

## CHAPTER 3

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### **The Philippine Security Situation in 2011: Plugging the (very big) holes in external defense while continuing to face internal vulnerabilities**

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The security situation of the Philippines has become more complex as the regional environment became mired in increasing truculence between the Philippine government and China over their disputed claims over the waters around and land in the Spratlys archipelago. The lack of concern over external security that has characterized Philippine national security since the Mischief Reef crisis of the mid-1990s is now haunting the country. An external defense capability that was the strongest in Southeast Asia in the first two decades following the Second World War has been allowed to deteriorate to the point where even the highest ranking military officers admit that the Armed Forces of the Philippines (AFP) has very little to offer in terms of a military option when it comes to defending the country's territorial integrity, especially in the wake of the exchange of accusations that threatens the heretofore warm relations between the Philippines and China.<sup>1</sup> The excitement created by the exchange of words with China has not, however, changed the fact that the most serious threat to security faced by the Philippines continues to be located domestically in the form of the twin armed rebellions constituted by the secessionist Moro Islamic Liberation Front (MILF) and the Communist New People's Army (NPA). Towards the end of the year, the increasing significance of non-traditional security threats reared its head with the tragedy of tropical storm *Sendong* (international codename *Washi*) and the devastation it caused in Northern Mindanao. Overall, however, 2011 saw traditional sources of threat to security in the Philippines take a back seat to the issue of the dispute over territorial claims in the Spratly Island chain. What is clear, however, is that whether the issue involves external or internal security issues, or traditional or non-traditional security concerns, they are all affected by the long-standing weakness in capability of the AFP.

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<sup>1</sup> Katherine Evangelista, "No war will erupt over Spratlys, says PH armed forces chief," *Philippine Daily Inquirer* (24 May 2011) available at <http://newsinfo.inquirer.net/8870/no-war-will-erupt-over-spratlys-says-ph-armed-forces-chief> and downloaded on 12 December 2011.

## External Security

One commentator noted that during the State of the Nation Address delivered on 25 July by President Benigno Aquino, the most heartfelt cheer from the audience of lawmakers, their spouses, cabinet members, invited members of the diplomatic corps and media came when he declared in Filipino that "... our message to the world is clear: What is ours is ours; when you trample on Recto Bank [in the South China Sea], you trample on Recto Avenue [in the city of Manila]."<sup>2</sup> It reflected an increasing recognition of the vulnerability of the Philippines to the exigencies of geopolitics, especially in the face of a China that seemed to be more threatening in its approach to the disputed territory in the South China Sea. The very fact of the Philippine government making it doctrinal to refer to the South China Sea as the West Philippine Sea is part of this conscious need to more strongly assert the Philippine claim.<sup>3</sup> If, however, the Spratlys issue has not completely changed the principal source of threat to the Philippines, neither is it the principal vulnerability of the country in its external relations. This arguably continues to be the need to protect overseas Filipino workers (OFW) especially in the context of growing domestic political upheavals in the Middle East.

### *The West Philippine/South China Sea Dispute*

On 7 May 2009, the Philippines submitted to the United Nations a challenge to the 9-dash line delimiting the Chinese claim to the South China Sea. Fundamentally, the challenge posited that the Chinese claim was illegal, being "arbitrary and bereft of any basis or validity under international law, specifically the United Nations Convention on the Law of the Sea or UNCLOS."<sup>4</sup> This submission was a response to the official pronouncement made by the Chinese government regarding its claim to the South China Sea and the basis for it. This challenge was repeated by the Philippine government in April 2011 in a note to the UN and re-emphasized at the 18th ASEAN

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<sup>2</sup> Rodel Rodis, "SONA and the dogfight over Spratlys," *Philippine Daily Inquirer* (27 July 2011) available at <http://globalnation.inquirer.net/7303/sona-and-the-dogfight-over-spratlys> and downloaded on 21 December 2011.

<sup>3</sup> Donna Pazzibugan and Norman Bordadora, "It's West Philippine Sea," *Philippine Daily Inquirer* (11 June 2011) available at <http://newsinfo.inquirer.net/13833/%E2%80%98west-philippine-sea%E2%80%99> and downloaded on 12 December 2011.

<sup>4</sup> Albert Del Rosario, "Philippine Policy Response and Action," statement read and distributed at the Forum on "The Spratly Islands Issue: Perspective and Policy Responses" held at the Ateneo de Manila University on 5 August 2011.

