalog), military encounters with the NPA averaged 95.4.¹⁰ Attacks initiated by NPA guerrillas in Rizal province targeted police stations,¹¹ while those initiated by the AFP targeted suspected rebel hideouts in the area.¹² Early in 2004, NPA documents retrieved by AFP operatives show that Rizal municipalities could be the next target of increased rebel activities in areas surrounding Metro Manila.¹³

In the NCR, there are some 20 barangays affected by communist insurgency, while in Rizal, there are 10 barangays influenced or infiltrated by communist insurgents. For the rest

⁵ Starplan 2000-2004, TESDA Southern Tagalog Region, from http://www.tesdastar.org.ph/index/main/star_plan/starplan.htm.

⁶ "Rizal", NSCB Fact Sheet, September 2004, FS2004-09-R04-06, from <http://www.nscb.gov.ph/ru4/factsheet/fs-archive.htm>.

⁷ "Cavite," NSCB Fact Sheet, October 2002, No. 010-Series of 2002, from <http://www.nscb.gov.ph/ru4/factsheet/fs-archive.htm>.

⁸ "Laguna," NSCB Fact Sheet, July 2002, No. 007-Series of 2002, from <http://www.nscb.gov.ph/ru4/factsheet/fs-archive.htm>.

⁹ "Military, NPA clashes took 201 lives," 21 June 2004, Inquirer News Service, from http://www.inq7.net/brk/2004/jun/21/brkoth_1-1.htm. Cite sources here with note on absence of regional and provincial breakdowns.

¹⁰ Based on data provided by J-2, Armed Forces of the Philippines.

¹¹ Jeremy Botial, "40 NPA rebels attack Rizal police station," Philippine Star, 31 October 1997; Mike Frialde, "NPA raider killed in Rizal skirmish, Philippine Star, 6 November 1997; Jaime Laude, "NPA kangaroo court tried kidnapped cop," Philippine Star, 4 November 1997.

¹² Associated Press, "Three NPA fighters killed," Manila Times, 22 February 2004.

¹³ Karl Kaufman, "Rizal next target of NPA attacks, NPA documents show," Manila Times, 21 February 2004.

of the CALABARZON region, there are 104 barangays in Batangas, 8 barangays in Cavite, 80 barangays in Laguna, and 98 barangays in Quezon that are affected by the communist insurgency.¹⁴

II. Costs and Spillovers: Some Preliminary Findings

There are a number of costs and spillovers of the armed conflict between CPP-NPA and the AFP within and between Metro Manila and Rizal, as well as outside these areas. Some of the preliminary findings of this case study are discussed below.

A. Financial and Economic Costs

1. Attacks on Power and Telecommunications Facilities

Damages to properties are part of negative costs and spillovers of the armed conflict between the AFP and the NPA. Based on various media reports, the NPA launched attacks on telecommunications and power plant facilities in the CALABARZON area, which are close to the National Capital Region or Metro Manila. For instance, in November 2002, suspected NPA guerrillas attempted to destroy a Globe Telecom cell site in Barangay Ilayang Taykin, Liliw, Laguna. Another reported attack on a Globe cell site occurred in January 2003 in Calamba, Laguna near the boundary of Tagaytay City.¹⁵ Over the last three years, some 20 cell sites of Globe Telecommunications have been downed by NPA attack.¹⁶ NPA rebels have attacked and destroyed cell sites both Smart's and Globe's, the country's leading mobile phone services, which were apparently triggered by their failure to "pay up" the so-called revolutionary taxes.¹⁷ Between 2000 and 2003, half of the reported 46 attacks on cell sites occurred in Central Luzon, Southern Tagalog, and Bicol region, which are known strongholds of the NPA guerrillas.¹⁸ Each cellular site costs telecom companies between P10 million to P15 million to build, and estimates for repairing or rebuilding some 20 cell sites would cost these companies between P200 million to P300 million.¹⁹

¹⁴ Based on the list provided by National Security Council. By definition, affected barangays refers to either CPP-NPA infiltrated or influenced barangays. Infiltrated barangays are those that still do not have militia but an organization such as the barrio organizing committee already exists. About 25 percent of the barangay's population is sympathetic or gives support to the insurgents. Influenced barangays are those where the insurgents have established a political organization and a militia, and where approximately 50 percent of the inhabitants are sympathetic, give support to the insurgents, and can be mobilized for mass actions against the government.

¹⁵ Karl Kaufman, "Globe, Smart among rebels' milking cows," Manila Times, 29 January 2003.

¹⁶ Rachele V. Friginal, "20 Globe sites downed," Malaya News, 24 April 2004, from <http://www.malaya.com.ph/apr24/busi2.htm>.

¹⁷ Karl Kaufman, "Globe, Smart among rebels' milking cows," *ibid.*

¹⁸ Lala Rimando, "Message Sending Failed," Newsbreak, 31 March 2003, from http://www.inq7.net/nwsbrk/2003/mar/31/nbk_6-1.htm.

¹⁹ Clarissa S. Batino, "Globe says terrorism hampering expansion," Inquirer News Service, 25 April 2004, from http://www.inq7.net/inf/2004/apr/25/inf_1-1.htm.

**Table 1. Summary of Telecommunications Facilities/Structures
Attacked/Sabotaged by Local Communist Insurgents, 2000-2003**

Region	Date	Telecom Company	Location	Cause	Outcome
NCR					No attacks since 2000
1	2003 December	Globe Cell site	Bgy. Sevilla, Sta. Cruz, Ilocos Sur	Attacked by suspected NPA rebels	Straffing, caused minimal damage
2	2002 June 23	Globe Cell site	Bgy. Nassiping, Gattaran, Cagayan	Burning of radio room, cost of damage est. P15 million	Burned cell site, but full restored on June 26, 2002
3	2003 January 15	Globe Cell site	Bgy. Sto. Rosario Old, Zaragoza, Nueva Ecija	Burning of cell site by four armed men	Burned, but caused no serious damage; guard disarmed
	2003 January 15	Globe cell site	Bgy. San Isidro, La Paz, Tarlac	Burning of cell site by 8 unidentified men	Burned
4	2001 March 19	Smart Cell site	Bgy. Calo, Lobo, Batangas	Burning of cell site by 10 armed suspected NPAs	Burned
	2002 November 17	Globe Cell site	Bgy. Ilayang, Taykin, Liliw, Laguna	Burning of cell site by 12 suspected communist dissidents	Burned
	2002 November 23	Globe Cell site	Bgy. Matabungkay, Lian, Batangas	Burning of cell site by 5 suspected communist dissidents	Burned
	2003 January 30	Globe Cell site	Cavite and Calamba boundary (Bgy. Dapdap East, Tagaytay City, Cavite and Calamba City	Burning of cell site by 6 armed men	Burned
5	2001 October 10	Bayantel SDH	Lubigan, Cupi, Camarines Sur	Burned by NPA rebels	Burned
	2002 October 15	Bayantel SDH	Kinalabasan, Bula, Camarines Sur	Burned by 20 NPA rebels	Burned

	2002 November 28	Smart Cell site	Purok 1, Bgy. Travesia, Guinobatan, Albay	Bombed by armed men suspected to NPAs	Bombed – residents demanded closure of cell sites in the area. Smart and Globe suspended service on December 11, 2002 but resumed operation a month later.
	2003 May 22	Globe Cell site	Matnog, Sorsogon	Burned by several NPAs	Burned – installation suffered minor damage
6					No attacks since 2000
7	2000 December 23	Danao CMTS/WLL	Danao, Cebu	Attack partially damaged equipment. Cost of damage unavailable	Service restored 3-4 days after
	2002 October 23	Islacom Relay Station	Sung-on, Laon, Bohol	Burned telecom equipment beyond repair. Cost of damage unavailable.	Burned- service restored after equipment replaced over a week.
8					No attacks since 2000
9					No attacks since 2000
10					No attacks since 2000
11	2000	PLDT/PHILCOM and Stanfilco	Bgy. Tuburan, Mawab, Compostela Valley	Bombing incident	Bombed
12					No attacks since 2000
13- CARAGA					No reported attacks
ARMM					No reported attacks
CAR		DOTC/TelOf	Ampucao, Itogon, Benguet		Recurring vandalism
		DOTC/TelOf	Puguis, La Trinidad, Benguet		Recurring vandalism

Sources: DOTC-NTC

Aside from telecommunication facilities, communist guerrillas also target power plants. In January 2004, the NPA attacked a coal-fired power plant in Calaca, Batangas.²⁰ Four soldiers and three NPAs were killed during the attack staged by about 50 NPA guerrillas that used a large truck to force their way into the thermal plant owned by the National Power Corporation (NAPOCOR).²¹ The NPA attack on NAPOCOR's power plant in Calaca, Batangas was apparently aimed at causing a major power interruption in Metro Manila in other part of Luzon. The 600-megawatt power plant supplies approximately one-fifth of Luzon's power grid requirements and is one of the two biggest government-owned power plants (the other is another 600-megawatt coal-fire plant in Masinloc, Zambales).²² CPP-NPA spokesperson Gregorio "Ka Roger" Rosal claimed that the NPA offensive was not aimed at interrupting power supply in Luzon²³ but instead at the Philippine Air Force (PAF) troops assigned in the NAPOCOR plant for allegedly harassing villagers, some of who were complaining about the pollution coming from the plant. (Two years ago, NAPOCOR beefed up security in the power plant as protests against pollution coming from the plant's ash pond mounted.²⁴) NAPOCOR's official statement supported Rosal's claim as it denied that the NPA attack targeted the plant per se. For its part, the AFP claimed that the NPA attack was a punishment for NAPOCOR's refusal to pay "revolutionary taxes" to the rebel group even as it asserted that the government-owned corporation requested security assistance from the military after receiving two letters from the communist rebels demanding payment of "revolutionary taxes."²⁵

The NPA attack on NAPOCOR's power plant in Calaca raised questions about coordination between the local government in Batangas, the AFP, the PNP, and the Department of Energy with regard to securing power installations in the province. The Batangas Peace and Order and Security Servicing Office claimed that the Department of Energy has for the past two years failed to release the P20 million energy fund it owes the province. The fund could have been used for the purchase of patrol cars and boats and other basic security equipment for the use of provincial security and local police force. The governor's office also claimed that the AFP and the PNP assigned in Batangas rarely submit reports to the provincial government about rebel troop movements. Although checkpoints were set up by the PNP, these were not able to stop about 50 NPA guerrillas from penetrating the Calaca power plant. Local government officials also blamed the national government – specifically the leadership of the AFP and PNP – for the NPA raid of NAPOCOR's power plant. They claim that many of the NPA rebels came from other Southern Tagalog provinces

²⁰ Karl B. Kaufman, "NPAs hit powerplant: eight killed in Calaca raid," 11 January 2004, *The Sunday Times*, from http://www.manilatimes.net/national/2004/jan/11/yehey/top_stories/20040111top1.html.

