A Modern Gordian Knot: Identifying Creative Solutions to Economic Policy, Poverty and Piracy in the Philippines

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This paper attempts to untie the Gordian knot that is economic policy, poverty and piracy in the Philippines. First, I examine the history of economic policy in the country, governance strategies and how they give a basis to understanding how economic policy is at the root of this exploration. This is followed by an analysis of poverty through the lens of economic growth in the country and how it has had adverse effects in Southern coastal regions. Thereafter, I will give a brief overview on the rise of maritime terrorism in the Philippines and how this growing trend has impacted governance in coastal regions of the country. To continue, this paper will use Christopher McCrudden’s dignity as a human right framework to connect all these factors and show how dignity can provide a framework for conceptualizing solutions. Finally, I will provide four solutions that comprise of different tools to better local governance by looking at better governance methods, bringing attention to local activism, and encouraging international co-operation to counteract piracy in South East Asia.
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Introduction

From delving into the world of the Sultan of Sulu, to understanding the reasons behind pirates taking hostages for ransom, South East Asia as a region is brimming with complex challenges concerning power and politics. Within these complex ideas, some common themes stand out including: how state actors can implement good economic policy, effective implementation of poverty alleviation strategies, and how to deal with maritime terrorists. While these are themes common to the region at large, they are clearly linked together when explored in the Philippines. In terms of economic policy, the Philippines has had undeniable economic growth since the 1980s, despite the presence of fluctuating governance strategies. Additionally, Filipino citizens have been plagued with chronic poverty, especially those on the Southern coast. Lastly, when looking at maritime terrorism, the Philippines is home to several Islamic State (ISIS) backed terrorist groups who have disrupted governance abilities throughout the country.

Piracy in the region has risen in the past two years. Twenty-two incidents linked to pirate activity were recorded in the Philippines in 2018 which is more than double since 2016.¹ These incidents mainly include kidnappings of ship crews in the Southern Philippines targeting seafarers, abducting them and demanding ransoms for their release. While there are many different factors that can be attributed to the increase in pirate activity, one explanation is a lack of inclusive governance strategies by past and current Filipino presidents. Past Filipino presidents’ economic strategies solely focused on Foreign Direct Investment (FDI) as the only tool for economic growth. This has led to a large disparity amongst the population with exclusive wealth creation among the country’s elite.

While a lack of inclusive governance strategies has been a re-occurring problem in the Philippines, the issue has been made more complex since Rodrigo Duterte was elected as president in 2016. Duterte has tied the idea of extra-judicial killings with

economic growth. Duterte believes that the Philippines will be unable to sustain its economic growth trajectory and will remain politically and economically unstable unless the government eradicates drug use amongst its population. Therefore, since 2016, there has also been an increase in summary executions in the country as well as other allegations of heinous extra-judicial measures taken to accomplish this goal.

Rollin Tusalem, who writes about determinants of extra-judicial killings in the Philippines, states that cross-national research shows that state repression and extra-judicial killings can be offset by higher levels of economic development that focus on the promotion of democratic values and traditions among its citizens, such as trust and tolerance.

The Duterte government’s oppressive focus on law and order without deference to values that promote more holistic economic development will continue to widen the already gaping governance gap in impoverished regions in the country. While the government is focused on extra-judicial killings, they have not been paying enough attention to the rise of non-state actors, such as maritime terrorist organizations, who are filling governance gaps. While a strong economy has seen the Philippines to the top of international ranks amongst their regional counterpart nations, impoverished areas with weak governance have legitimized non-state actors who are gaining political and economic control on the Southern coast. The state’s negligence in not providing for an inclusive economy, including strategies for human development, has led to impoverishment and the proliferation of maritime terrorists in the Philippines, namely the rise of the Abu Sayyyaf Group (ASG).

The ASG is one of multiple ISIS backed terrorist groups in the region, eliciting power through promoting the needs of local community members. While the ASG carry out acts of violence, it

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3 Ibid at 6.
4 Ibid at 14.
is important to see the nuance in their actions and explore how they incorporate the interests of local, coastal communities in the Philippines into their work as well.