Regional Forum held at Bali in July 2011. At that meeting, the Philippines presented seven cases of intrusion into waters by Chinese ships, including cases where Chinese naval vessels reportedly harassed Philippine fishermen and marine survey ships between February and August 2011.<sup>5</sup> On 8 January 2012, the Department of Foreign Affairs issued a diplomatic protest to China over the recorded sightings of three Chinese vessels (at least one of them a warship) in the vicinity of *Escoda Shoal* on 11 and 12 December 2011.<sup>6</sup>

Protests submitted by the Philippines, however, were denied by China which warned Manila from making groundless, irresponsible and totally unacceptable statements.<sup>7</sup> According to Chinese Ambassador to the Philippines Liu Jianchao these reports of intrusions were nothing more than “exaggerations.” Nonetheless, he emphasized China’s claim to exercising jurisdiction over the area and its right to do whatever is appropriate to exercise that jurisdiction.<sup>8</sup> In October, the Chinese tabloid *Global Times* featured an article which seemed to single out the Philippines and Vietnam, warning them to prepare “for the sounds of cannons” if they do not change their aggressive stance against China. The article allegedly claimed that China may have to turn to military action if the situation becomes worse.<sup>9</sup> The *Global Times* is owned by the *People’s Daily* which is the Communist Party’s official organ. It was unlikely that the article was allowed to be published without the knowledge of high-ranking Chinese officials.

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<sup>5</sup> Ibid: 4.

<sup>6</sup> Rainier Allan Ronda, “‘Phl accuses China of maritime intrusions,” *The Philippine Star* (9 January 2012): 4.

<sup>7</sup> See Alexis Romero, “Navy gets new Hamilton-class ship, says it will revive defense capability,” *The Philippine Star* (22 August 2011) available at <http://www.philstar.com/ArticlePrinterFriendly.aspx?articleId=719302&publicationSubCategoryId=63> and downloaded on 12 December 2011; Jerry Esplanada, “PH ‘invaded’ Spratlys in 1970s, China tells UN,” *Philippine Daily Inquirer* (21 April 2011) available at <http://www.inquirer.net/specialreports/spratlys/view.php?db=1&article=20110421-332362> and downloaded on 12 December 2011; and Darwin T. Wee, “China denies Philippine claims of incursion,” *BusinessWorld* (10 January 2012): S1-12.

<sup>8</sup> Dennis Atienza Maliwanag, “Philippines to assert ‘with firmness’ its claim to Spratlys,” *Philippine Daily Inquirer* (9 June 2011) available at <http://globalnation.inquirer.net/3613/philippines-to-assert-%E2%80%98with-firmness%E2%80%99-its-claim-to-spratlys> and downloaded on 21 December 2011.

<sup>9</sup> Jerry Esplanada, “China no longer angry but wants to resolve Spratlys issue among claimants,” *The Philippine Daily Inquirer* (20 December 2011) available at <http://globalnation.inquirer.net/21197/china-no-longer-angry-but-wants-to-resolve-spratlys-issue-among-claimants> and downloaded on 12 December 2011.

Increased Chinese bellicosity over the issue and assertiveness in the form of increased naval presence and activities over the disputed areas is believed to be caused by the discovery by China of evidence of more oil and gas fields in the Spratlys.<sup>10</sup> At the same time, it restored long-simmering concerns about the need to push through with the modernization program of the AFP. Various officials particularly those from the AFP have cited the need to upgrade the military's capability in the wake of reports on alleged Chinese intrusions into Philippine territory.<sup>11</sup> It also moved the Philippines closer to the United States on strategic matters.

### *Defense Ties with the United States of America*

The intensification of the issue regarding the South China Sea has led to closer policy relations with the United States on strategic issues. Cooperation with the United States on defense and security matters have been slowly building up despite some minor setbacks since President George W. Bush offered increased military assistance for the Philippines in return for the support expressed and provided by President Gloria Macapagal-Arroyo for the US war against global terrorism in 2002.<sup>12</sup> To a large extent, however, cooperation was based largely on the convergence of tactical interests rather than the recognition of common strategic goals.<sup>13</sup> Its concerns, however, with Chinese assertiveness regarding the waters and islands in the West Philippine Sea has prompted a re-thinking on the part of the Philippine government of the significance of China's emergence as a dominant power in the region and its implications for strategic convergence with the United States.