²¹ "Four Philippine troops killed in rebel attack on power plant," 16 January 2004, *Asian Political News*, from http://www.findarticles.com/p/articles/mi_m0WDO/is_2004_Jan_16/ai_112548893.

²² Raymond Africa, "Rebels attack power plant, are repulsed," 11 January 2004, *Malaya News*, from <http://www.malaya.com.ph/jan11/news1.htm>.

²³ "8 killed as rebels attack power plant," *SunStar Online*, 11 January 2004, from <http://www.sunstar.com.ph/static/net/2004/01/11/8.killed.as.rebels.attack.power.plant.html>.

²⁴ For reports on environmental problems and issues related to the Calaca coal power plant, see Yna Soriano, "Under (coal) fire of NAPOCOR," *Bulatlat.com*, Issue No. 23, 22-28 July 2001, from www.bulatlat.com/archive/023calaca.html and "Coal-Fired Power Plants and the Menace of Mercury Emissions," *Greenpeace Southeast Asia Report*, August 2001, from <http://www.greenpeacesoutheastasia.org/en/seatour/press2.html>.

²⁵ Mei Magsino, "NPA threat still grips Calaca folk," *Inquirer News Service*, 22 January 2004, from http://www.inq7.net/reg/2004/jan/22/reg_6-2.htm; Victor Reyes, "Extortion seen behind Calaca raid," *Malaya News*, 12 January 2004, from <http://www.malaya.com.ph/jan12/news1.htm>.

and Bicol region, but the AFP and PNP failed to monitor their movements.²⁶ Indeed, the Calaca raid has demonstrated a military that is overstretched and a provincial PNP unit that is not adequately prepared to deal with a mobile insurgent rebels.

2. “Revolutionary Taxes”

Another economic or financial cost of the insurgency problem is the so-called “revolutionary taxes” imposed by the communist rebels on business firms and politicians in the country. These “taxes” in a way add to the transaction cost of doing business and could be deterrent to attracting local and foreign investments in the country. The main rationale for collecting “revolutionary taxes” by the communist insurgents is best captured in the following statement by Ka Diego Wadagan, an NPA spokesman of the Agustin Bernalen Command:

The issue of revolutionary taxation has long been exploited by the psywar experts of the AFP against the revolutionary movement. Taxation is undertaken by all governments since time immemorial. The fact is there exists two (2) governments in the Philippines: the reactionary Government of the Republic of the Philippines (GRP) being the currently dominant government embodying the interests of the imperialists, landlords and comprador big-bourgeoisie; and the People's Revolutionary Government (PRG), still in its formative stage, but growing in strength because it embodies the interests of the workers, the peasant majority, the petty-bourgeoisie, and other democratic sectors and classes in Philippine society. As a belligerent force exercising governance, the People's Revolutionary Government collects taxes through the New People's Army. These taxes are collected primarily [sic] from big business interests run by the ruling classes and from projects implemented by the reactionary GRP in PRG areas. The Permit to Campaign is another form of tax collected from candidates issued conditional permits to campaign; i.e. these candidates will not engage in warlordism and should strictly implement the laws and policies of the PRG. Due to benefits from the revolutionary agrarian reform program and their deep understanding of the people's democratic revolution, the peasant masses in guerilla areas voluntarily [sic] provide support to the PRG and the NPA. These taxes are used to implement projects beneficial to the peasant masses in line with the minimum program of the agrarian revolution.

In stark contrast is the taxation undertaken by the GRP. The BIR, as the main agency tasked to collect taxes, is haven for the worst plunderers, thereby redirecting their meager collection to the pockets and bank accounts of these corrupt government employees, in cahoots with top government officials. Worst, the typically exploited and oppressed farmer and worker, the lowly employee and small business entrepreneur, and other professionals are forced to pay exorbitant [sic] fees while imperialist interests, big businesses and landholdings are legally granted tax exemptions. The GRP is even helpless in going after big-time tax-evaders like the billionaire and SM-magnate Henry Sy who owed the GRP P1 billion but was allowed to go scott-free [sic] by the Supreme Court. Furthermore, the funds from tax collection is subjected to further corruption and is wasted on mismanagement, wrong priorities such as payment of the foreign debt where more than 40% of the national budget is spent, and on anti-people agencies such as the fascist AFP.²⁷

²⁶ Joenald Medina Rayos, “Batangueño execs dispute rivals in Calaca raid,” The Manila Times, 13 January 2004, from <http://www.manilatimes.net/national/2004/jan/13/yehey/prov/20040113pro11.html>.

²⁷ Ka Diego Wadagan, “Long Live the Shining Memory and Example of Ariel ‘Ka Manny’ Balicao,” 27 May 2004, from <http://www.philippinerevolution.org/cgi-bin/statements/statements.pl?author=dw;date=040527;language=eng>.

According to Gregorio “Ka Roger” Rosal, the CPP-NPA imposes three types of “revolutionary taxes”:

There are three layers in the class application of revolutionary taxation -- on class enemies, on allied classes, and on the beneficiaries of agrarian revolution. Revolutionary taxation is progressive in character because its percentages and level of strictness is class-based. The bulk of revolutionary taxes - up to 90% - is collected from the exploiting and oppressing ruling classes. It is minimal and voluntary on the part of the democratic classes, especially on the part of the toiling masses. The opposite is true in the case of taxation imposed by the reactionary government, which is progressive only in name but in reality is regressive because it encourages wealth even as it taxes poverty.

Revolutionary taxation is applied principally on enterprises or operations located within and adjacent to guerrilla fronts and owned by big foreign capitalists, big comprador capitalists, big bureaucrat capitalists and big landlords. Projects of the reactionary government which have anything to do with revolutionary areas are also covered by revolutionary taxation.

Revolutionary taxation is applied secondarily to the operations of the allied classes, such as the medium-size businesspeople and rich peasants. But in reality, there is no compulsory imposition and no punishment meted on those who do not pay taxes. There are really no formal computations, only proposals that allow accommodations for reasonable deferments and other considerations, especially because of the existence of good relations and mutually satisfactory alliances.

The use of force in carrying out taxation is only resorted to against businesses, projects and operations of class enemies, imperialist agencies and the reactionary government, but only when they adamantly refuse to pay their tax obligations to the revolutionary government.

Revolutionary taxation is also carried out among peasants, workers and semi-proletarians due to the certain increase in their income as a result of victories in revolutionary land reform and other agrarian struggles. The amount is small, for instance, 2% of the net income of poor tenants who have benefited from the reduction of land rent. But all of this is voluntary and is happily contributed by those who have benefited from the decisive role played by revolutionary political power. The beneficiaries provide support for the advance of the revolutionary movement of which they are a part. There is no compulsory imposition on them, and in reality, it is the beneficiaries who make their own estimation of the amount to be provided to the revolutionary movement.²⁸

The Philippine government and the AFP, however, consider these “revolutionary taxes” as a form of extortion by the NPA, which is illegal. A bill has been filed in the House of Representatives by Akbayan Representative Etta Rosales that aims to “criminalize” the revolutionary taxes of the NPA. (Rosales is among those who severed ties with the communist movement at the height of factionalism within the CPP-NPA in the mid-1990s.)²⁹ It may be expected that the communist insurgents will continue – and even intensify – its

²⁸ “Clarifications”, Interview with Ka Roger, Philippine Revolution Web Central, from <http://www.philippinerevolution.org/pib/intrvw/clarifications.shtml#taxation>.

²⁹ “Reds now using ATMs, Internet to collect taxes, campaign ‘fees’,” TarlacNews.net, from <http://tarlacnews.net/jan03200402.shtml>.

collection of “revolutionary taxes” in the country as its foreign sources of funding have been constrained after it has been tagged a foreign terrorist organization by the United States, the UN, and the European Union.

In the first six months of 2004, the AFP reported that the communist insurgents collected some US\$740,000 “revolutionary taxes” mostly from mining, agricultural, telecommunications, and transportation firms.³⁰ In 2002, it was estimated that some P279.2 million worth of equipment and property were lost due to NPA attacks, that included commuter bus burning, toppling of mobile phone relay towers, and similar activities in the mining, logging, and agricultural estates. In the same year, Davao-based rebels collected about P23.08 million, followed by Southern Tagalog with P22.29 million. Central Luzon came in a distant third, with only P7.62 million.³¹ Both local and foreign firms in the Philippines have been victims of NPA revolutionary taxes, which effectively increased the cost of doing business in the country.

NPA documents captured in 2001 indicate that telecommunications companies operating in the CALABARZON area pay as much as P80,000 to P120,000 per year. Medium-scale enterprises such as ice plants and poultry farms pay between P50,000 and P60,000 per year, while small landowners are taxed from P10,000 to P20,000 during harvest season. For projects such as property development or road construction, the NPA charges one to three percent of the project budget. In the late 1980s, which was the peak of the CPP-NPA’s taxation activities, the Southern Tagalog region contributed about P45 million per year. The industrial belt running from Calamba to San Pedro, Laguna is also an important source of funds for the NPA. Many of the companies in the area covertly give to the communist insurgents usually through union funds or percentages from collective bargaining agreements.³²

The extortion activities of the NPA are also undertaken during election periods in the country through “permit to campaign” fees paid by politicians to campaign safely in areas “controlled” by the insurgents.³³ Based on estimates from the May 2001 elections, permit to campaign fees reportedly extorted by the NPA totaled P4.2 million in the CALABARON area alone.³⁴ During the six month-campaign period leading to the May 2004 elections, the AFP estimated that the NPA collected a total of P13 million (although the Philippine National Police estimated it lower at P9.6 million) from politicians. The PNP reported that NPAs in Caraga region in Mindanao were able to raise some P5.05 million, followed by Bicol and CALABARZON regions, with a combined collection of at least P3.6 million.³⁵

The AFP and the PNP, no doubt, are basically unable to stop or contain the extortion activities of the NPA. The AFP in particular has been overstretched in dealing with other insurgency problems in the country such as the MILF and Abu Sayyaf that it simply cannot

³⁰ Carlos Conde, “Rebels’ ‘revolutionary tax’ adds to cost of business in the Philippines,” 20 October 2004, International Herald Tribune, from <http://www.iht.com/articles/2004/10/19/business/rebel.html>.

