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The Republic of the Philippines: Background and U.S. Relations

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Summary

This report discusses key issues in U.S.-Philippine relations and developments in Philippine politics, economics, society, and foreign relations. Global terrorism concerns have brought the United States and the Republic of the Philippines (RP) closer together, but they also have produced some bilateral tensions and highlighted weaknesses in Philippine economic, political, and military institutions. The RP faces terrorist threats through alleged cooperation among three groups — Jeemah Islamiah (JI), the main Southeast Asian Islamic terrorist organization with ties to Al Qaeda; Abu Sayyaf, a small, violent Muslim separatist group which operates in Mindanao and the Sulu Archipelago in the southern Philippines; and the Moro Islamic Liberation Front (MILF), an armed separatist group with alleged ties to both JI and Abu Sayyaf. President Gloria Macapagal-Arroyo has strongly supported the U.S.-led war on terrorism. Since 2001, the Philippines has received the most dramatic increase in U.S. foreign assistance in the East Asia-Pacific region, particularly foreign military financing (FMF). In May 2003, the United States designated the Philippines as a Major Non-NATO Ally. Since 2002, joint U.S.-RP military exercises (Balikatan) have focused on counter-terrorism efforts. The Balikatan exercises of 2002, in which U.S. troops provided non-combat assistance, significantly reduced the strength of Abu Sayyaf. However, there is also evidence that Mindanao appears to be transforming into a significant base of regional operations for JI. Furthermore, the rise of the Rajah Solaiman Movement (RSM), composed of Muslim converts from the northern Philippines, has the potential to expand the reach of Islamic terrorism to Manila and the main island of Luzon.

Despite general agreement on the importance of U.S.-RP relations and the U.S.-led war on terrorism, bilateral frictions have occurred as the Philippines has become more assertive regarding its self-interest and sovereignty. Meanwhile, the RP's relationship with China has become more cordial while economic cooperation between the two countries has deepened. In July 2004, President Arroyo withdrew Philippine forces from Iraq in response to the demands of Islamic militants who had kidnaped a Filipino contract worker, despite some criticism in the United States that the Philippines was “caving-in to terrorists.” The RP government has also objected to U.S. consideration of a greater combat role for U.S. troops in joint military exercises and of placing the MILF, with whom Manila is negotiating a peace agreement, on the U.S. list of terrorist organizations. Some analysts argue that the United States should pay more attention to the underlying causes of terrorism in the RP, and that the lack of widespread economic development as well as political corruption and instability in Philippine politics and the armed forces (AFP) undermine efforts at dealing with Philippine and Southeast Asian terrorist threats. The United States Agency for International Development (USAID) has attempted to address underlying causes of violence in Muslim Mindanao, including lack of economic development and poor governance. Other issues covered by this report include the Arroyo election scandal; the U.S. Marine rape case in the Philippines; and Filipino World War II veterans' claims for full U.S. veterans benefits (H.R. 4574). This report will be updated periodically.

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The Republic of the Philippines: Background and U.S. Relations

Overview

The United States and the Republic of the Philippines (RP) maintain close ties stemming from the colonial period (1898-1946). Global terrorism concerns have brought the United States and the RP, two treaty allies, closer together nearly a decade after the U.S. troop withdrawal from Philippine bases in 1992. Despite general agreement on the importance of U.S.-RP relations and the U.S.-led war on terrorism, however, some bilateral frictions have arisen as the Philippines has become more assertive regarding its self-interests and sovereignty. Some analysts argue that the United States should place greater emphasis upon the underlying causes of terrorism in the Philippines, such as political corruption and uneven economic growth.

The main pillars of the bilateral relationship are the U.S.-RP security alliance, shared values and interests regarding democracy and combating terrorism, trade and investment ties, and extensive people-to-people contacts. Filipino-Americans number approximately 2.4 million, making them the second-largest Asian-American population, and comprise the largest immigrant group in the United States armed forces.¹ Over 100,000 Americans live in the RP. In November 2005, the Senate agreed to S.Res. 307, “to recognize and honor the Filipino World War II veterans for their defense of democratic ideals and their important contribution to the outcome of World War II.” In December 2005, a similar resolution was introduced in the House (H.Res. 622), while Congress approved two additional resolutions, S.Res. 333 and H.Con.Res. 218, which acknowledged the contributions of Filipino-Americans to the United States over the last century. Broad U.S. policy objectives include maintaining the U.S.-RP alliance as the bilateral relationship matures and evolves into one of equal partners, supporting RP anti-terrorism efforts, and promoting stable and responsive democratic institutions and equitable economic growth in the Philippines.

Key considerations for Congress regarding U.S. policy toward the RP include the following:

- Carrying out joint anti-terrorism military exercises within the constraints of the Visiting Forces Agreement and Philippine sensitivities regarding national sovereignty.
- Developing an appropriate stance toward the Moro Islamic Liberation Front (MILF) as it negotiates a peace agreement with the Philippine government. The MILF historically is a separatist group,

¹ U.S. Census Bureau, 2000; Migration Policy Institute, 2003.

but allegedly has had growing ties to Philippine and Southeast Asian terrorist organizations.

- Effectively channeling U.S. development assistance, particularly in Muslim Mindanao, in order to address root causes of terrorism.
- Laying the groundwork for negotiating a Free Trade Agreement with the RP.
- Responding to problems of political corruption and turmoil in the Philippines that may distract RP government attention from issues related to the economy and to separatist and terrorist groups in the South.
- Addressing claims by Filipino World War II veterans for full veterans benefits on par with their American counterparts.
- Responding to the diversification of Philippine political, economic, and security ties in the region, including the RP's strengthening relations with China.

Some analysts assert that the U.S.-Philippine relationship is stronger than at any time since the U.S. troop withdrawal from Philippine bases in 1992. Since 2002, joint military exercises, which resumed in 2000 after a five-year hiatus, have focused primarily on counter-terrorism efforts. During President Gloria Macapagal-Arroyo's state visit to Washington in May 2003, the United States pledged increased military assistance and designated the Republic of the Philippines (RP) as a Major Non-NATO Ally.²

Other analysts contend that the lack of widespread economic development as well as political corruption and instability in Philippine politics and the armed forces (AFP) undermine U.S.-RP efforts at dealing with domestic and regional terrorist threats. In April 2005, U.S. Embassy Charge d'Affairs in

Republic of the Philippines (RP) in Brief

Capital: Manila
 Area (comparative): slightly larger than Arizona
 Government: unitary republic, presidential system, bicameral legislature, independent judiciary
 Population: 87.8 million
 Religions: Roman Catholic — 80.9%; other Christian — 7%; Muslim — 5%; other — 7%
 Ethnic groups: Malay (95%); Chinese (2%); Meztizo (Malay-Chinese or Malay-Spaniard, and other) (2%); Other (1%)
 Labor force by occupation: agriculture — 36%; industry — 16%; services — 48% (2004)
 Public debt: 74.2% of GDP
 Unemployment rate: 11.5% (2005)
 Literacy: 92%
 Life expectancy: 69.9 years (total population)
 GDP per capita (PPP): \$5,000 (2004)
 Human Development Index Ranking: 83 (out of 177)

² Catharin Dalpino, "Separatism and Terrorism in the Philippines: Distinctions and Options for U.S. Policy," *Testimony before the Subcommittee on East Asia and the Pacific, House International Relations Committee*, June 10, 2003.