In a forum at the Center for Strategic and International Studies in Washington, DC on 23 June 2011, Secretary Del Rosario emphasized that "the United States remains the Philippines' foremost strategic ally" and noted that resetting Philippine-U.S. ties "has become an imperative, to allow the alliance to continue to meet domestic

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<sup>10</sup> *LA Midweek Asian Journal* (22-24 June 2011): A3.

<sup>11</sup> See Donna Pazzibugan, "Peace RP's only option in Spratlys," *Philippine Daily Inquirer* (19 August 2010) available at <http://newsinfo.inquirer.net/inquirerheadlines/nation/view/20100819-287601/Peace-RPs-only-option-in-Spratlys> and downloaded on 12 December 2011.

<sup>12</sup> See Noel M. Morada, "Philippine Foreign Relations after September 11 (2001-2005)," in Noel M. Morada and Teresa S. Encarnacion Tadem, eds. *Philippine Politics and Governance: An Introduction* (Quezon City: Department of Political Science, University of the Philippines, 2006): 539-542.

<sup>13</sup> See Herman Joseph S. Kraft, "The Philippine-U.S. Alliance: A Strategic Partnership in Tactical Mode," *Southeast Asia Bulletin* (Washington, DC: Center for Strategic and International Studies, October 2008): 1.

goals, while contributing to global stability.”<sup>14</sup> At its most basic, this meant the need to sustain the defense partnership with the United States built around the Mutual Defense Treaty (MDT).<sup>15</sup> The recognition of the convergence of strategic interests saw the Philippines welcoming the announced deployment of 2,500 US Marines in Australia. Secretary of Communications Ricky Carandang has referred to it and the general re-engagement of the US in the region as a “stabilizing force.”<sup>16</sup> It is not unlikely that this sentiment is shared in the Aquino Administration’s policy circles and that the stabilizing influence of the US is largely seen in terms of balancing China’s emerging regional dominance.

In turn, Assistant Secretary for Foreign Affairs Patricia Paez said that during a meeting on the sidelines of the annual ASEAN Summit held between President Benigno Aquino and President Barak Obama, the latter “expressed appreciation for the Philippines’ emphasis on a peaceful settlement and a rules-based approach in resolving the competing claims in the West Philippine Sea, specifically the need to segregate the disputed features and the disputed waters of the South China Sea because not all of the entire South China Sea should be disputed.”<sup>17</sup> Material support has also been provided in the form of a *Hamilton*-class Coast Guard cutter transferred to the Philippines on 13 May 2011. Re-named the *BRP Gregorio Del Pilar*, the cutter is currently the largest and most modern sea-going vessel in the Philippine Navy. It will most likely be employed in patrolling the waters around the country’s territories in the South China Sea, particularly Recto Bank in the Kalayaan Island Group, and Mapun in the Sulu Sea.<sup>18</sup> One more similar ship will be transferred to

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<sup>14</sup> See “Secretary Del Rosario Heralds PHL-US Strategic Alliance in CSIS Forum,” available at <http://dfa.gov.ph/main/index.php/newsroom/dfa-releases/3292-secretary-del-rosario-heralds-phl-us-strategic-alliance-in-csis-forum> and downloaded on 12 December 2011.

<sup>15</sup> Albert Del Rosario, “Philippine Foreign Policy Today,” *Philippine Daily Inquirer* (6 March 2011) available at <http://globalnation.inquirer.net/viewpoints/view/20110306-323816/Philippine-Foreign-Policy-Today> and downloaded on 12 December 2011.

<sup>16</sup> Quoted in Brian Padden, “ASEAN Leaders React to Planned US Marine Base in Australia,” *Voice of America* (17 November 2011) available at <http://www.voanews.com/english/news/asia/east-pacific/ASEAN-Leaders-React-to-Planned-US-Marine-Base-in-Australia-134031053.html> and downloaded on 12 December 2011. See also T.J. Burgonio, “Aquino, Obama agree on Spratlys,” *Philippine Daily Inquirer* (19 November 2011) available at <http://globalnation.inquirer.net/18819/president-aquino-obama-agree-on-spratlys> and downloaded on 21 December 2011.