³¹ Manny Mogato, “To Fund a Revolution,” 31 March 2003, Newsbreak, from http://www.inq7.net/nwsbrk/2003/mar/31/nbk_4-1.htm.

³² Jet Damazo, “Breaking Free,” Newsbreak, 31 March 2003, from http://www.inq7.net/nwsbrk/2003/mar/31/nbk_5-1.htm.

³³ Patrick Patino and Djorina Velasco, *Election Violence in the Philippines*, Friedrich Ebert Stiftung Online Papers 2004, from http://www.fes.org.ph/papers_elecviolence.htm.

³⁴ Karl Kaufman, “NPA campaign racket endangers peace talks,” Manila Times, 15 July 2004.

³⁵ “Military, NPA clashes took 201 lives,” 21 June 2004, Inquirer News Service, from http://www.inq7.net/brk/2004/jun/21/brkoth_1-1.htm.

attend to problems related to “revolutionary tax” collection of the NPA in different parts of the country. Just like the PNP, it also operates on a limited budget, which severely constrains both institutions from effectively containing the extortion activities of the communist insurgents. For its part, the mandate of the PNP is simply limited to gathering information, investigation, and building criminal cases against lawbreakers. Given these institutional weaknesses of both the AFP and the PNP, the legitimacy of the national government (as well as local government units) is severely undermined because the state is perceived to be essentially weak, if not helpless, in containing these illegal activities of the insurgents.

3. Labor Unrest

Labor unrest, especially those instigated by militant members of labor unions allied with communist insurgents, could also be considered a negative spillover of insurgency in the NCR and CALABARZON regions, where majority of the labor force work in the industrial and service sectors. There are a total of thirty-six (36) industrial estates in CALABARZON: nine (9) in Batangas; nineteen (19) in Cavite; seven (7) in Laguna, and one (1) in Rizal. A “no union, no strike” policy, which has been adopted by the province of Cavite in its industrial zones, has been a source of labor unrest in the province. In Laguna, about 80 percent of 850,000 workers are reportedly not organized into labor unions, and more than half of these workers receive amounts below the minimum wage.³⁶ Unfair labor practice and wage issues are the usual concerns raised by militant labor unions. The Hacienda Luisita incident in Tarlac in November 2004 is an example of labor unrest that was reportedly infiltrated by militant groups, which led to violence that left 14 people dead and about 100 wounded. An official of the Arroyo administration, echoing the allegation of the Philippine National Police (PNP) and the AFP, claimed that the picket line in Hacienda Luisita was possibly infiltrated by NPA guerrillas and were the ones that instigated the violence.³⁷ However, the CPP-NPA denied that there were any NPA guerillas at the picket line of Hacienda Luisita during the violent dispersal.³⁸

Labor unrest in the NCR and Southern Tagalog regions is significantly higher compared to other parts of the Philippines, based on strike/lockout notices and actual strikes/lockouts declared. Between 1996-2001, the NCR had close to 60 percent of strike/lockout notices filed throughout the country, followed by the Southern Tagalog region, which had between 17 to 20 percent. Between 1996-2002, actual strikes/lockouts declared were between 43.7 and 64.6 percent in the NCR, while Southern Tagalog had between 11.2 and 22 percent. However, the number of actual strikes and lockouts during this period significantly dropped from a high of 100 in 1997 to a low of 48 in 2001. (See Tables 1 and 2)

Between 2001 and 2003, the NCR and CALABARZON regions had more establishments resorting to permanent closure or retrenchment due to economic reasons, and had more displaced workers relative to other areas of the country. Specifically, Metro Manila had the highest number of establishments reporting closure or retrenchment due to economic reasons (averaging close to 2,000 for the period 2001-2003), while Southern Tagalog had a

³⁶ “‘No union, no strike’ gov’t policy assailed,” Inquirer News Service, 1 May 2003, from http://www.inq7.net/reg/2003/may/02/text/reg_3-1-p.htm.

³⁷ Genalyn D. Kabling, “Palace rejects plea for labor chief to resign,” Manila Bulletin Online, 19 November 2004, from <http://www.mb.com.ph/MAIN2004111922798.html>.

³⁸ “NPA was not at Hacienda Luisita demonstration – Ka Roger,” Press Release, Information Bureau, Communist Party of the Philippines, 19 November 2004, from <http://www.philippinerevolution.org/cgi-bin/statements/releases.pl?date=041119a:refer=kr:language=eng>.

mean of 245 for the same period. Metro Manila had the highest number of displaced workers (averaging over 40,000 workers) followed by Southern Tagalog (with a mean of over 15,000 workers) for the period covered (see Table 3).

Table 2. Strike/Lockout Notices, 1996-2001

REGION	1996	1997	1998	1999	2000	2001
NCR	528 (58.9%)	591 (59.0%)	518 (58.0%)	507 (55.2%)	469 (58.0%)	412 (60.3%)
CAR	5	4	5	6	6	6
Region I	3	8	4	6	1	3
Region II	-	-	-	4	-	-
Region III	57	62	69	58	58	49
Region IV	182 (20.3%)	182 (18.1%)	152 (17.0%)	176 (19.1%)	151 (18.6%)	130 (19.0%)
Region V	17	4	3	5	2	1
Region VI	9	11	14	19	16	12
Region VII	32	61	58	69	47	35
Region VIII	31	27	20	28	21	13
Region IX	1	5	3	2	1	3
Region X	8	7	6	3	8	2
Region XI	20	29	31	29	12	8
Region XII	3	5	4	2	5	2
CARAGA	0	5	6	4	11	7
TOTAL	896	1,001	893	918	808	683

Source: DOLE

Table 3. Actual Strikes/Lockouts, 1996-2001

REGION	1996	1997	1998	1999	2000	2001
NCR	50 (56.1%)	53 (55.0%)	55 (59.1%)	28 (47.4%)	42 (64.6%)	21 (43.7%)
CAR	1	-	-	-	-	1
Region I	-	3	-	-	1	1
Region II	-	-	-	-	-	-
Region III	11	9	6	2	3	7
Region IV	10 (11.2%)	22 (22.0%)	14 (15.0%)	10 (16.9%)	14 (21.5%)	15 (31.2%)
Region V	5	4	1	1	-	-
Region VI	-	-	1	-	-	-
Region VII	1	3	5	13	2	2
Region VIII	6	3	2	5	1	1
Region IX	-	-	-	-	-	-
Region X	2	1	-	-	-	-
Region XI	2	1	5	-	-	-
Region XII	1	-	-	-	1	-
CARAGA	0	1	3	-	1	-
TOTAL	89	100	93	59	65	48

Source: DOLE

Table 4. Establishments Resorting to Closure/Retrenchment Due to Economic Reasons and Displaced Workers by Region, 2001-2003

REGION	2001		2002		2003	
	Establishments Reporting	Displaced Workers	Establishments Reporting	Displaced Workers	Establishments Reporting	Displaced Workers
NCR	1,729	39,086	2,130	44,949	2,059	36,302
CAR	16	554	2	11	-	-
Region I	26	463	47	299	65	558
Region II	9	23	10	143	11	276
Region III	211	7,679	192	5,284	193	5,189
Region IV	177	11,361	269	16,584	-	-
IV-A CALABARZON	-	-	-	-	286	18,122
IV-B MIMAROPA	-	-	-	-	2	6
Region V	29	430	50	806	63	744
Region VI	122	1,708	141	2,144	88	622
Region VII	151	3,471	230	5,451	266	4,231
Region VIII	13	116	36	228	17	145
Region IX	28	577	11	144	21	136
Region X	77	703	51	700	37	326
Region XI	231	2,734	204	2,517	121	1,071
Region XII	14	343	12	213	22	204
CARAGA	16	2,616	18	618	11	45
TOTAL	2,859	71,864	3,403	80,091	3,262	67,977

Source: DOLE Regional Offices, Employer's Monthly Report on Termination

B. Social Costs

There are also social spillovers of the communist insurgency problem in Metro Manila and nearby regions. For example, Mangyan, Dumagat, and peasant families from Mindoro and other parts of Southern Tagalog region reportedly sought refuge in various churches in Metro Manila between 2001 and 2003 following intense military operations against the communist insurgents in these areas. About 30 families or 150 persons stayed in various churches and schools in Metro Manila for more than four months before they were able to build their temporary homes in the campus of Philippine Christian University in Dasmariñas, Cavite. Some 90 families that occupied refugee centers in Manila and Cavite had children less than 14 years old who got sick and were hospitalized, and were also suffering from psychosocial and emotional trauma.³⁹

Following the NPA attack on NAPOCOR's power plant in Calaca, Batangas in January 2004, it was reported that villagers in the area were traumatized by the incident. Specifically, children were unable to sleep at night and feared that another attack would take place. In neighboring villages, some 20 families evacuated their homes after AFP soldiers informed them that some of the NPA rebels were still in the area. Many residents were afraid of being caught in the crossfire between the rebels and government troops as the latter continued with their follow-up and pursuit operations

³⁹ Clarice Colting, "War refugees strive to rebuild lives," Inquirer News Service, 11 September 2003, from http://www.inq7.net/reg/2003/sep/11/text/reg_8-1-p.htm.

against the NPA guerrillas.⁴⁰ The AFP claimed that the CPP-NPA has already established a mass base in the province of Batangas and alleged that the NPA unit that attacked the NAPOCOR plant, which primarily came from the Melito Glor Command in Mindoro (although other media reports indicate that the rebels also came from other Southern Tagalog provinces and Bicol⁴¹), may have been sheltered and protected by relatives and sympathizers in the area.⁴²