Manila, Joseph Mussomeli, caused an uproar among RP officials when he stated that parts of Muslim Mindanao, with its poverty, lawlessness, porous borders, and links to regional terrorist groups, could develop into an “Afghanistan-style” situation.³ In May 2005, U.S. Ambassador to the Philippines, Francis Ricciardone, announced the cancellation of a U.S.-aided road project in Cotabato province in southern Mindanao, describing Cotabato as a “doormat” for Muslim terrorists.⁴ Some RP officials countered that U.S. officials exaggerated the lack of political control in the province.

Political Developments

Election Scandal

Gloria Macapagal-Arroyo, daughter of former RP President Diosdado Macapagal, former RP Senator and Vice-President to Joseph Estrada, assumed the Presidency in 2001 when President Estrada resigned amid a corruption scandal and popular uprising. Having survived a military coup attempt in July 2003, President Gloria Macapagal Arroyo won the presidential election of May 2004. In 2005, she faced mass protests and calls for her resignation following allegations that she “rigged” the 2004 presidential race against Fernando Poe. In a recorded telephone conversation that occurred prior to the end of vote counting, Arroyo reportedly told an election commissioner that she wanted to secure a million-vote margin. In June 2005, one year into her six-year term, President Arroyo publicly apologized for a “lapse in judgment” but vowed to remain in office and to allow the controversy to be “mediated through the constitutional process,” thus favoring risking impeachment over resigning.⁵ This scandal followed accusations earlier in the year that the President’s husband, son, and brother-in-law received kickbacks from illegal lottery operators. In July 2005, ten members, or about one-third, of the President’s cabinet resigned. Among those calling for her to step down are Susan Roces, widow of Poe, and former presidents Joseph Estrada (himself under indictment for corruption) and Corazon Aquino. On August 31, 2005, while opposition legislators boycotted the proceedings, a congressional committee voted to quash all impeachment complaints against the President.

According to some analysts, currently there is no viable alternative to Arroyo. Although support for the president is low — her approval ratings dropped from 50% in May 2005 to under 25% since June 2005⁶ — few Filipinos believe that her ouster would bring improvement to either the political system or the economy. So far, no organized opposition or spontaneous mass movement has generated overwhelming pressure for Arroyo to resign. Many Filipinos reportedly believe that Vice President

³ Julie S. Alipala, “U.S. Envoy Says He’ll Miss Driving People Crazy in RP,” *Philippine Inquirer*, May 1, 2005.

⁴ Carlos H. Conde, “Corruption Troubles Philippine Military,” *International Herald Tribune*, May 26, 2005.

⁵ Paul Alexander, “Support for Philippine President Crumbles,” *Washington Post*, July 8, 2005.

⁶ *BusinessWorld* (Manila), July 25, 2005; *BusinessWorld* (Manila), November 17, 2005.

(and former television actor) Noli de Castro, although popular, lacks the experience, expertise, and will to tackle the country's intractable economic and political problems. The support of former President Fidel Ramos has provided some legitimacy to the Arroyo presidency and, according to some analysts, dampened the likelihood of a military coup.⁷ The Philippine military, from which over a dozen coup attempts have arisen since the fall of Marcos in 1986, has remained quiet on the whole. The Catholic church, which played a prominent role in two "people power" movements (toppling Marcos in 1986 and Estrada in 2001), has remained relatively officially neutral toward President Arroyo. Defacto U.S. support came in the form of a statement by acting U.S. Ambassador Joseph M. M. M. who declared that the United States supported Filipinos applying "the rule of law" in determining Arroyo's status and that the United States did not favor either a military coup d'etat or another episode of "people power."⁸

Some experts conclude that Philippine politics is prone to instability and abuses of power. The political system is dominated by an elite whose influence reaches back to Spanish colonial times. Political groupings tend to be fragmented and unstable. Political parties are driven more by sectoral and community interests than ideology, and their members often transfer allegiances. The legislature acts as a "watchdog," but has difficulty articulating broad policy options. In this political atmosphere, charismatic leaders often rise to the top and then distribute the spoils of victory to their cronies.⁹

Charter Change

Since the fall of Ferdinand Marcos, some Philippine leaders have proposed reforming the political system in order to produce political stability and effective governance. President Arroyo has advocated "charter change" as a means toward these ends, including the following: eliminating presidential campaigning, which many political analysts argue produces "celebrity" candidates rather than competent chief executives; producing stable political party alignments; and reducing corruption. Arroyo's proposal includes a change from a unitary system to a federal one, in order to provide more autonomy and reduce tensions among restive ethnic groups in the south; and the creation of a parliamentary-cabinet system with a unicameral legislature, in order to achieve better leadership and coordination between the executive and legislative branches. Former President Ramos strongly supports the reform as a means of making economic reform easier to pass and of producing better candidates for executive office. Some analysts argue that many Filipinos outside of metro Manila — and two-thirds nationally — are opposed or indifferent to the proposed constitutional reform and support the bicameral structure.¹⁰

⁷ Gerard Finin, "Philippines' Ramos Plays 'Queenmaker' while Presidential Musical Chairs Does Little for the Poor Majority," *East-West Wire*, July 11, 2005.

⁸ Bonner, Raymond and Conde, Carlos H. U.S. in Wary Diplomacy with Besieged Philippine Leader. *New York Times*, July 22, 2005. P.A3.

⁹ Alex Magno, "The Perils of Pedestals," *Time Asia*, July 11, 2005.

¹⁰ Social Weather Stations, September 2004.