<sup>17</sup> See Burgonio, “Aquino, Obama agree on Spratlys,” *op. cit.*

<sup>18</sup> Dennis Atienza Maliwanag, “Aquino orders release of P4.9B to beef up sea defense,” *Philippine Daily Inquirer* (10 September 2011) available at <http://globalnation.inquirer.net/12067/aquino-orders-release-of-p4-9b-to-beef-up-sea-defense> and downloaded on 21 December 2011.

the Philippine Navy in 2012 with the prospect of a third to be discussed between Washington and Manila.<sup>19</sup> The AFP would like to also procure modern jet fighters from the United States. President Aquino hopes to discuss this with President Obama during his state visit to the US in 2012.<sup>20</sup> The last F-5 of the Philippine Air Force was decommissioned in 2005.

### ***Greater Role in ASEAN***

In the context of the issues regarding the Spratlys, the Philippines has always sought to seek to address the issue through multilateral fora. In particular, the Association of Southeast Asian Nations (ASEAN) has become the bedrock of the country's foreign policy. In a thinly-veiled reference to its troubles with China, Secretary Del Rosario had declared that the Philippines "will rely on the Association in resolving its territorial disputes with other countries."<sup>21</sup> Diplomats are trying to get elements of the Philippines' proposed framework of segregating disputed from undisputed areas in the Spratlys incorporated in the draft Code of Conduct being prepared by ASEAN.<sup>22</sup> President Aquino insisted that ASEAN should take the lead on the issue at the ASEAN Summit meeting and, more importantly, at the East Asia Summit.

Beyond the issue of the Spratlys, however, the Philippines is seeking to play a bigger role in regional and global affairs through greater involvement in ASEAN. In particular, the Philippines hopes to influence the emerging regional political and security condition by working more closely with mechanisms driven by ASEAN, such as the ARF and the ASEAN Defense Ministers Meeting. Again, the issue of relations with China loomed in this context as the Philippines sought to engage all the powers with interests in the region in "non-confrontational, inclusive and transparent dialogues."<sup>23</sup>

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<sup>19</sup> See Romero, "Navy gets new Hamilton-class ship ...." *op. cit.* See also Associated Press report "US assures Manila of 2nd warship amid Spratlys row," *Philippine Daily Inquirer* (17 November 2011) available at <http://globalnation.inquirer.net/18619/us-assures-manila-of-2nd-warship-amid-spratlys-row> and downloaded on 21 December 2011.

<sup>20</sup> See Norman Bordadora, "President Aquino bares wish: Fighter jets from US just like Indonesia," *Philippine Daily Inquirer* (10 December 2011) available at <http://globalnation.inquirer.net/20645/president-aquino-bares-wish-fighter-jets-from-us-just-like-indonesia> and downloaded on 12 December 2011.

<sup>21</sup> Del Rosario, "Philippine Foreign Policy Today," *op. cit.*

<sup>22</sup> Esplanada, "China no longer angry ....," *op. cit.*

<sup>23</sup> Del Rosario, "Philippine Foreign Policy Today," *op. cit.*

### ***Protection of Overseas Filipino Workers***

Despite the apparent focus on the issue of the Spratlys, the Aquino Administration also continued to engage in firefighting in the area of OFW protection. The protection of OFWs is considered by the Administration to be the third pillar of its foreign policy. At the same time, there does not appear to be much being done in terms of providing material support to back up this commitment institutionally. Instead the issue remains an area of political opportunism. According to Secretary Del Rosario, an urgent concern here is the need to provide Filipinos facing capital punishment in other countries with the necessary support to ensure that their rights are respected.<sup>24</sup> The fact, however, that there are OFWs in 214 countries across the world means that the country's diplomatic resources are over-stretched. The issue of "drug mules" being arrested in China, charged and convicted with drug trafficking exposed the vulnerability of the country to political blackmail in sensitive relations with other countries.

Adding to the difficulties already faced by government in its commitment to protect OFWs is the issue of domestic political dynamics and how these impact on the presence of Filipino workers. The problem of Filipinos stranded in Libya at the height of the civil war there, and the dilemma of how to address the situation faced by Filipinos in Syria amidst the civil strife there will only keep on being replicated. The Aquino Administration declared the case of Syria as a crisis situation. This, however, has been heeded by very few of the reported 10,000 Filipinos in Syria. These refused the mandatory repatriation that the declaration emphasized.<sup>25</sup> Between the need to protect OFWs and the imperative to allow them to retain what are relatively good-paying jobs, the government has been fighting a battle that is unwinnable.