The continuing armed conflict between the AFP and the NPA also has negative implications to the effectiveness of the government in implementing relief and rescue missions particularly in times of calamities or natural disasters. This was particularly the case during the AFP's rescue mission in Bulacan in November 2004, where NPA rebels reportedly ambushed military troops while the latter were conducting relief operations for flood victims. Relief operations by the military were hampered because of the ambush in Bulacan. Consequently, the national government had to appeal to the communist rebels not to attack American troops who were also helping the Philippine government in rescue and relief operations in Quezon following devastating typhoon and flooding in several municipalities in the province. The communist insurgents appeared to have heeded the call of the national government as no ambush took place against the American forces, although NPA spokesman Gregorio "Ka Roger" Rosal urged the pullout of US troops after the CPP Central Committee reprimanded him. (Rosal previously announced that the NPA would not harm the US forces as long as they remain within the areas of rescue mission. However, Rosal reportedly got a dressing down from CPP Chairman Jose Maria Sison on 16 December 2004 as the latter believed that the relief operation was only a pretext for US troops to gather intelligence on NPA strongholds in Aurora and Quezon. Consequently, Rosal took back his statement and called for the pullout of the 600 American troops from the area.⁴³)

C. Political Costs

1. NCR Perceptions on Communist Insurgency

The protracted armed conflict between the AFP and NPA has resulted in very low net approval rating of the national government since 1999 in dealing with the communist insurgency. During the Estrada administration, net satisfaction rating was +21 on the performance of the government regarding reconciliation with the communist rebels.⁴⁴ Meanwhile, net satisfaction rating was +47 on the ability of the AFP to protect and defend citizens against all forms of rebellion.⁴⁵

Under the Arroyo administration, the net satisfaction rating on the performance of the government regarding reconciliation with the communist rebels was much lower than Estrada's in the first two years (+7 and +18 in 2001 and 2002, respectively), and slightly higher (+23) in 2003.⁴⁶

In the NCR, there was stronger negative net agreement (-19 compared to the national

⁴⁰ Mei Magsino, "NPA threat still grips Calaca folk," *ibid.*

⁴¹ Joenald Medina Rayos, "Batangueño execs dispute rivals on Calaca raids," *The Manila Times*, 13 January 2004.

⁴² Miko Santos, "NPA gaining support in Batangas: military admits," *Sun.Star Manila*, 19 January 2004, from <http://www.sunstar.com.ph/static/man/2004/01/19/news/npa.gaining.support.in.batangas.military.admits.html>.

⁴³ "CPP spokesman in the doghouse?" *The Philippine Star*, 27 December 2004.

⁴⁴ *Social Weather Report*, Quarter 3 1999, p. 31.

⁴⁵ *Social Weather Report*, Quarter 4 2000, p. 55.

⁴⁶ *Social Weather Report*, Quarter 4 2001, p. 53; Quarter 3 2002, p. 51; Quarter 2 2003, p. 70.

-16) to the statement that the NPA network is widespread in the region, and a lower net agreement (+8 compared to the national +9) to the statement that most people in the region do not sympathize with the NPA. There was also a higher net agreement (+34 compared to the national +27) in the NCR to the statement that communist rebels are terrorists.⁴⁷

2. Prospects for Peace Talks

Progress in the negotiated settlement of the communist insurgency remains stalled as the CPP-NPA rebels demanded the Macapagal-Arroyo government to lobby for their removal in the American and European terrorist lists as a precondition for resumption of peace talks.⁴⁸ However, the Macapagal-Arroyo government insisted that the listing of the CPP-NPA as a terrorist group is a sovereign act of the American and European governments and for which the Philippines would not interfere. For its part, the Philippine military had opposed the delisting of the CPP/NPA as a terrorist organization even as the US renewed the terror tag on the communist insurgent group.⁴⁹ Consequently, the communist rebel negotiators unilaterally called a one-month postponement of the peace talks originally scheduled in late August 2004.⁵⁰ However, this was superseded by an announcement a few days later by exiled communist leader Jose Maria Sison that the peace talks would be suspended indefinitely in protest of the US renewal of terror tag against the CPP/NPA.⁵¹ In September, the head of the government's peace panel had appealed to the US and European governments to remove the communist insurgent group from the list of international terrorist organizations to pave the way for the resumption of peace talks.⁵²

The prospects for the resumption of peace talks with the communist rebels could be undermined further by: 1) pronouncements of the government and the military that link the CPP-NPA to international terrorist organizations; 2) the violent dispersal of striking workers in Hacienda Luisita; and 3) NPA attack on soldiers who were on relief and rescue mission in flooded areas of a province close to Metro Manila in November. In October, President Macapagal-Arroyo ordered a review of the government's strategy in addressing the communist insurgency problem, including the peace talks, following intelligence reports of increased links between the CPP-NPA and international terrorist organizations. While she said that her government was not ready to have the CPP-NPA removed from the list of foreign terrorist organizations (FTO), she nonetheless expressed her government's commitment to the peace process.⁵³ Meanwhile, the Philippine military still considers the NPA as the main threat to internal security even though its armed strength remains the same because the number of communist-influenced *barangays* (villages) had increased throughout the country.⁵⁴ Even so, the military is still in favor of continuing peace talks with the communist rebels.⁵⁵

⁴⁷ Social Weather Report, Quarter 2 2003, p. 94.

⁴⁸ "CPP, NPA want Arroyo to ask US, Europe to them off terror list," The Philippine Star, 11 August 2004.

⁴⁹ "Military opposes CPP/NPA delisting," Inquirer News Service, 12 August 2004.

⁵⁰ Marvin Sy, "Gov't won't act on CPP-NPA request for delisting as 'terrorist'," The Philippine Star, 13 August 2004.

⁵¹ Benjie Villa, "Joma postpones peace talks indefinitely over terror tag," The Philippine Star, 17 August 2004.

⁵² Joey Gabriela, "Delisting of CPP, NDF from terror list urged," Inquirer News Service, 18 September 2004.

⁵³ Sol Vanzi, "Government Sees Links Between Reds, Terrorists," Philippine Headline News Online, 20 October 2004, from <http://www.newsflash.org/2004/02/hl/hl101177.htm>.

⁵⁴ Christine Avendaño, "NPA still main threat, says military chief," Inquirer News Service, 27 November 2004.

⁵⁵ Juliet Labog-Javellana, "Cabinet split over review of peace talks with Red," Inquirer News Service, 2 November 2004.

The bloody encounter between police and striking workers at Hacienda Luisita in Tarlac province in mid-November 2004 is also likely to scuttle the peace talks between the government and CPP/NPA/NDF. Some government officials expect that the communist insurgents will raise the issue as a violation of human rights by authorities. About fourteen people died in the violent dispersal of picket lines that were alleged by the police and the family of former President Corazon Aquino to have been infiltrated by leftist groups that sparked the riot.⁵⁶ Meanwhile, executive and legislative officials of the government condemned the ambush staged by NPA guerrillas in San Rafael, Bulacan province that killed ten AFP soldiers who were on rescue and relief mission following a typhoon and flood devastation that left about 340 people dead and some 150 more missing.⁵⁷ The government could raise the incident as a human rights violation by the NPA, which could be an additional thorn in the peace talks with the communist rebels. The government also blamed the NPA for the flood devastation in several provinces as a result of alleged illegal logging in these areas.⁵⁸

D. Views from Below⁵⁹:

1. Local Government and Community Leaders

It is interesting to note that, at the local level, the views of local government officials and community leaders in Rizal regarding the communist insurgency problem are quite different from those at the national level. The following are some of the anecdotal perspectives of local officials based on interviews conducted in Antipolo City and Rizal province.

a. Provincial Level Perspectives⁶⁰

For Professor Valdez, the revolutionary forces linked to the communist insurgency are felt in the province of Rizal, although not as much as in the provinces of Quezon, Bicol, and Mindoro. While the threats that the NPA-related activities bring are serious – geographically speaking – in the mountainous areas of these provinces, the “political side” of it extends to the Metro. “*Lumalakas ang pwersa ng insurgents. They’re everywhere, hindi na lang sa bundok.*” He sees poverty, aside from ideology, as the root cause of rebellion. According to him, part of the problem lies with the Philippines’ underdevelopment: as long as there are people who are hungry, and economic exploitation and the inequitable sharing of wealth exist in the country, these communist insurgents will continue fighting. “They have a cause,” he added

Professor Valdez sees government efforts in dealing with the insurgency problem as basically inadequate. In fact, its performance and how it delivers the basic services to the

⁵⁶ Joel Francis Guinto, “Hacienda Luisita can be ‘thorn’ in talks with Red – Palace,” INQ7.net, 18 November 2004.

⁵⁷ “Palace condemns NPA ambush on soldiers in relief mission,” The Philippine Star, 2 December 2004.

⁵⁸ Jeffrey Valisno, Carina Roncesvalles, and Romer Balaba, “NPAs involved in logging – GMA,” BusinessWorld Online, 3-4 December 2004.

⁵⁹ Names of the interviewees mentioned in this section are not their real names, so as to exercise confidentiality as well as for security reasons

⁶⁰ Date of Interview: 20 December 2004 and 13 December 2004.

people do not help solve the insurgency problem at all. He believes that as long as there are people who are deprived, and graft and corruption in the government remain rampant, the Philippines will not be able to solve the problem with insurgency – for it is basically a function of widespread dissatisfaction with the government. He considers the NPA problem as not unique to the Macapagal-Arroyo Administration but all the other presidents before her. He also believes that the government is tolerating insurgency problem through “leniency.”

As to the Rizal provincial government’s response to the insurgency problem, Professor Valdez said that giving the people their basic needs – education, scholarship, farm-to-market roads, health centers, sports areas – is the best way to show the community that the local government is effective. For him, the target of the rebels is always the bad government – therefore, as long as the local government of Rizal is performing well, it need not fear the insurgents. He acknowledged, however, that there will always be lack of trust between the government and the NPA; and because of this, even innocent people suffer, especially when either of the two parties begins to use violence. The business sector is also affected enormously by the insurgency problem, as talks about the presence of revolutionary forces in an area drives away investments as they are wary of revolutionary taxes and state of disorder. In effect, people are deprived of possible or potential sources of income.