Some analysts argue that charter change, which may be viewed as a panacea by some, would not fundamentally alter some of the characteristics that plague Philippine politics. Other analysts argue that charter change would distract government attention away from economic reforms and public attention from President Arroyo's legitimacy problems. While constitutional change appears to have support in the Arroyo-controlled House of Representatives (more for parliamentary government than federal), it is reportedly opposed by a majority in the Senate, which is proposed to be abolished under such reforms.

Economy

During the post-World War II period, the Philippines was considered the second-most developed country in East Asia, after Japan; however, the country has fallen behind other developing nations in Southeast Asia. Compared to other countries in the region, the RP's once-prominent position as a destination for foreign investment has also declined. In 2004, the country ranked 100 among 140 countries in foreign direct investment (FDI). The top foreign investors in cumulative terms in 2003 were Japan (\$3.67 billion) and the United States (\$3.52 billion). Analysts state that the Philippine economy has been hampered since the 1950s by numerous factors, including political corruption, bureaucratic incompetence and red tape, an entrenched economic oligarchy ("crony capitalism"), government deficit — over 30% of the domestic budget goes toward making interest payments — and foreign debt, a highly inequitable distribution of wealth, the emigration of talented professionals, poor infrastructure, a high birth rate (2.3%), and violent crime. On a scale measuring perceptions of corruption, the Philippines ranks in the bottom third of Asian countries, along with Pakistan, Vietnam, Indonesia, and Bangladesh. Per capita income is \$5,000, just below China's \$5,600.¹¹ The Philippines ranks number 84 on the United Nations Development Programme's Human Development Index (just ahead of China).

President Arroyo's economic reform agenda includes reducing public expenditures, raising prices for public utilities and transport, raising the value-added tax, punishing citizens more severely for tax evasion, and privatizing some government corporations. The last president to carry out sustained economic reform was Fidel Ramos (1992-1998), who lifted controls on foreign exchange, permitted foreign banks in the country, busted monopolies, and deregulated airlines and telecommunications companies.¹² Positive developments under the Arroyo administration include a declining budget deficit, surging remittances from abroad, and strong performance in the agricultural sector. In 2004, economic growth at 6.1% was the highest in 15 years. For 2005, economic growth is estimated at 4.5%.¹³ Corruption reportedly has been prosecuted in some high-profile cases, but remains pervasive at middle bureaucratic levels.

¹¹ Central Intelligence Agency, *World Factbook* (2004 est., purchasing power parity basis).

¹² George Wehrfritz and Marites Vitug, "Gloria's Last Stand?" *Newsweek*, July 11, 2005.

¹³ Economist Intelligence Unit, *Country Report — Philippines*, April 2005; Global Insight, Inc.

Overseas Filipino Workers (OFWs)

The Philippine economy is highly dependent upon remittances from abroad. In 2004, nearly 10 million Filipinos overseas remitted \$8.5 billion (compared to \$506 million in FDI), equal to 10% of GDP and more than half the government budget. Remittances for 2005 have reached \$10 billion. While this source of income is a boon to the economy, some observers argue that it is not promoting long-term economic development or job creation. The flight of educated professionals may also indicate the depletion of the middle class which has long been considered the bulwark of democracy in the Philippines. The Philippines is facing a brain drain of growing severity. Officials predict a record 1 million Filipinos may go abroad in 2005. Leaders of the Philippine medical community warned that the country could face a healthcare crisis due to the surge in doctors leaving the country to work as nurses in the United States, Europe, and the Middle East. Roughly 9,000 doctors, or 12% of the total, have left the country since 2002.¹⁴

Foreign Trade

The RP's largest trading partners are the Japan, the United States, China (including Hong Kong), Singapore, and Malaysia. Merchandise exports are dominated by electronics, garments, and machinery and transport equipment. Exports to the United States have been falling slightly. In 2004, the Philippines exported \$9.4 billion in goods to the United States, compared to \$10 billion in 2003 and \$10.9 billion in 2002. The Philippines trails all major Southeast Asian states in exports to the United States. One of the fastest growing industries in the Philippines is call centers, growing at an estimated 50% in 2004 and a projected 50%-70% in 2005, and maintaining the potential to surpass India.

Promoting U.S. Trade and Investment in the Philippines

One policy option for Congress is to encourage U.S. trade with and investment in the Philippines as a means toward keeping the Philippines economically competitive in the region and helping to provide social and political stability. The Philippines welcomes U.S. investment in power, infrastructure, mining, and global sourcing (call centers, business processing, medical transcription). In 2002, the Bush Administration inaugurated a trade initiative with ASEAN (Enterprise for ASEAN Initiative or EAI) which offers the prospect of bilateral free trade agreements (FTAs) with countries that have demonstrated a commitment to economic reforms and openness. The United States has concluded a Trade and Investment Framework Agreement (TIFA) with the Philippines as a foundation for a possible future FTA. Continuing collaboration on intellectual property rights (IPR) protection would help the Philippines prepare for FTA negotiations.

¹⁴ Roel Landingin, "Philippines Faces Healthcare Crisis as Doctors Leave for Better Jobs Abroad," *Financial Times*, September 26, 2005; Alan Sipress, "Political Crisis Impedes Governance in the Philippines," *Washington Post Foreign Service*, October 2, 2005.

Terrorist, Separatist, and Communist Movements¹⁵

The Muslim terrorist and insurgency situation in the southern Philippines has become increasingly complex since 2002 when Philippine and U.S. forces conducted a relatively successful operation against the Abu Sayaf terrorist group on Basilan island off the southwestern tip of the big southern island of Mindanao. The operation reduced Abu Sayaf's strength from an estimated 1,000 active fighters to an estimated 200-400 in 2005. Another apparent positive development in the southern Philippines is that the cease-fire between the Moro Islamic Liberation Front and the Philippine government and AFP has held, and negotiations for a settlement are ongoing in Malaysia. However, there are other developments of a decidedly negative nature that could worsen the overall situation in the southern Philippines and even the Philippines as a whole. One is the growing cooperation among Abu Sayaf, several major MILF commands, and elements of Jeemah Islamiah (JI) on Mindanao. JI, the Southeast Asian Muslim terrorist organization with ties to Al Qaeda, appears to have made Mindanao a primary base for building up its cadre of terrorists. Moreover, this cooperation among the three groups appears to be transforming Mindanao into a significant base of operations rather than just a site for training; and these operations appear to target increasingly the Philippines for terrorist attacks. This, too, is related to another new development, the emergence of a group of Filipino Muslim converts in the northern Philippines, the Rajah Solaiman Movement, which is working with Abu Sayaf and JI. The result has been an increase in terrorist bombings since 2002 both in number and destructiveness and an increase in the number of bombing targets in the northern Philippines, including Manila.