## **Internal Security**

Even as attention seems to be focused on the Spratlys and in the deteriorating political relations with China, the Aquino Administration has been intent on pursuing peace talks that will put an end to the decades-long Muslim secessionism and the

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<sup>24</sup> Ibid.

<sup>25</sup> John Anthony Concepcion and Vito Barcelo, "Most Filipinos not keen on leaving Syria," *Manila Standard Today* (5 January 2012) available at <http://www.manilastandardtoday.com/insideNews.htm?f=2012/january/5/news6.isx&d=2012/january/5> and downloaded on 6 January 2012.

Communist revolt spearheaded by the Communist Party of the Philippines with its armed wing, the New People's Army (NPA). A series of engagements resulting in the death of a number of Marines, and offensive operations on the part of the NPA had stretched the patience of the Aquino Administration to near breaking point. The internal situation was further worsened by year-end natural disasters.

### ***Peace and Order Situation***

Peace talks between the Moro Islamic Liberation Front (MILF) and the government of the Philippines had recommenced in January 2010 following their collapse after the fiasco of the non-signing of the Memorandum of Agreement on Ancestral Domain (MOA-AD). The MOA-AD was supposed to be the common basis for determining land rights for Muslims in Mindanao. The decision of the Philippines not to sign the document in the face of significant opposition nationwide had led to a discontinuation of negotiations and the resumption of violence. In the face of intensified fighting, both sides nonetheless affirmed their commitment to the continuation of peace talks.

By the beginning of 2011, however, the prospects for success of the resumed talks were already compromised even as negotiations intensified. In February, reports began to emerge that the renegade MILF commander that had nearly started an all-out war in the aftermath of the non-signing of the MOA-AD had broken away from the MILF and had formed his own group. Ameril Umbra Kato split from the MILF and with forces loyal to him personally formed the Bangsamoro Islamic Freedom Fighters (BIFF).<sup>26</sup> The consequences of this development followed shortly as reports came in September that Kato had teamed up with known terrorist Abdul Basit Usman.<sup>27</sup> The prospect of continuing talks with the MILF knowing that this would not lead to a final peace with Kato and the BIFF having to be dealt with was a bitter pill for the Aquino Administration.

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<sup>26</sup> Jeffrey Maitem and Rosa May de Guzman, "Ex-MILF leader forms new armed group," *Philippine Daily Inquirer* (6 February 2011) available at <http://globalnation.inquirer.net/news/breakingnews/view/20110206-318713/Ex-MILF-leader-forms-new-armed-group> and downloaded on 13 February 2011.

<sup>27</sup> Katherine Evangelista, "Military verifying reports breakaway Moro rebels, terrorist join forces," *Inquirer.net* (9 September 2011) available at <http://newsinfo.inquirer.net/55971/military-verifying-reports-breakaway-moro-rebels-terrorist-join-forces> and downloaded on 13 February 2011.

The existing ceasefire agreement between the MILF and the government was violated by both sides as isolated encounters took place throughout the talks. On 18 October, however, 19 soldiers were killed in an MILF ambush in Al Barka in the province of Basilan and 12 other wounded. The soldiers were conducting an operation against local criminals (albeit in territory claimed by the MILF) when they were attacked by MILF forces.<sup>28</sup> This nearly led to a collapse of peace talks as the military and a number of political personalities called on the Aquino Administration to engage in all-out war. It took Aquino's personal charisma to hold on to the continuation of negotiations. Nonetheless, the situation raised questions about the reliability of the MILF as a partner for peace talks given that it did not seem to have full control over its members. The Philippine government's peace panel chair Mario Victor Leonen challenged the MILF to assist in the identification and arrest of these "lawless elements" that seem to be hiding behind the ceasefire mechanisms of the negotiations.<sup>29</sup> Suspected collusion between the Abu Sayyaf Group (ASG) with the forces involved in the Al-Barka fighting also fed continuing concerns about their links to the MILF.<sup>30</sup> The ASG is believed to have a few hundred militants under its command (but grouped around different factions) and has largely been confined to the island of Basilan. It has managed to sustain itself, however, with the support of local Muslim communities and by raising resources through criminal activities (mostly kidnapping for ransom operations). Given existing conditions and dynamics, the call made by Leonen to both panels in the process to complete a political settlement in the first quarter of 2012 seems overoptimistic.<sup>31</sup>

The NPA, on the other hand, continued discussing with the government the parameters of negotiations. In particular, the insistence of the CPP-NPA for the release of its consultants who were still in jail merely pushed back the start of substantive talks. Other demands of the CPP appeared to show that they were not really serious in

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<sup>28</sup> Jose Rodel Calapano, "Yearender: Peace with MILF, NPA still elusive," *The Philippine Star* (20 December 2011) available at <http://www.philstar.com/Article.aspx?articleId=760294> and downloaded on 21 December 2011.