According to Professor Valdez, the government will not be able to address the insurgency problem if it relies only on peace talks and negotiations. Negotiation is only part of the long process. Because he believes that the CPP-NPA is not a terrorist group but one that is composed of principled people fighting for the rights of the oppressed, the solution will be to look for the common points where the interests of both parties will meet. In the long run, sincerity (of both parties) will be the key. “Sincerity means how the process will be executed should be heartfelt and in the mind.” The parameters for this process must also be properly drawn so that the good objectives of both parties will be met.

Councilor Cruz believes that the intentions of the communist insurgents are serious and their motivations spring from deep-seated ideological irreconcilabilities with the people currently in government. He states that the residents of the Municipality of Rodriguez, particularly those who work in the local government, felt deeply threatened when in 1998, members of the NPA attacked the local police station, and abducted Maj. Rene Francisco. Recently, the Municipal Head of Public Security received assassination threats from the insurgents. These events caused some segments of the population to feel threatened and alarmed.

Councilor Cruz sees the struggle for power as the reason why the country still faces the problem of insurgency. He believes that the communist ideologues have a utopian vision, and they are seriously working towards the achievement of that vision. However, he also believes that the type of society espoused by the communists for the Philippines is “not realizable [and], cannot be achieved.” Cruz further states that the entire insurgency debacle is an offshoot of the problem of underdevelopment. “We’ve inherited a society that is underdeveloped,” he says. The lack of development he attributes to Filipinos’ being tangled up in a web of irrational relations. As regards this issue, Cruz says that at certain times, he finds convincing the claim of the communists that Philippine society is semi-colonial and semi-feudal. Colonialism and feudalism, according to Cruz, may be regarded as the causes of the irrational relations that are part of contemporary Filipino culture.

Cruz believes that the government, the military, and the police are not doing their best as regards the problem of insurgency. “There are other things we could do,” he says. He

believes that the strength of a government, or a local government unit is derived from popular support, and the image portrayed by those in governance “very much influences [the] capacity and strength” of a local government unit. He also cites moral uprightness as a factor that can bring about a higher level of trust for the government.

When compared to the NPA, Cruz says that the military is more vulnerable to downgrading its reputation in the eyes of the general public. He pointed to the recent controversies and allegations of corruption against military officials as examples of how the military downgrades its image.

According to Cruz, the local government of Rodriguez also has different ways of dealing with the problem of insurgency. He says that one way of preventing people from joining the insurgents is the efficient delivery of basic services for the people. He states that if the local government is responsive to the needs of the people, then people would not have reasons to rebel. He also identified increased government presence/visibility in remote areas as a way of containing the insurgents, since their concentration is on mountainous areas, with relatively low populations.

Konsehal Cruz believes that the problem of communist insurgency is a complex historical, political and social problem, and he cannot see any resolution to it in the immediate future. “The success of the negotiations depends on the improvement of social conditions,” he says. According to him, both the government and the communists are “buying time” as negotiations/the peace process are being conducted – the government is buying time to improve the economy, and stabilize the political condition, while the communists are buying time to deliver their “grand coup,” which in their opinion, could bring about a societal transformation.

Ms. Gonzales, an officer of Antipolo City, Rizal says that there has not been any major problem in the city concerning the communist insurgents and the muslim secessionists. According to her, she has the perception that the membership of the CPP-NPA has declined through the years. She adds that fighting insurgency is not the main concern of the city government at present. The city government currently has its attention in fighting domestic crimes and the problem of drug addiction.

Ms. Gonzales notes that the call of communists for their causes has been a long battle cry since the 1960s, but at present, their “cause” is not that strong enough to attract attention. “*Wala nang pakialam ang mga tao sa kanila (CPP) ngayon,*” (People do not care for them nowadays), she says. As regards the issue of the NPA and the MILF receiving support from international terrorist networks, she thinks it is a problem because Philippine security is not that “tight,” and that the system of intelligence and implementation of policies is “weak, and has no teeth.”

The motivations behind threats of rebellion, she believes, only show that people are not satisfied with the current social conditions. However, Ms. Gonzales somewhat refuses to believe that the struggle of the communists is grounded in a logical ideology. The insurgents commit extortion and violence for no clear reasons, according to her. Therefore, she believes that the terrorist label on the CPP-NPA is understandable. It appears to her that the communists are merely espousing anarchism. The goals of Marxism-Leninism-Maoism, according to her are not realistic.

As regards the effects of threats coming from the communist insurgents on businesses, Ms. Gonzales states that “Businesses back off when there are threats. *Syempre, takot sila at hindi stable ang utak nila* (Of course, they are afraid and their mindset is not stable).” She cites that the insurgents are known to be collecting revolutionary taxes from entrepreneurs, which, in her opinion, diminishes the confidence of firms to engage in business. Furthermore, she believes that there is nothing revolutionary in the collection of so-called revolutionary taxes. To her, it is just plain extortion.

Ms. Gonzales believes that there are problems in the implementation of terrorist-related policies. She believes that the budget being allocated to the police and the military is not being maximized – this is why she thinks some policemen resort to “*kotong*” and “*lagayan*.” Also, corruption in the military diminishes the integrity and capability of the institution, and also diminishes the resources needed to curb terrorism.

“There is still hope for a peaceful resolution to this problem,” Ms. Gonzales says, as the negotiations are still going on. But then, she asks: “Whose interests are being fought for? What specific interests are being talked about?” As regards the use of violence of both camps to achieve their respective ends, she believes that violence, whether used in war or in revolution, would ultimately be needed in order to achieve certain ends. However, she also states that it might be helpful if the government would give way, and compromise, in order for the conflict to be resolved peacefully.

So far, the efforts of the local government of Antipolo in order to maintain security are effective, Ms. Gonzales says. Their 92 policemen are being given incentives by the local government so that they will not feel demoralized and would continue doing their duties effectively. She states that the residents of Antipolo are thankful that communist insurgency is not so much a problem in their city. Ms. Gonzales says that she believes the City of Antipolo is still a safe place to live in.

b. Provincial Police Perspectives⁶¹

According to Police Inspector Cardano of Antipolo City PNP, the communist and Islamic insurgencies are the most potent threat to national security as of this time. About 40-60 percent of Antipolo City is primarily in the mountainous area, and there have been reports of recruitment and other NPA-related activities in the mountainous community of the province. He also admitted that one of the many known communist groups is based in Antipolo – the NAAC, or the Narciso Antero Aramil Command.

Mr. Cardano sees poverty, above everything else, as the main motivation behind rebellious acts. One of the reasons, he says, is the government’s failure to implement the Comprehensive Agrarian Reform Program. It has been one of the most salient issues that these people are fighting for. Along with grievances against the government for being unable to provide effectively for the people’s needs, widespread graft and corruption in the government causes these people to lose trust and join rebel groups. He believes that these groups are not driven solely or purely by ideology, but rather, ideology is only part of the package. “*Wala namang isyung mas maganda pa diyan. Kasi dapat, pag may ipinaglalaman ka, dapat ‘yung isyung ire-raise mo sa tao, ‘yung katanggap-tanggap sa kanila.*”

⁶¹ Date of Interview: 21 December 2004 and 12 January 2005.

As regards the state of peace and security in Antipolo City, he claims that Antipolo is still a safe place to live in. Revolutionary forces are felt, but they are not aggressive. They (NPA) just make sure that they are visible so they can impress upon the local government and the community that they are a force to reckon with. Mr. Cardano also confirmed there are two *sitios* in Brgy. San Jose “influenced” and “threatened” by the NPA.⁶² The business sector, even the small sari-sari stores are affected, of course. He does not believe in the principle behind revolutionary tax, as he claims that it is only plain extortion.

When asked about the Antipolo PNP’s response to the insurgency problem, he said that at best, they could only gather information, investigate, and build up cases. Directly confronting the rebel forces is not in the PNP’s jurisdiction but is the responsibility of the AFP Internal Security Operations. Mr. Cardano thinks that pursuing the peace process the key to ending the insurgency problem. There is no alternative to this as violence, killing, and war could only worsen the problem. The solution should be beneficial to both parties. With regard to what policies have and have not worked, he pointed out that: “All policies are designed to work, and they are all good policies. The problem comes in when we (meaning, the government) fail in implementation and one of the two parties fails to keep up with the terms of their agreement.”

SPO3 Mendoza has been a police officer at the municipality of Rodriguez, Rizal for 24 years, and he says that he has closely followed the issue of communist insurgency in the Philippines. He regards the threats posed by the insurgent movement on national security as being the result of differences in views as to how the state/government should be administered. He perceives that communist insurgency is still a serious problem, since it has adverse effects on peace and order, consequently giving rise to a host of other problems as well.

In an interview with SPO3 Mendoza, he states that the policemen of Rodriguez had felt the seriousness of the insurgency problem when in the afternoon of 30 October 1997, the Rodriguez Police Station was attacked by the communist rebels who ransacked their armory, took away most of their firearms and ammunition, and abducted their Chief of Police, Maj. Rene Francisco, who, after about two or three months was also released. SPO3 Mendoza said that the rebels went into the police station disguised as complainants. “*Hindi namin kayo sasaktan kung hindi kayo lalaban. Mga baril n’yo lang naman ang kailangan namin,*” were the words of the rebels to the police officers, SPO3 Mendoza recounts. Some of the he rebels who attacked their station were still relatively young, SPO3 Mendoza adds. Some of them, he remembers, looked like they were still in their teens and 20s. This, according to him only shows that the rebel movement can still recruit strong and young combatants.

SPO3 Mendoza admits that they (the policemen) felt quite vulnerable when the rebels raided their station. Even the residents of the community, he recalls, felt alarmed during that time. He remembers that during the time of the NPA raid, an action movie was being shot in the town plaza, and there were lots of spectators watching the shooting. But when news of the NPA raid spread throughout the town, the crowd gathered around the plaza to watch the shooting thinned out. He also says that a segment of the town population were then reluctant to go to the cemeteries the All Saints’ Day after the NPA raid, due to fear of a violent act that might be conducted by the rebels.

⁶² Later to be denied by Mr. Magbanua, overall Chief, Brgy. San Jose Tanod.