The Abu Sayyaf Group

Abu Sayyaf is a small, violent, faction-ridden Muslim group that operates in the western Mindanao and on the Sulu islands extending from Mindanao. It has a record of killings and kidnaping and has had past, sporadic links with Al Qaeda.¹⁶ Abu Sayyaf kidnaped three American citizens in May 2001, including the Burnhams, a U.S. missionary couple. One of the Americans was beheaded in June 2001. In June 2002, Filipino army rangers encountered members of the Abu Sayyaf group holding the Burnhams. In the ensuing clash, Mr. Burnham and a Filipina female hostage were killed, but Mrs. Burnham was rescued.

Philippine military operations since 2001, supported by the United States, have weakened Abu Sayyaf on Basilan island and in the Sulu islands, but. However, under the leadership of Khadaffy Janjalani, Abu Sayyaf has reoriented its strategy and appears to have gained greater effectiveness as a terrorist organization. Janjalani de-emphasized kidnappings for ransom and instead emphasized developing capabilities for urban bombings. He improved ties with key military factions of the MILF and

¹⁵ See CRS Report RL31672, *Terrorism in Southeast Asia*, coordinated by Bruce Vaughn.

¹⁶ The ASG reportedly provided support to Ramzi Yousef, an Al Qaeda agent convicted of planning the 1993 bombing of the World Trade Center. In 1994, Yousef rented an apartment in Manila where he made plans and explosives to blow up 11 U.S. passenger jets simultaneously over the Pacific Ocean.

established cooperation with JI. He also re-emphasized the Islamic nature of Abu Sayyaf. Thus, even though Abu Sayyaf's armed strength has fallen from an estimated 1,000 in 2002 to 200-400 in 2005, the threat from the organization may be growing.¹⁷ Khadaffy has moved some of its operations and leadership to the mainland of western Mindanao. There it reportedly has established links with elements of JI, using several MILF base camps. There, the two groups reportedly engage in joint training with emphasis on bomb-making and urban bombings.¹⁸ In March and April 2003, Abu Sayyaf, JI, and MILF cadre carried out bombings in Davao on Mindanao, which killed 48.

By mid-2005, Jemaah Islamiah personnel reportedly had trained about 60 Abu Sayyaf cadre in bomb assembling and detonation.¹⁹ Since March 2004, the Philippine government has announced that it uncovered several Abu Sayyaf plots to conduct bombings in Manila, including the discovery of explosives. One reported target was the U.S. Embassy. In April 2004, police officials reportedly determined that a February 2004 bombing of a Manila-based ferry, in which 194 people died, was the work of Abu Sayyaf and the Rajah Solaiman Movement, a group of idealistic Filipino Muslim converts from the Manila area. In February 2005, Abu Sayyaf carried out three simultaneous bombings in three cities, which indicated a higher level of technical and operational capabilities. According to Philippine national security officials, Abu Sayyaf reportedly is training Rajah Solaiman members to carry out terrorist bombings in Manila and several other cities.²⁰

U.S. Policy Toward Abu Sayyaf

Within a few months after the September 11, 2001 terrorist attack on the United States, the Bush Administration moved to extend direct military support to the Philippines in combating Abu Sayyaf. The United States committed 1,300 U.S. military personnel in 2002 to support Philippine military operations against Abu Sayyaf on Basilan island, an island southwest of Mindanao. In 2005, the Philippines and the United States developed and implemented a combined operation in Western Mindanao against Abu Sayyaf, and U.S. military personnel also participated in non-combat operations on Jolo island in the Sulu island chain southwest of Basilan, and additional operations on Jolo were planned for February-March 2006. (For a more detailed discussion of U.S.-Philippine military cooperation, see the section on Balikpapan.)

The U.S. military role appears to be based on three objectives: (1) assist the Philippine military to weaken Abu Sayyaf in its redoubt of Jolo and the other Sulu

¹⁷ Abuza, Zachary. *Balik-Terrorism: The Return of the Abu Sayyaf Group*. Carlisle, U.S. Army War College, 2005. P. 27. Mogato, Manny. *Fighting in the Philippine South Rages, Soldier Killed*. Reuters News, November 24, 2005.

¹⁸ *Ibid.*, p. 14-19, 22-24.

¹⁹ Mogato, Manny. "Philippine Rebels Linking up with Foreign Jihadists." Reuters, August 21, 2005. Del Puerto, Luige A. PNP [Philippine National Police]: Alliance of JI, RP Terrorists Strong. *Philippine Daily Inquirer* (internet version), November 20, 2005.

²⁰ Abuza, *Balik-Terrorism: The Return of the Abu Sayyaf*, p. 36.

islands; (2) neutralize Abu Sayyaf-Jeemah Islamiyah training; and (3) kill or capture Khaddafy Janjalani and other Abu Sayyaf leaders.

Rajah Solaiman Movement (RSM)

The emergence of the RSM in 2005 presents a new terrorist threat to the Philippines. Unlike Muslims of the southern Philippines, the RSM appears to be composed primarily of Filipinos from the northern Philippines. The RSM has emerged from the estimated 200,000 Filipinos who have converted to Islam since the 1970s; many of these are Filipino who worked in the Middle East where they converted. The RSM's manpower strength is unknown, but Philippine intelligence reports indicate that it has cells throughout the main island of Luzon, including metropolitan Manila.²¹ Thus, the RSM potentially expands the reach of Islamic terrorism to Manila and other parts of the northern Philippines. A Manila bombing plot uncovered in March 2004 involved the RSM, according to Philippine intelligence officials. The RSM has cooperated with Abu Sayyaf in several bomb plots including the February 2004 Manila ferry bombing. The RSM also has received financial support and training from elements within the MILF. The RSM leader, Ahmed Islam Santos, underwent training in bombing in the MILF's Camp Bushra on Mindanao in December 2001.²²

MNLF and MILF

The U.S. focus on Abu Sayyaf is complicated by the broader Muslim issue in the southern Philippines, including the existence of two much larger groups, the Moro National Liberation Front (MNLF) and the Moro Islamic Liberation Front (MILF). Both groups have been in insurrection against the Philippine government for much of the last 30 years. The MNLF signed a peace treaty with Manila in 1996, which granted limited autonomy to four Mindanao provinces. The MILF, with an estimated armed strength of 10,000, has emerged as the larger of the two groups. Its main political objective has been separation and independence for the Muslim region of the southern Philippines. Evidence, including the testimonies of captured Jemaah Islamiyah leaders, has pointed to strong links between the MILF and JI, including the continued training of JI terrorists in MILF camps. This training appears to be important to Jemaah Islamiyah's ability to replenish its ranks following arrests of nearly 500 cadre in Indonesia, Malaysia, and Singapore. MILF leaders deny links with JI and Abu Sayyaf, but there are many reports linking some local MILF commands with these terrorist organizations. Despite over two years of disavowing links with JI, the MILF has not captured any JI cadre.²³ A stronger collaborative relationship has developed between these MILF commands and Abu Sayyaf since 2002. Zachary Abuza, U.S. expert on Islamic terrorism in Southeast Asia, has identified four of eight MILF base commands as sites of active MILF cooperation

²¹ Top Terrorism Suspect Falls. *Philippine Daily Inquirer* (internet version), October 27, 2005. Montlake, Simon. In Philippines, watchful eye on converts. *Christian Science Monitor*, November 28, 2005. P. 7.