<sup>29</sup> Johanna Paola D. Poblete, "Gov't to Moro rebels: Target political settlement in Q1 2012," *BusinessWorld* (6 December 2011): S1-12.

<sup>30</sup> Alito L. Malinao, "Basilan massacre of Philippine troops big blow to peace talks with Moro rebels," *Xinhua News* (20 October 2011) available at [http://news.xinhuanet.com/english2010/indepth/2011-10/20/c\\_131202772.htm](http://news.xinhuanet.com/english2010/indepth/2011-10/20/c_131202772.htm) and downloaded on 21 January 2012. See also "New Directive sets up system to strengthen border control," *BusinessWorld* (12 September 2011): S1-12.

<sup>31</sup> Poblete, "Gov't to Moro rebels ...," *op. cit.*

their desire to conduct talks with the government. Offensive operations conducted by NPA fighters against various targets across the country throughout the year only served to bear out this suspicion.<sup>32</sup>

### *Natural Disasters*

On 16 December, Tropical storm *Sendong* (international code *Washi*) brought floods and strong winds that lashed Northern Mindanao. These eventually caused more than 1,400 fatalities and damages estimated at almost PhP1B across Cagayan de Oro, Iligan, Zamboanga del Norte, Compostela Valley, Palawan and other parts of the Visayas, with over 100,000 people being displaced. While the situation was attributed to unusual weather patterns, much has also been said about the contributory effect of illegal logging, deforestation, and corruption. The general condition, however, also exposed the lack of preparedness of the local government units and the poor response at national level in terms of immediate rescue efforts, managing the allocation of food and shelter aid resources, and an insufficient long-term environmental policy agenda.<sup>33</sup> Despite the experience of *Ondoy* (international code *Ketsana*) in 2009, Administrations in power (both at the local and, especially, at the national level) have continued to largely ignore the effects of human activity (such as mining and logging) that have resulted in extensive environmental degradation and the impact these have on human lives during extreme weather conditions.

## **Defense Outlook for 2012**

On 6 September, the President signed Executive Order No. 57 (EO 57) creating the National Coast Watch System (NCWS) which will serve as the central inter-agency mechanism for a more coordinated approach on maritime issues and maritime security operations to enhance governance of the country's maritime domain.<sup>34</sup> Under EO 57, maritime security operations of the government will now cover the entire archipelago. Coast Watch South was tasked with covering only Southern Philippines.

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<sup>32</sup> Calapano, "Yearender ...," *op. cit.*

<sup>33</sup> Alma Maria O. Salvador, "Environmental security, governance," *BusinessWorld* (10 January 2012): S1-5.

<sup>34</sup> "New Directive sets up system to strengthen border control," *BusinessWorld* (12 September 2011): S1-12.

EO 57 emphasizes the government's firm commitment to prioritize maritime security in the country, especially in the face of maritime challenges and threats such as terrorism, transnational crimes, drug and firearms trafficking, smuggling, human trafficking, climate change, illegal fishing, marine environment degradation and other security concerns. The executive secretary will chair the newly created National Coast Watch Council (NCWC) which in turn will be in charge of formulating strategic direction and policy guidance for the NCWS, specifically on maritime security operations and multinational and cross-border cooperation on maritime security. The new order harmonizes the policies, programs and activities on intelligence work, border control, interdiction and law enforcement of several government agencies such as the Philippine Navy, Philippine Coast Guard and Philippine National Police-Maritime Group. A National Coast Watch Center to be headed by the Coast Guard will be in charge of implementing and coordinating maritime surveillance, response and security operations.<sup>35</sup>