In order to redeem their image of being protectors of the people, and to buy back the trust of the people following the attack on them by the rebels, the Rodriguez local police intensified their counter-insurgency program. Part of this includes conducting regular dialogues/seminars with the leaders of the *barangays*. Before the raid, the local police conducted these dialogues once every month, but after attack, the dialogues began to be held three times a month. Also, increased intelligence and surveillance operations were conducted. The local police also recruit civilian informants in those areas where NPA presence is believed to be strong. These measures, SPO3 Mendoza believes, allows the local police to anticipate the actions of the rebels, and also instills to the town population (especially the youth) civic virtues which may serve to counter the strategy of the rebels to recruit new members.

As regards the spillovers of the insurgent movement on business, SPO3 Mendoza says that he hears certain rumors involving the rebels' collection of revolutionary taxes from the local entrepreneurs. However, no formal complaints on the part of businesses denouncing the collection of revolutionary taxes have reached the local police. He generally sees the insurgent movement as causing no great harm to the businesses in Rodriguez. In fact, he says that he remembers Mayor Pedro Cuerpo saying that municipal income has risen through the years, and that he, having been a lifelong resident of Rodriguez can attest to the increase in commercial establishments in the municipality.

The problem of insurgency, according to SPO3 Mendoza, can be best addressed by "dealing with it from below, [that is,] *sa barangay pa lang dapat pinipigilan na yan.*" The local government of Rodriguez, through effectively and efficiently providing services to the town population, he believes, is doing its best in dealing with insurgency – a problem, according to him, "[which] can still worsen if not effectively solved."

c. Barangay Officials' Perspectives⁶³

Kagawad Gomez has been serving as Barangay Tanod in *Barangay* Burgos, Rodriguez, Rizal for more than 20 years. He has been serving as *Barangay* councilor from 1997 to the present. Currently, he is the one in charge of the peace and order and security situation of the *Barangay*.

Kagawad Gomez says that in his long experience of service to the *barangay*, he is thankful that has not yet received reports or complaints from residents regarding the NPA's activities. He believes that the members of the NPA can mostly be found in *Barangays* near the mountains. However, he says that he also believes that there are communist insurgents in the towns and cities, doing intelligence operations.

The majority of the reports that he receives regarding security/peace and order are those concerning petty quarrels between neighbors, robbery, alcohol-related violence, and drug addiction. The conflicts reported to the *barangay* are, according to him, easily resolved, save for the problem of drug addiction, which, according to him, seems to be getting worse.

The residents of Brgy Burgos, *Kagawad* Gomez says, have no reason to feel threatened as regards the presence of the communist insurgents, since he believes that the

⁶³ Date of Interview: 21 December 2004,

insurgents are weak, and they do not have the support of the majority of the population. He adds that there are no business establishments in their *barangay* from which the NPA can collect huge amounts of revolutionary taxes from, since most of the businesses in the *barangay* are small, family-owned sari-sari stores.

The conflict with the communist insurgents, Kagawad Gomez says, comes from a difference in views, and a lack of unity among people. He says that he actually pities those rebels who are killed in encounters with the military, since he believes these people are innocent, and have only been brainwashed by communist ideologues. He states that both the government and the NPA have faults as to why the problem of insurgency still persists to this day. The government's fault, he says, lies in its corrupt practices, which diminishes the resources needed to provide security to the people, and also reduces the trust of the people to the government, which in turn may also be the cause as to why people still join the NPA. He says that if corruption in the government is eliminated, and if the government will be able to deliver services to the people, then people will perhaps have no reasons to join the revolutionaries.

The problem regarding communist insurgency, according to Kagawad Gomez, might be solved if the leaders of the communist movement are reproached for the acts of violence they command their followers to do. It would be better, he says, if the leaders of the communist movement will stop fighting for their causes, since he believes what they are fighting for are causes that are too abstract and idealistic.

Mr. Delos Santos, Chief Tanod of Barangay San Jose, denies any claim that his village or any part of it is under the influence or threat of an NPA group. One of the most common cases brought to the Barangay are violent fight against neighbors, quarrels between husbands and wives, or drunken kumpadres, as well as on rare occasions, rape. There may be some heinous crimes, but none of them are related to NPA or the communist insurgency. As a whole, the peace and order situation in Barangay San Jose is stable.

His view of the insurgency problem, like those of other local government leaders of Rizal, considers poverty and hunger as its root cause. He believes that the CPP-NPA is not a terrorist group because the people behind it have a vision for the country. They continue fighting for the common people for as long as there is poverty, hunger, graft and corruption in the government. He says that the government is responsible for the insurgency problem because of its own shortcomings: the economy has gone from bad to worse, and it is always the poor people that suffer (they are the ones who pay the taxes and do not get anything from the government in return). If only the government was more effective, there would not be any insurgency-related problem at all, according to Mr. Delos Santos.

He believes that engaging in peace talks is valid, but not sufficient, as it does not touch on the real issue. What could be the solution? He answers, "*Imbes na magdala ng baril, magdala kayo ng tinapay sa bundok, ng pagkain, gamot. May karapatan kasi silang ipinaglalaman. Kulang lang tayo (the government) ng pang-unawa sa kanila.*" Though convinced that the rebel groups are driven by social problems related to poverty and hunger, Mr. Magbanua is also convinced that they are driven by ideology. "*Hindi sila masamang tao. Nagagandahan lang sila sa ganoong patakaran...na may ipinaglalaman sila. Kulang kasi sa suporta ang gobyerno.*"

d. Perspectives on the Calaca NPA Attack:

Barangay Dacanlao – Calaca, Batangas

The town of Calaca, Batangas was the site of an encounter between the military and NPA rebels at dawn of January 10, 2004, when members of the NPA attacked Gate 4 of the NAPOCOR Coal Thermal Power Plant in *Barangay Dacanlao*.

Barangay Captain Nuñez of Dacanlao says that the initial reaction of residents of the *barangay* was, of course, fear. He says that residents were restless for 2-3 days following the encounter between the military and the insurgents. Most of the residents could not sleep during the days immediately following the attack, the children especially. Those living near Gate 4 of the power plant, he said, left their homes and lived with relatives in nearby *barangays* for a few days. Furthermore, he has noticed that the incident has become a major topic in conversations among residents, resulting in increased vigilance among the people of the *barangay*. Brgy. Capt. Nuñez believes that the increased presence of the military has been helpful in restoring the peace and order situation of the *barangay* and the town, and also in getting the *barangay* out of the atmosphere of fear. He notes that the military were quick in sending reinforcements, since additional soldiers had already been sent to their area an hour after the encounter began. Brgy Capt. Nuñez says that he believes the communist insurgents will never be successful in conducting any of their plans regarding taking control, or destroying parts of the power plant, since the plant is severely guarded. Furthermore, he believes that the membership of the NPA is weak, and the rebels are severely outnumbered by the soldiers.

Residents who were interviewed shared their memories of what happened. The rebels attacked Gate 4 of the power plant at around 2 in the morning of January 10 2004. Some residents were awakened from sleep by sounds of firearms. The encounter lasted for about three hours. Residents living near Gate 4 said that they were afraid to get caught in the crossfire between the soldiers and the rebels, and their fear of violence forced them to leave their homes for a few days. The residents said that their place is peaceful, and that the encounter between the military and the rebels in January was the first to occur in their town. The residents believe that the reason as to why the rebels attacked the plant was that possible destruction of the plant, or a halt in its operation, could result in extensive power interruption. The power plant supplies energy not only to Batangas, but to other parts of Luzon as well (including Metro Manila), and the effects of a potential destruction of the plant may be regarded as a way for the NPA to assert its power.

The attitude of the residents to the rebels was primarily one of aversion. “*Hindi tama yung ginawa nila,*” (What they did was not right) a resident said, referring to the attack made by the rebels on the power plant. Furthermore, the residents believe that the rebels were not part of their own community, but were from nearby provinces, where they think NPA presence is stronger, such as Mindoro, Quezon, and Laguna. They added that they do not know of people from their community who are members of the NPA. The reasons cited by the residents as to why they think the presence of the NPA is weak in their community is that first, their community cannot be considered “poor,” since they believe the residents have stable sources of income. Poverty is believed to be a reason why people join revolutionary groups like the NPA. The power plant, a resident said, is one of the major sources of employment for the community. Moreover, a resident stated that his community, although rural, is not feudal – that is, lands have already been distributed to the farmers long ago, and that peasants are believed to have no reasons to take up arms.

A resident says that he believes the NPA rebels are fighting for a lost cause since they have been weak, and they have not been successful in their attempts of taking control of the *barrios*. Brgy Capt. Nuñez says that it would be better if the rebels would go down from the mountains and live normally. Majority of the interviewed residents say that the negotiations between the Government and the leadership of the NPA is good, as it may resolve the conflict in peaceful ways. However, both parties must also consider the safety of the civilians, and unless both parties respect and adhere to the terms and conditions agreed upon, they believe that incidents like that in Calaca will continue to happen.

2. Institutional Views of Government Agencies and Private Companies⁶⁴

a. Financial Costs

In general, the participants in the focus group discussion did not give exact amounts of the financial costs in terms of revenue losses and insurance premiums incurred by their respective companies in relation to the threats posed by communist insurgency and terrorist attacks and their spillovers. They pointed out that it was difficult to determine exactly how much was lost by their companies. However, they admitted that communist insurgency and terrorism have serious impacts on their businesses.

(It is important to note that, following 9-11, terrorism insurance became unavailable in the country. It became available again only in late 2003. For Smart and Piltel, their terrorism insurance cover rate tripled after 9-11. Although the insurance rate is applied to the total insurable value, the cover is limited to a much smaller amount, which brings the effective insurance at a much higher rate. Power companies, when required by lending institutions, also have to pay about the amount of terrorism insurance rate as the telecommunications companies.)⁶⁵

The representatives of the telephone companies agreed that it is the communist insurgents that are attacking their facilities (such as cell sites) especially in the provinces. According to the Globe representative, the Globe cell site, which is closest to Metro Manila, is located in Cavite. In the case of Smart Communications, most of its cell sites are located in the provinces, particularly in the Visayas and Mindanao. The representatives of both companies noted that although their companies are subjected to “revolutionary taxation” by the CPP-NPA, their stand is not to give in to such demands of communist insurgents.