²² Ibid. Abuza, Balik-Terrorism: The Return of the Abu Sayyaf, p. 35-37.

²³ Interview with Zachary Abuza, January 3, 2006.

with Abu Sayyaf and JI. He also has identified the MILF's Special Operations Group as facilitating joint training and joint operations with Abu Sayyaf. JI uses these MILF base camps to train both MILF and Abu Sayyaf cadre. Khadaffy Janjalani and other Abu Sayyaf leaders reportedly have received sanctuary in at least one MILF base camp.²⁴

The MILF has had tenuous cease-fire agreements with the Philippine government. The government and the MILF concluded a new truce agreement in June 2003, which has resulted in a substantial reduction in violence and armed clashes. However, the cease-fire apparently has not reduced the movement of terrorist personnel and materials between Mindanao and the Indonesian island of Sulawesi under the direction of JI. (The Mindanao-Sulawesi corridor is one of the weakest links in the anti-terrorist efforts of Indonesia and the Philippines backed by the United States). Under the truce, a Malaysian observer team visited MILF camps in March 2004 and warned MILF leaders to end ties to Jemaah Islamiyah. The Malaysian team was a forerunner of a larger team of international observers that began to monitor the cease-fire in October 2004 — and presumably MILF-JI relations. A new round of Philippine government-MILF political talks has begun. In May 2003, the Bush Administration promised U.S. financial support of \$30 million to support a negotiated settlement between the MILF and the Philippine government.²⁵

The negotiations between the MILF and the government have concentrated on the extent of autonomy for Muslim areas and Muslim rights to “ancestral lands” taken over by non-Muslim Filipinos. Philippine government negotiators predicted a peace accord in early 2006; but the Philippine military's Southern Command asserted in December 2005 that it had intelligence information that the MILF was violating the cease-fire by recruiting at least 4,000 new members.²⁶ MILF leaders denied the charge. Government negotiators and advisers to President Arroyo also denied the Southern Command's charge, which reflects divisions between military (AFP) and civilian authorities over strategy toward the MILF. The AFP favors a more aggressive strategy and is suspicious of a negotiated settlement. Nevertheless, given the active collaboration between several MILF base commands and JI and Abu Sayyaf, the Southern Command's accusation of recruiting may be plausible, although Dr. Abuza, the U.S. expert cited above, doubts that the number would be near 4,000.²⁷ This collaboration also suggests that key MILF commanders would not support any agreement between the MILF leadership and the Philippine government that did not include outright independence for the Muslim areas of the southern Philippines. In that scenario, the MILF could split with hardline elements joining

²⁴ Abuza, *Balik-Terrorism: The Return of the Abu Sayyaf*, p. 14-19, 22-24.

²⁵ Curl, Joseph. Bush Will Send More Troops to Fight Philippine Rebels. *Washington Times*, May 20, 2003. P. A10. Bonner, Raymond. Philippine camps are training Al Qaeda's allies, officials say. *New York Times*, May 31, 2003. P. A1.

²⁶ Agence France Presse (Hong Kong), December 13, 2005. Jacinto, Al. Negotiators Hold Meeting to Prevent Military-MILF Rift. *Manila Times* (Internet version), December 17, 2005.

²⁷ Interview by author of Zachary Abuza, January 2, 2006.

even more closely with JI and Abu Sayyaf, which would maintain a high level of terrorist operations despite a settlement agreement. The Arroyo Administration and presumably the Bush Administration are operating on the assumption that the MILF leadership sincerely wants a compromise peace and opposes collaboration with JI and Abu Sayyaf. However, there is another view that the MILF leadership has a relationship with the hard-line MILF commands similar to that between the political organization, Sinn Fein, and the armed wing of the Irish Republican Army. According to this view, the MILF leadership is acting as a front for the hard-line commands, shielding them from moves against them by the Philippine government and the AFP.²⁸

U.S. Policy Toward the MILF

The Bush Administration has expressed growing concern over MILF links with JI and JI's use of the Mindanao-Sulawesi corridor. The previous cited comments by the U.S. Ambassador and U.S. Charge d'Affaires in April and May 2005 indicated U.S. dissatisfaction with this situation and doubts about the Philippine government's ability to end Muslim terrorism on Mindanao. The Bush Administration has considered placing the MILF on the U.S. list of terrorist organizations. However, the Arroyo Administration has opposed such a move as potentially jeopardizing the peace negotiations.²⁹ Currently, the Bush Administration also has voiced support for the Philippine-MILF peace negotiations as the best means of de-linking the MILF from JI.³⁰ This support boosts the Arroyo Administration against the AFP's advocacy of a militarily-aggressive strategy toward the MILF. Moreover, a breakdown of the negotiations and the cease-fire likely would confront the Bush Administration with policy decisions regarding a U.S. role in a wider war. The AFP could be expected to propose increased supplies of U.S. arms and military equipment; and it likely would argue for a more direct U.S. military role. The Philippine government might change its previous policy of opposition to a U.S. military role against the MILF and encourage U.S. actions against the MILF at least in a role similar to that in the joint exercises against Abu Sayyaf.

However, if significant elements of the MILF opposed a peace agreement and moved closer to JI and Abu Sayyaf and if they were able to continue or expand terrorist operations, the Bush Administration would be faced with a different kind of challenge but one that could include similar pressures for greater U.S. military involvement. There also would be the challenge of proceeding with implementing the U.S. commitment of financial aid to support a settlement. This commitment, too, could confront the Administration with a policy decision of whether or not to employ U.S. pressure on the Philippine government to implement faithfully its obligations under a peace agreement. This scenario is plausible, given the reputed poor

²⁸ Commentary on ABC Radio News, December 28, 2005.