The signing of EO 57 in part illustrates the impact that an emergent China and its assertive policies over the South China Sea in raising perceptions of heightened threats to the Philippines from the external environment. This has opened the road for a clear-cut rationale for pushing and prioritizing the long-delayed modernization of the AFP. Together with the emphasis on internal security and counter-insurgency, the high cost of purchasing modern equipment for the AFP, particularly the Navy and the Air Force, has always been used to explain delays in the implementation of a program that was first legislated in 1995. Effectively, it proved very difficult for the AFP to have proposed purchases of big ticket items approved in the face of perceptions of lack of an external threat environment. Even in the face of Chinese aggressiveness in the South China Sea, the *BRP Gregorio del Pilar* was transferred to the Philippines at a discounted cost of PhP423 million (or a little less than USD10 million).<sup>36</sup>

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<sup>35</sup> Ibid. See also Delon Porcalla, "Aquino forms Nat'l Coast Watch System," *The Philippine Star* (12 September 2011): 4; and Christine O. Avendaño, "In light of sea claims, Aquino orders tighter security around archipelago," *Philippine Daily Inquirer* (12 September 2011) available at <http://globalnation.inquirer.net/12285/in-light-of-sea-claims-aquino-orders-tighter-security-around-archipelago> and downloaded on 21 December 2011.

<sup>36</sup> Maliwanag, "Aquino orders ..." *op. cit.*

In September, President Benigno Aquino ordered the release of PhP4.95 billion (approximately USD114 million) to enhance the Armed Forces of the Philippines capability to protect the country's territories in the South China Sea.<sup>37</sup> This will partially fund the development of capability required by the AFP for territorial defense operations, especially the strengthening of the security perimeter for the Malampaya Natural Gas and Power Project in Recto Bank. High on the list is the acquisition of a second high-endurance cutter sea vessel, three sea patrol helicopters, and other coast watch requirements of the Philippine Navy, the cost for which has been estimated at P2.65 billion. The remaining P2.3 billion is allocated for the purchase of three helicopters and the development of a base hangar for the Philippine Air Force. The amounts involved are very modest especially when compared with projected expenses on defense of neighboring countries around the region. It also illustrates the continuing limitations of the Philippines in the development of its defense capability. The country's economic growth has been unexceptional in the past year. While it did better in the past few years, it has not produced enough of a surplus to enable the Philippine government to splurge on defense.<sup>38</sup> The country will still be dependent on the goodwill of allies, principally the United States, to make significant advances in the development of the AFP's external defense capability.

The Philippines has also begun to contract local ship builders to construct vessels for the Navy. A 579-ton Landing Craft Utility (LCU) with different parts built by the Philippine Iron Construction and Marine Works (PICMW) and PROMPMECH was launched in the last quarter of 2011. The LCU is expected to provide for "a readily available watercraft for combat support missions such as logistic transport and amphibious operations."<sup>39</sup> The LCU is itself a reminder of how much internal security considerations continue to impact on defense procurement prioritization even as the AFP is shifting its focus to external defense. It is precisely, however, the kind of vessel that would be most useful in Humanitarian Assistance and Disaster Relief (HADR) operations. The constancy of human tragedies caused by natural disasters (many of them helped by short-sighted and mostly illegal economic

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<sup>37</sup> Ibid.

<sup>38</sup> In fact, Philippine economic growth slowed down from 6.9% in 2010 to 4.6% in 2011. What is perhaps indicative is that this was not primarily due to the uncertainty of global economic conditions. Growth for 2012 was projected by the World Bank to be an even more modest 4.2%. See Alex Magno, "4.2%," *The Philippine Star* (21 January 2012): 10.

<sup>39</sup> Jaime Laude, "Phl Navy acquires new vessel," *The Philippine Star* (12 September 2011): 2.

activities) in different parts of the Philippines has only heightened the non-military use that these vessels could be put to.

Clearly, developments in 2011 have had significant implications for the defense sector. The increased emphasis on territorial defense has made more explicit the imperative to develop the Armed Forces' capabilities to respond to the country's external defense needs. This will be even more important with the expected completion of the process of putting together the country's first formal National Security Policy in 2012. As has been pointed out in this chapter from the very start, all these changes do not eliminate the continuing risks that the country faces from its traditional points of vulnerability. The hardware (or, as the military refers to them, the "assets") that the military has received and is seeking to get in response to external threats would play a significant role in addressing these vulnerabilities as well. Overall, the strengthening of the defense sector's capability to conduct its traditional role would have an overspill effect in addressing the country's ability to respond to its non-traditional security concerns.