A representative of the Aboitiz company stated that, thus far, the company has not experienced attacks from communist insurgents. With regard to the incident involving Superferry 14 in 2004, she said that it is still currently being investigated and that there are opposing views concerning it. However, one of the serious effects of such an incident to her company is the loss of passengers. Because of the threat of terrorism, passengers feel very insecure about traveling by sea. Hence, they now prefer to travel through other means, such as by air. The Aboitiz company tried to address this problem by introducing promotional travel packages to their customers. Ms. Ramil disclosed that the cost of a shipping vessel is almost P 1 billion.

⁶⁴ Based on focus group discussion (FGD) held on 13 January 2005 with representatives from the AFP, PNP, MRTA, NAPOCOR, Smart, Globe, PPA, Aboitiz, and NSC.

⁶⁵ Information provided by Honesto C. General, Technical Insurance Brokers, Inc.

As far as the MRTA is concerned, terrorist threats and activities have resulted in financial costs on its part. The spare parts that require to be replaced are costly since these have to be imported. Hiring technicians to repair the damaged parts of the train is also expensive because they are paid in US dollars. Aside from these, the cost of insurance had also increased. Although there is not much loss in terms of personnel, loss in the lives of passengers was great. On the whole, the most serious impact of terrorist bombing are loss of property and lives.

b. Manpower Costs

With regard to manpower costs, the representatives of the AFP and PNP noted that because of the Abu Sayyaf threat, some of the forces of the AFP and PNP were re-channeled to Metro Manila. Personnel from some units outside Metro Manila were pulled out to be deployed to secure shipping vessels, shopping malls, and other populated urban areas. Therefore, there is definitely a cost incurred in other areas that are threatened by communist insurgents from which the troops and police forces were pulled out.

c. Institutional Costs

The representative of Smart Communications disclosed that the company incurred losses amounting to an estimated P30 million in terms of loss and damage to property and equipment.

One of the spillover effects cited by a representative of PLDT was the loss of subscribers because of the attack on a cell site. When such a facility is damaged, it takes a while before it could be repaired and so it affects the services delivered by the company, particularly SMS. Because of this, subscribers could shift to another cellphone service provider. The impact of such an incident (i.e., the attack on a cell site) is not only in terms of financial losses in the short-term but also in the long-term.

The representative of the PNP stated that one of the significant effects of the threat of terrorism in Metro Manila is the shift of their resources (financial and manpower) from the areas infiltrated by communist insurgents to Metro Manila. He likewise stated that at the moment the PNP is more concerned with addressing the threat of terrorism from the Abu Sayyaf Group. For instance, during the January 11, 2005 Feast of the Black Nazarene in Quiapo, Manila, almost 2,000 PNP personnel were deployed in the whole area because of threats of terrorism by the Abu Sayyaf and other Islamic groups.

As far as the National Power Corporation (or NAPOCOR) is concerned, the attack on its Calaca power plant was due to the fact that it is located very close to a detachment unit of the Philippine Air Force. The biggest cost incurred is the psychological effect of the incident on the personnel working in the area. People have felt very insecure and were afraid that the incident would happen again. NAPOCOR believes that the power plant was not the real target of the insurgents. Its real target was the PAF detachment unit and the Calaca power plant was a mere casualty. One of the spillover effects mentioned is the increase in insurance premiums. The NAPOCOR representative noted that the increase in insurance premiums paid by companies was a result of the September 11, 2001 terrorist attacks in the United States. Insurance companies have agreed to cover the damages of terrorism but the premiums have been increased. In the case of NAPOCOR, it paid higher insurance premiums because of this rather than the Calaca incident. Another spillover effect is that the plants of NAPOCOR

throughout Luzon are linked together. Hence, one of the possible spillover effects is a Luzon-wide blackout, particularly if a generation plant is attacked. The spillover effect would be less serious if the attack is made on a transmission plant. Furthermore, it was noted that sometimes there are issues (such as the increasing cost of electricity) that are being used to attack NAPOCOR facilities. What is not known is that attacks on the facilities of NAPOCOR affect other industries, institutions and organizations.

Another spillover effect as a result of the Superferry incident was the enhancement of security measures as well as the improvement of inter-agency linkages to prevent terrorist activities in all ports of the country. According to the representative of the Philippine Ports Authority (PPA), the PPA is responsible for implementing a global security code as mandated by the United Nations. The implementation of such code is also being checked by the Department of Transportation and Communication. The initiative to improve security measures requires more financial resources on the part of PPA. Specifically, some P 400 million worth of counter-terrorism equipment would be distributed to all ports in the country in March 2005.

d. On the Nature of Insurgency, Secessionism and Terrorism

The representative from Aboitiz noted that the nature of communist insurgents has changed, i.e., from being an ideological movement to one that has become more pragmatic and “business-oriented”. She further noted that the reason why the problem of insurgency persists is because of poor education and the nature of mass media’s coverage of incidents related to the problem. Because of the persistence of these problems and threats, businesses continue to suffer losses because of increases in the costs of security, consultancy and compliance to international standards.

Moreover, the MRT representative noted that the problem of insurgency persists because of “political and power struggle”. The communist insurgents want to continue to show the people that they are powerful. They attack people and properties because they want to embarrass the government. In return, the insurgents and terrorists want to get the sympathy of the people. Furthermore, part of the reason why the problem of insurgency persists is because local candidates even pay the New People’s Army (NPA) to campaign in certain areas. As regards the threat of terrorism, the MRTA considers it very serious because even just a rumor of terrorist bombing severely affects the operations of the MRT. It causes panic on the part of the riding public and loss of income on the part of the MRT.

e. National and Local Government Policies on Insurgency and Terrorism

Policies that are working or not working

The PLDT representative considers the peace talks as an effective counter-insurgency measure of the government. Peace talks are apparently working at the government level because the insurgents and the secessionist groups realize that they cannot face up to the power of government forces. However, he noted that corporations have become “soft targets” of insurgents and terrorists; hence, the policy implications of this should be seriously considered by government.

According to the NAPOCOR representative, one of the policies that seem to be effective is ER1-94, which aims to give benefits to host communities that take care of power plants in their areas. NAPOCOR also funds some projects of LGUs that host power plants such as the construction of roads, bridges and other infrastructures. In this way, the NAPOCOR (as well as the power plant) gains acceptance of the community and in a way, this provides security for the facilities. In addition to this, NAPOCOR also has a Corporate Security Plan (for internal and external threats) although implementing this requires additional cost for the corporation.

For his part, the MRTA representative believes that the government is undertaking all measures to protect all public and private properties. In fact, the PNP initially deployed personnel in all LRT and MRT stations for security purposes, particularly after the LRT bombing in December 2000.

Areas of national and local policies that need improvement

On the whole, the participants agreed that government should have effective and sound policies to address the threats of insurgency and terrorism. On the part of Smart Communications, it considers the harmonious relationship between the company and the local government unit as very important. This is crucial in maintaining the security of their company's facilities.

The representative from Aboitiz suggested the "re-thinking" of maritime security since training in this aspect is very much lacking. She further suggested that focus be given to "access control", enhancing the security of ports and the patrolling of areas as well as strengthening the intelligence community to prevent future terrorist attacks.

The participants also agreed that cooperation and effective linkages among government agencies are required in order to discuss counter-terrorism measures, assess security measures, and effectively implement counter-terrorism policies.

As regards counter-terrorism policy, the AFP representative pointed out that the military is currently implementing a National Internal Security Plan (NISP). However, there are certain policies that still need to be improved. One example he cited is the need for the NISP to have an "orchestrator", i.e., one who will coordinate all the four aspects of the plan. Such "orchestrator" should also serve as the "day-to-day manager" of all activities undertaken to implement the NISP. Moreover, he stated that the convergence of the four aspects of the plan should not only be done through conferences. LGUs should also be involved. Integration of inter-agency efforts and advocacy of national government agencies are also required. It was further suggested that the Philippines should have an anti-terrorism law and a more community-based approach in dealing with communist insurgency be implemented.

The representative of Globe suggested that the role of local chief executives (LCEs) in the persistence of communist insurgency be further studied. He noted that there are some mayors who serve as "mediators" of members of the NPA. The government should impose heavy sanctions against LCEs found guilty of doing this. In relation to this, a participant from the National Security Council (NSC) clarified that laws are already in place but it seems that the problem is that people do not file cases against people who commit such acts.

On the part of the PNP, it is confronted with challenges that need to be address so that it could also address the serious threats of insurgency and terrorism. Professionalizing the PNP, the passage of the PNP Reform Bill in Congress, and meeting the financial and manpower requirements of the national police force are necessary for it to effectively solve these problems.

f. On the Seriousness of the Insurgency, Secessionism and Terrorist Threats

One of the most significant concerns expressed by the participants from the business sector is related to the communist insurgents' demand for "revolutionary taxes". Both Globe Telecom and Smart Communications are seriously concerned about the security of their cell sites all over the country. In fact, Globe Telecom is presently initiating arrangements and coordinating with the AFP to secure all areas where Globe cell sites are located. However, it was noted that the AFP is not deploying personnel to cell site areas and instead encouraging the telecommunications companies to establish special Civilian Armed Forces Geographic Units (CAFGUs) because this would be cheaper than hiring private security. The companies confirmed that they have their own initiatives to secure their cell sites and facilities. Smart Communications encourages community support groups and is working closely with their host communities. Globe Telecom and NAPOCOR have special CAFGUs. In addition, some NAPOCOR facilities (such as part of the Malampaya pipeline) are being secured by the AFP.

The threats of insurgency and terrorism are considered by the participants as very serious. On the part of the Aboitiz company, it is deeply concerned about securing fully its passengers. Otherwise, the company would continue to lose revenues and the viability of the entire shipping industry would be at stake. In fact, it was noted that the Aboitiz company has seriously considered addressing the security problem of its shipping vessels even before the Superferry 14 incident. The company is also speeding up its initiatives to protect its business, properties and other interests. Likewise, it is undertaking a strategic approach in addressing the risks and long-term implications of the threats of terrorism and insurgency.

The PNP representative agreed that the persistence of communist insurgency is due to the fact that the insurgents now are no longer ideologues. The present insurgents are not the same people who fought the government in the past. Instead, they are more concerned with getting money and giving "protection" to certain business establishments.