²⁹ Abuza, Galik-Terrorism: The Return of the Abu Sayyaf, p. 42. Gloria's powers of persuasion. *Far Eastern Economic Review*, December 12, 2002. P. 10.

³⁰ Asia Security Monitor No. 147, November 30, 2005. U.s. Says Peace Deal in Manila May Pressure JI. Reuters News, October 22, 2005.

performance of Philippine governments in implementing the 1977 and 1996 agreements with the MNLF.

Philippine Communist Party (CPP)

The CPP has directed an insurgency under its New Peoples' Army (NPA) since the late 1960s. NPA armed strength reached over 25,000 in the early 1980s and was a factor in the downfall of President Ferdinand Marcos in 1986. After Marcos fell and democracy was restored, the NPA declined in strength. However, in recent years, the insurgency has made a slight recovery, reaching an estimated armed strength of 8,000 in 2004-2005 and operating in 69 of the Philippines' 79 provinces.³¹ The CPP also has called for attacks on American targets. In August 2002, the Bush Administration placed the CPP and the NPA on the official U.S. list of terrorist organizations. It also pressured the government of the Netherlands to revoke the visa privileges of Communist Party leader, Jose Maria Sison, and other CPP officials who have lived in the Netherlands for a number of years and reportedly direct CPP/NPA operations. In December 2005, the European Union placed the CPP/NPA on its list of terrorist organizations. This could place greater pressure on the Netherlands government to restrict Sison's communist exile group.

Foreign Relations

Developments in U.S.-RP Military Relations and Security Ties

The Republic of the Philippines is a treaty ally of the United States under the 1951 Mutual Defense Treaty, and relies heavily upon the United States for its external security. In 1991, the Philippine Senate voted 12-11 to revoke the Military Bases Agreement between the RP and the United States. However, in 1995, President Ramos invited U.S. forces back on a limited basis through a new Visiting Forces Agreement (VFA), partially in response to a territorial dispute with China in the South China Sea (Mischief Reef Incident). In 1999, despite protests by the Catholic Church and leftist groups, the Philippine Senate ratified the VFA, allowing joint Philippine-U.S. military operations. In January 2000, the first joint military exercises ("Balikatan" or *shoulder-to-shoulder*) between the RP and the United States in five years took place under the VFA.³² Following the September 11, 2001 attacks in the United States, Manila offered ports and airports for use by U.S. naval vessels and military aircraft for refueling stops. On March 20, 2003, President Arroyo announced Manila's support for the U.S.-led invasion of Iraq and sent a peacekeeping and humanitarian contingent of nearly 100 soldiers and other personnel. During President Arroyo's official state visit to the White House on May 19, 2003, the United States announced a new \$65 million program for the training of

³¹ Hepinstall, Sonya and O'Callaghan, John. Interview — Communists Pose Biggest Threat to Philippines. Reuters News, January 10, 2006.

³² Leszek Buszynski, "Realism, Institutionalism, and Philippine Security," *Asian Survey*, Vol. XLII, No. 3 (May/June 2003); Anthony Spaeth, Sally B. Donnelly, and Nelly Sindayen, "Under the Gun," *Time International* (Asia ed.), May 9, 2005.

several Armed Forces of the Philippines (AFP) battalions, promised \$30 million in economic aid for Mindanao, and designated the Philippines a Major Non-NATO Ally.

In July 2004, Islamic militants kidnaped a Filipino contract worker in Iraq and demanded that the Philippines withdraw its forces from the country. President Arroyo withdrew the contingent ahead of schedule in order to save the man's life, arguing that it was in the best interests of the country to do so, despite some criticism in the United States that the RP was "caving-in to terrorists." Although over two-thirds of Filipinos supported the U.S.-led invasion of Iraq, and over half approved of the policy of joining coalition forces, they also strongly approved President Arroyo's decision. Many Filipinos have relatives working in the Middle East — an estimated 1.3 million Filipino nationals are employed in the region, including approximately 3,000 civilian OFWs in Iraq — and feared that they would become the targets of terrorists.³³

Balikatan

The 2001 terrorist attacks in New York City and Washington, D.C., prompted concern over Al-Qaeda's links to Abu Sayyaf as well as greater U.S.-Philippine military cooperation. President Arroyo and President Bush agreed on the deployment of U.S. military personnel to the southern Philippines to train and assist the Philippine military against the terrorist Abu Sayyaf group. In November 2002, the Arroyo administration signed a Military Logistics and Support Agreement (MLSA) allowing the United States to use the Philippines as a supply base for military operations throughout the region. In February 2002, the United States dispatched 1,300 U.S. troops to provide training, advice, and other non-combat assistance to 1,200 Filipino troops against Abu Sayyaf. The U.S. troops included 160 Special Operations personnel. The exercise included the deployment of over 300 troops, primarily Navy engineers, to the Southern Philippines to undertake "civic action" projects such as road-building on Basilan, an island that was the center of Abu Sayyaf's activities. In consideration of the Filipino Constitution's ban on foreign combat troops operating inside the country, Washington and Manila negotiated special rules of engagement for the Balikatan exercise. U.S. military personnel took direction from Filipino commanders and could use force only to defend themselves.

The Balikatan exercise reportedly resulted in a significant diminishing of Abu Sayyaf strength on Basilan. Abu Sayyaf's estimated manpower fell to 200-400; but it continued to operate in the Sulu islands south of Basilan and in western Mindanao. In addition, the AFP operations improved as a result of U.S. assistance in intelligence gathering, the supplying of modern equipment, and aid in the planning of operations. The United States and the Philippines negotiated a second phase of U.S. training and support of the AFP since late 2002, with an objective of training light infantry companies for use against both Muslim insurgents and the NPA. According to

³³ Social Weather Stations (Manila), September 2004.

Philippine government officials, such training usually involves 2,000 to 4,000 U.S. military personnel.³⁴

Continued Abu Sayyaf bombings led the Defense Department to consider a more extended U.S. assistance program in the southern Philippines, focusing on the Abu Sayyaf concentrations on Jolo Island in the Sulu chain. In February 2003, Pentagon officials described a plan under which the United States would commit 350 Special Operations Forces to Jolo to operate with Filipino Army and Marine units down to the platoon level of 20-30 troops. Positioned offshore of Jolo would be a navy task force of 1,000 U.S. Marines and 1,300 Navy personnel equipped with Cobra attack helicopters and Harrier jets. President Arroyo and AFP commanders reportedly had agreed to the plan in a meeting on February 4, 2003.

The Pentagon description of the plan was that U.S. troops would be in a combat role. This and subsequent statements indicated that the Special Operations Forces on Jolo would participate in AFP offensive operations against Abu Sayyaf and that the Special Operations Forces would not be limited to using their weapons for self-defense. The U.S. Marines were described as a "quick reaction" force, undoubtedly meaning that they could be sent to Jolo to reinforce AFP units. The Cobra helicopters and Harrier jets would give AFP commanders the option of requesting U.S. air strikes in support of AFP operations or transporting Filipino troops. The announcement of the plan caused immediate controversy in the Philippines. Filipino politicians and media organs criticized the plan as violating the constitutional prohibition of foreign troops engaging in combat on Philippine soil. Filipino Muslim leaders warned of a Muslim backlash on Mindanao. At the end of February 2003, the Bush and Arroyo administrations decided to put the plan on hold and re-negotiate the rules of engagement for U.S. forces. In May 2003, U.S. military officials said that the joint cooperation program aimed at Abu Sayyaf on Jolo would be delayed until the new training was completed.

In 2005, the Philippines and the United States developed and implemented a combined operation against elements of Abu Sayyaf operating in western Mindanao. The operation apparently had two objectives: (1) neutralize Abu Sayyaf-Jeemah Islamiah training and (2) kill or capture Khaddafy Janjalani, the long-time leader of Abu Sayyaf. The U.S. role reportedly involved intelligence and communications support of the AFP, including the employment of U.S. P-3 surveillance aircraft; deployment of Navy Seal and Special Forces personnel with AFP ground units; and rules restricting U.S. personnel to a non-combat role (although such rules normally would allow U.S. personnel to defend themselves if attacked).³⁵ Moreover, the U.S. role also involves non-combat operations on Jolo; in late November 2005, U.S. troops were deployed into Jolo to assist the AFP in mine clearing,³⁶ and the AFP announced joint Philippine-U.S. military exercises in the Sulu islands scheduled for

³⁴ Domingo, Bennet S. Subic Rape Case Controversy Overshadows Vfa Benefits. *Business World* (Manila, internet version), November 18, 2005.

³⁵ Bonner, Raymond and Conde, Carlos H. U.S. and Philippines Join Forces to Pursue Terrorist Leader. *New York Times*, July 23, 2005.

³⁶ U.S. Troops Remove Land Mines in Philippine South. Reuters News, December 1, 2005.

February 20-March 5, 2006. In this exercise, dubbed Balikatan Shoulder-to-Shoulder 2006, about 5,500 U.S. military personnel will participate. Of these, 250 will conduct non-combat exercises on Jolo with emphasis on civic action projects: medical services, repairing roads and bridges, and repairing school buildings.³⁷

Joint Maritime Patrols

Another potential U.S. policy decision could come out of the December 2005 agreement among the Philippines, Indonesia, Malaysia, and Brunei for joint maritime patrols in the waters separating them. The agreement specifically covers Mindanao and the Mindanao-Sulawesi corridor. Any future programs to establish maritime interdiction cooperation between the Philippines and Indonesia likely would produce proposals for expanded U.S. military aid and training for the Philippine Navy.

U.S. Marine Rape Case

On December 27, 2005, a Filipino prosecutor issued indictments against four U.S. Marines for allegedly raping a Filipino woman while in the Philippines during a training exercise. The Marines are stationed in Okinawa. Two other Marines under investigation were not charged. The indicted Marines have denied the charge. The Marines currently are in the custody of the U.S. Embassy. The legalities of this case fall under the 1998 U.S.-Philippine Visiting Forces Agreement (VFA). That agreement would give Philippine authorities primary jurisdiction over the Marines; but if the United States should request that the Philippines waive primary jurisdiction, the Philippine government would have to issue a determination to U.S. authorities that the case is “of particular importance to the Philippines” in order to continue primary jurisdiction. Under the VFA, the Marines could remain in U.S. custody until the completion of all judicial proceedings; however, also under the VFA, the Philippine government has requested that the indicted Marines be turned over to Philippine custody. The U.S. State Department has not responded to this request as of the date of the indictment. If the Marines remain under U.S. custody, the United States is obligated to make them available to Philippine authorities for investigative or judicial proceedings. If the Marines are tried and convicted by Philippine courts, the Philippine and U.S. governments would agree jointly on the facilities of detention.

SOFA with Australia

The Philippines is discussing creating Status of Forces Agreements with Australia and ASEAN countries such as Malaysia as part of regional counter-terrorism efforts. The United States and the RP invited Australian officials to observe the next Balikatan exercises. Australian Defense Chief Senator Robert Hill

³⁷ U.S. Plans Philippine War Games in Muslim South. Reuters News, January 10, 2006. Asia Security Monitor No. 151, January 9, 2006.

stated that he hoped that Australia would be able join future Balikatan training and other assistance or order to deter regional terrorist activities based in Mindanao.³⁸

Philippines-China Relations

The Philippines' relationship with the People's Republic of China (PRC) has improved markedly since the Mischief Reef Incident in 1995. In the past decade, the Philippines has pursued stable and friendly political and economic relations with China, while relying upon the United States and the Association of Southeast Asian Nations (ASEAN) as security and diplomatic counterweights to rising PRC power in the region.³⁹ Faced with pressure from ASEAN, China promised to abide by the United Nations Convention on the Law of the Sea, which states that countries with overlapping claims must resolve them by good faith negotiation. In 2002, Beijing and ASEAN signed the Declaration on the Conduct of Parties in the South China Sea (DOC), which many hope will evolve into a formal code of conduct that promotes a peaceful resolution. In September 2004, President Arroyo visited China. In May 2005, Manila and Beijing signed two agreements aimed at fostering better military and security cooperation, including allowing Filipino soldiers to train in China, annual defense and security dialogues, and Chinese technical assistance to the AFP.

Philippine-Chinese bilateral trade reportedly has been growing at an estimated rate of 55% annually since 2002. The RP is running trade surpluses with both China (mainland) and Hong Kong Special Administrative Region (SAR). The Philippines exported an estimated \$5.7 billion worth of goods to China and Hong Kong SAR combined in 2004, compared to \$7.9 billion to Japan and \$7.2 billion to the United States.⁴⁰ Major Philippine export items to China include both manufactured and agricultural products such as electronics, machinery, copper, mineral oils, and bananas.⁴¹ In April 2005, PRC President Hu Jintao visited the RP during which the two countries signed economic agreements worth \$1.5 billion, including several PRC development assistance loans for infrastructure projects and PRC investment in the Philippine mining industry. President Hu reaffirmed the PRC's commitments to the China-ASEAN Free Trade Area (ACFTA) and the China-ASEAN Strategic Partnership for Peace and Prosperity, which the PRC government had signed along with the Treaty of Amity and Cooperation in 2003. The two countries concluded negotiations on a list of Philippine agricultural products to be allowed duty-free access in China as part of ACFTA.