In relation to the points raised by the participants, the PLDT representative noted that labor groups in his company have been infiltrated by communist sympathizers and, indeed, this is a potent threat for the company. However, PLDT is trying to address this by coordinating with the AFP and PNP as far as securing the identified critical areas. This is necessary because attacks on PLDT facilities would affect the services of Smart and Globe.

As opposed to the other views expressed by the participants, the AFP representative noted that the threat of insurgency is "not that serious" and "is manageable" in the NCR. However, he clarified that communist insurgency is a problem that is seriously being addressed by the AFP.

The NAPOCOR representative also noted that the corporation does not have critical infrastructure within NCR and the CALABARZON area. Its facility that is closest to NCR is found in Bulacan. It was however noted that whatever happens to this facility (in Angat, Bulacan) would affect Metro Manila.

E. Spillovers of the Mindanao Conflict:

1. Views from Muslim Communities in Metro Manila

Muslim communities in Metro Manila exist in Quiapo (Manila), Culiat (Quezon City), and Taguig, while a good number of Muslim traders are in Greenhills (San Juan). The views and concerns of key Muslim informants gathered from focused group discussions on the spillovers in Metro Manila of the conflict in Mindanao and the problem of terrorism are discussed below.

a. Reasons for Migrating to Metro Manila

Majority of the respondents pointed to the war and violence in Mindanao as the primary reason for migrating to Metro Manila. Many of them expressed the desire to live in peace and find livelihood in the National Capital Region in order to lead “normal” lives and earn decent incomes for their families. A number of them also expressed preference to stay more permanently in Metro Manila because they think that opportunities for business and a better life for their families are better in the capital than in Mindanao.

b. Prejudices Against Muslims

Many of the key informants feel that Muslims in Metro Manila are victims of prejudice by a predominantly Christian majority. Some of them sense that Christians have hidden grudges against Muslims, and they feel angry at the way that Muslims have to dance to their (Christian) tune. Muslims who run for office are unlikely to win in elections because they carry a non-Christian name. More importantly, Muslims are always the targets of the police during operations against crimes like illegal drugs, terrorism, etc. One respondent pointed out that Muslims lost their livelihood in Basilan because of the violence there; but when they came to Metro Manila, they lost their dignity because they have always been the targets of police abuses. Another respondent said that many Muslims feel they worthless human beings because they are labeled as criminals. Consequently, it is much harder for them to get police and NBI clearance to enable them to find decent jobs. A well-traveled respondent pointed out that among ASEAN countries, it is in the Philippines where Muslims are treated very badly – as “third class citizens.” Other respondents also point to prejudice against Muslim job applicants in Metro Manila given that they are likely to get rejected simply because they have Muslim names.

A number of respondents said that prejudice is also manifested in terms of poor social services provided to Muslim communities in Metro Manila, such as the inadequate health centers and the absence of day care centers, as well as difficulties of Muslim traders in dealing with government agencies. In some instances, Christian doctors and nurses working in government health centers look down on Muslims with contempt or aversion. Among Muslim traders, they feel that unless they give money, they could not expect attention from the government, particularly in the release of their goods from the customs bureau. As one trader has put it, “As long as you have money, they will pay attention to you; if not, it’s a pity. That’s how they treat Muslims.” Consequently, Muslim traders just have to live with this reality: “work and earn money, because without money, no one will pay attention to you, nor would the government help you.”

An example of Christian prejudice against Muslims is the controversy generated by plans in Greenhills Virra Mall to set up a prayer room for Muslims. The media, however, reported that an air-conditioned mosque was to be built across the Virra Mall. The homeowners' association opposed the reported construction of the mosque, arguing that it would attract Muslim outlaws and terrorist allegedly similar to what happened in Quiapo, Manila after the Golden Mosque was built.⁶⁶ For some Muslim traders in Greenhills, the media blew the issue out of proportion, which only highlighted the prejudices of Christians against Muslims. All that the Muslim traders wanted was a place for worship (*masajid*) to enable them to perform their religious obligations.

c. Police Abuses and Human Rights Violations

There is a very strong feeling among key informants that Muslims in Metro Manila have always been victims of police abuses and human rights violations by the state. They pointed out that the police do not discriminate among Muslims: if one is innocent, the police will frame him up; if one has money, the police will claim a rob-out; and if one resists, the police will claim a shoot-out. Muslims are easy prey to police abuses because many of them are eager to please their higher officials or simply to finish their operations. Others are simply eager to earn good ("*pogi*") points in order to earn medals or promotions in the PNP. In their view, many policemen are corrupt and cannot be trusted. For them, many of these corrupt policemen were already buried in debt even before they took their oath as police officers; hence, they had to extort people in order to survive because their meager salaries are not enough.

Some of the respondents have direct or indirect experiences of police abuse and human rights violations. The most common complaints revolve around illegal arrests and searches, planted evidence, and extortion in exchange for freedom of those arrested but innocent Muslims. One respondent claimed that corrupt police officers extort as much as P20,000 in exchange for the liberty of those who were innocent of the crime for which they were arrested.

The respondents recognize that indeed some members of the Muslim communities in Metro Manila may be guilty of criminal offenses against the state. Hence, they support the idea of having to police their own ranks and flush out the undesirable members of their community. At the same time, however, they also complained about some Muslims being used as a tool of the government or the police to destroy their communities. Some respondents expressed willingness to help in rounding up the bad elements in their communities in order that the innocent members are spared from police abuses. They also believe that Muslims and Christians must live and co-exist peacefully. Having a Salam Police is favorable for the Muslim communities in Metro Manila, according to some respondents.

Many of the key informants were angered by the illegal arrests made by the CIDG on 8 January 2005 against 16 Muslims in the Islamic Information Center (IIC) in Manila on the eve of the Quiapo festival. They claim that those arrested were innocent and that the arresting officers planted the evidence against them. Other respondents believe that the Salam Police cannot be trusted as well because they were instrumental in arrest of the 16 innocent

⁶⁶ Jonathan Vicente, "JV: Dialogue can solve the mosque issue," *The Manila Times*, 14 October 2004. See also Lala Rimando, "Holy mall," *Newsbreak*, 5 July 2004.

Muslims in the IIC. For them, the IIC incident is a clear indication that Muslims in Metro Manila are indeed oppressed and are victims of human rights violation even as they contend that Islam forbids attacking religious areas, like the Black Nazarene in Quiapo. They also claimed that the IIC arrests were simply aimed at earning good (“*pogi*”) points for certain police officers so they could be promoted.

d. Expectations from Government

The major concern of the Muslim respondents is the protection of their human rights. They believe that this is a priority area that the government must give attention to. Protection of their human rights is not only in relation to abuses by the police or law enforcers but also in connection with discrimination against Muslims. Specifically, they expect the government to pass laws that will protect Muslim rights in the context of equal opportunity employment.

Among Muslim traders, they expressed hope that the government will treat them equally and fairly along with other business communities (e.g., foreign businessmen and Chinese entrepreneurs) because they also contribute to the Philippine economy and, more importantly, they are also Filipinos. Specifically, they want the government to grant them more concessions and privileges extended to Chinese and foreign entrepreneurs in the form of less import taxes and financial assistance. Many Filipino Muslim traders would like to engage in export business, but they encounter more difficulties in dealing with Customs officials compared to other traders.

2. Views of Muslim Students

For this case study, eleven Muslim students in Metro Manila studying in UP, FEU, MLQU, UP Mindanao and a transient student from Mindanao State University were interviewed concerning their views on the spillover effects of the communist insurgency and the conflict in Mindanao. Their perceptions and views about the Mindanao conflict echo many of the views expressed in the focused group discussions and interviews conducted in Muslim communities in Metro Manila.

a. Peace talks in resolving conflict in Mindanao

Students interviewed expressed preference for ongoing peace talks and strongly objected to an all-out war policy against Islamist secessionist groups in Mindanao. However, some of them expressed the opinion that peace talks alone is not adequate and that the root causes of the problem must be addressed in order for a lasting peace to be ensured. This include: 1) freedom for the Bangsamoro; 2) ancestral domain; and 3) poverty and inequality. One student believes that if Muslims were given access to better education and sources of livelihood, Islamist rebellions against the state “will be reduced dramatically.” Another student expressed support for the government’s peace efforts but at the same time argued that, in the past, peace talks were tainted by political agenda of certain parties that did not benefit the majority of the Muslims in the country.

b. Prejudices against Muslims

Most students interviewed recounted some direct and indirect experiences of prejudices and discrimination against Muslims in Metro Manila, which they consider to be part of the spillover effects of the conflict in Mindanao. They point primarily to negative media reports about the conflict in Mindanao as the main reason behind the creation of negative stereotypes of Muslims. Some of these experiences they recounted include:

- Taxi drivers refuse to give a ride to Muslim women wearing a *hijab* (veil)
- Security guards in shopping malls are more “exaggeratedly meticulous” when inspecting Muslim belongings
- In applying for jobs in Metro Manila, they are likely not to be hired if they tell their prospective employers that they are Muslims because they are regarded erroneously as violent people and troublemakers
- Muslims in Metro Manila are always singled out by the police whenever a crime is committed
- Muslims are likely to be laid-off first even though they have been working for a company longer than non-Muslim employees
- The misconception that all Muslims engage in illegal activities such as selling of pirated music and DVDs

c. Insensitivity to Muslims’ way of life

Some students also identified forms of insensitivities to Muslims in Metro Manila by a predominantly Christian majority, particularly in schools and other establishments, which reinforces the feeling of “not belonging” among Muslim students. This include:

- Holding Catholic masses in lobbies of school buildings without regard to Muslim students
- Public symposia or fora in universities that formally open with invocation or Christian prayers
- Born-again professors preaching in classes attended also by Muslim students
- Absence of a worship place for Muslim students in the University of the Philippines like a mosque (whereas there are Catholic and Protestant chapels in campus)
- The lack of food service facilities in schools and commercial establishments in Metro Manila that serve *halal* food even as most food establishments serve *haram* (pork) dishes

d. CPP-NPA as terrorists

Some students expressed disagreement with the national government’s labeling of the CPP-NPA rebels as terrorists. They believe that this approach is not effective in dealing with the communist insurgency problem as it would only attract more supporters. This approach will also not work in resolving the conflict with the MILF and other Islamic insurgent groups in the country.