³⁸ "Philippines Set to Forge Military Pact with Australia," *Asia Pulse Manila*, October 18, 2005.

³⁹ Carl Baker, "China-Philippines Relations: Cautious Cooperation," Asia-Pacific Center for Security Studies, October 2004.

⁴⁰ International Monetary Fund, *Direction of Trade Statistics Yearbook*, 2005.

⁴¹ "ASEAN-China Early Harvest Program Forecast to Triple Farm Exports of RP," *Manila Bulletin*, December 19, 2005.

U.S. Foreign Assistance

Since 2001, the Philippines, a “front-line state” in the global war on terrorism, has received the most dramatic increase in U.S. foreign assistance in the East Asia-Pacific region, particularly foreign military financing (see **Table 1**), although Japan remains the largest source of bilateral assistance. The United States Agency for International Development (USAID) has also attempted to address underlying causes of violence in Muslim Mindanao, including lack of economic development and poor governance. According to the State Department’s budget request for FY2006, 60% of Economic Support Funds (ESF) would finance programs in Mindanao related to the 1996 Peace Agreement with the Moro National Liberation Front (MNLF). Such programs would be made available to the Moro Islamic Liberation Front (MILF) if a peace agreement with that group is reached. Major program areas of U.S. foreign aid in the Philippines include economic governance and anti-corruption; family planning and health; and conflict resolution, economic growth, basic education, and resource management focusing on Muslim Mindanao. USAID also plans to broaden a program to promote peaceful resolution of disputes associated with family feuds (*rido*), which reportedly seriously hinder local development. The Conflict Management in the Philippines project, funded by USAID and implemented by the Asia Foundation, aims to address clan conflict through research into the problem, prevention efforts, and creating institutional mechanisms for resolving conflicts over resources.⁴² The Millennium Challenge Corporation has selected the Philippines as a Millennium Challenge Account (MCA) “threshold country,” which qualifies the RP to receive assistance in meeting the criteria for MCA funds. The MCA program links development assistance to a country’s performance in “ruling justly, encouraging economic freedom, and investing in people.”⁴³

Filipino Veterans

Filipino anti-Japanese guerilla fighters, who were inducted into the U.S. army during World War II, when the Philippines was a U.S. colony, and promised U.S. citizenship and full veterans’ benefits, are pressing the U.S. Congress to grant full benefits or equity. Approximately 30,000 of 200,000 Filipino WWII veterans are still alive, of whom 7,000 live in the United States. In December 2003, the Bush Administration signed a measure that extended Veterans Affairs health benefits to the Filipino veterans, who continued to push for legislation that would provide more complete veterans benefits, including health care to veterans living in the Philippines and pensions. H.R. 4574, the Filipino Veterans Equity Act of 2006, would deem certain services performed by Filipino veterans as active military service for purposes of eligibility for veterans’ benefits through the Department of Veterans Affairs and repeal certain provisions that disqualify such service.

⁴² The Asia Foundation, “Conflict Management Program in the Philippines (Interim Report),” 2004.

⁴³ [<http://www.mca.gov/index.shtml>]

Table 1. U.S. Assistance to Philippines, 2002-2006
(Millions of U.S. dollars)

Account	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
Child Survival and Health	9.4	25.6	22.9	28.8	26.8	21.4
Development Assistance	30.3	24.5	28.2	21.5	27.6	21.5
Economic Support Funds	3.9	33.0	45.0	17.6	34.7	25.0
Foreign Military Financing	1.9	44.0	49.8	19.8	29.7	30.0
International Military Education and Training	1.4	2.0	2.4	2.7	3.0	2.9
International Narcotics Control/Law Enforcement	0.0	0.0	0.0	2.0	3.9	2.0
Non-Proliferation, Anti-Terrorism and De-mining	0.0	0.9	2.1	0.7	0.6	5.2
Peace Corps	1.8	2.4	2.6	2.7	2.8	2.9
Peacekeeping	0.0	0.0	0.0	15.0	0.0	0.0
Totals	48.7	132.4	153.0	110.8	129.1	110.9

Sources: U.S. Department of State; Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2006 (P.L. 109-102).

Time Line: Major Historical Events

1542: Spaniards claim the islands and name them the Philippines.

1890s: Insurgency against Spanish rule

1898: Spanish-American War — Spain cedes the Philippines to the United States

1899: Insurgency against U.S. rule

1935: Plebiscite approves establishment of Commonwealth of Philippines; Country is promised full independence in ten years

1941: Japan invades

1944: U.S. forces retake islands

1946: Philippines granted full independence

1965: Ferdinand Marcos becomes president

1969: Muslim separatists begin guerrilla war

1972: Marcos declares Marshall Law

1983: Opposition leader Benigno Aquino assassinated

1986: Corazon Aquino assumes presidency following “People Power” protests

1989: Coup attempt suppressed

1992: Aquino’s defense minister, Fidel Ramos, wins presidency. United States closes Subic Bay Naval Station

1996: Philippines government reaches truce with Moro National Liberation Front (MNLF)

1998: Film star Joseph Estrada elected President

2000: Impeachment proceedings begin against Estrada on allegations of corruption and violation of the constitution

2001(January): Amid mass street protests, Estrada’s vice-President, Gloria Arroyo, is sworn in as President. Estrada is arrested for plundering state funds

2001 (March): Moro Islamic Liberation Front (MILF) declares cease fire

2002: Philippines and United States hold joint military exercises

2002: Terrorist bombs detonate in Manila and Zamboanga city, killing ten persons

2003 (July): RP government signs cease fire with MILF

2003 (July): RP soldiers (AFP) seize shopping center in mutiny

2004: Peace talks between government and NPA start but are later called off

2004 (June): Gloria Macapagal-Arroyo wins Presidential election

2004 (July): Philippines withdraws peacekeeping troops from Iraq

2005: Heavy fighting between AFP and MILF breaks cease fire

2005: President Arroyo comes under pressure to resign over allegations of vote-rigging

Figure 1. Map of The Philippines



Source: Map Resources. Adapted by CRS. (K.Yancey 7/27/05)