While these issues in combination seemingly amount to a Gordian Knot, impossible to untie, the first step in unpacking this issue is understanding a brief history of economic and political policy from the 1980s when “democracy returned to the Philippines.” This will set the basis for exploring how economic policy in the Philippines has led to the proliferation of terrorism and extra-judicial governance.

In section two, I will explore how economic growth links to the proliferation of poverty in the Philippines. Through solely focusing on FDI, the government missed opportunities to develop the country, and provide stability for the population at large.

The potential for sustainable governance is threatened by maritime terrorism and piracy. In section three, I give a brief history of terrorist activity in the Philippines and how terrorist groups work individually and collectively to accomplish extra-judicial governance.

After understanding the foundational pieces of this issue, in section four, I provide an understanding of the dignity framework by Christopher McCrudden and how framing dignity as a human right works to counteract poverty, and in turn, piracy.

Finally, in section five, I offer four solutions to achieve better governance of coastal regions in the Philippines while discussing the need to keep extra-judicial activities imposed by both terrorists and government bodies alike at bay.

I use maritime terrorist and pirate interchangeably throughout the paper. In some sources, these groups are described as maritime terrorists, and in others, they are described as pirates, but both terms relate to the same type of group.

**Brief Overview of Economic Policy in the Philippines**

The inconsistency in governance ideals and strategies across various president agendas over the past five decades has

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6 Ibid at 243.
led to great periods of economic growth in the country but has simultaneously led to the creation of vulnerable communities, subject to poverty and the exploits of maritime terrorists. The state has failed to provide inclusive economic development to combat this growing trend. This is demonstrated through the history of fluctuating economic growth and poverty reduction policy considerations since the 1980s. These pre-conditions have paved the way for non-state actors to assume a more legitimized governance role on the country’s Southern coast.

Foreign Direct Investment

The brief history of economic policy in the Philippines starts with the fall of authoritarian governance and the implementation of FDI policies, seen as tools of democracy beginning in the 1980s.

Prior to 1986, the history of martial law and authoritarian governance led by President Marcos (1965 – 1986) caused a drastic decline in economic growth stemming from a lack of government resources. With the “return of democracy” through the Aquino government of 1986 came economic growth by way of FDI. In this period, the International Monetary Fund deemed the Philippines as having performed exceptionally well, even though they were previously categorized as among the potential victims of the Asian crisis.

In her research on understanding different governance practices in the Philippines, Miriam Ferrer gives an in-depth analysis on the impact of FDI policies and how they became a core practice in the Philippines during the 1980s.

She explains the centrality of FDI through the Filipino Constitution. The country’s 1935 Constitution included protectionist provisions, stating that national patrimony from foreign incursion required at least 60 percent Filipino ownership in sensitive industries. During Aquino’s presidency and beyond, foreign investment was directly linked to economic growth, thus

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7 Ibid at 240.
8 Ibid at 243.
9 Ibid.
changing the dialogue on protectionist provisions. Ferrer says that even though FDI policies greatly affected local workers and land owners, the aspiration for FDI from Filipino presidents was so strong that various presidents even discussed amending the 1935 Constitution to include FDI provisions. The government was so supportive of economic growth through FDI, they were going to change the body of fundamental principles by which a state is governed.\textsuperscript{11}

In this vein, the Aquino government passed the 1991 \textit{Foreign Direct Investment} Act which completely liberalized investments into the country\textsuperscript{12} before the Ramos government took office, focusing their attention elsewhere.

\textbf{Change to Filipino-Centred Economic Growth}

Stepping away from FDI, the Ramos government (1992 – 1998) had a clear vision based on domestic growth through protectionism and poverty alleviation strategies. Under the Ramos government, the economy moved towards a posture more supportive of local economic development, and back towards the 1935 protectionist Constitution.

During the Ramos reform, the focus on economic growth and poverty alleviation saw 79 out of 229 structural laws on domestic economic growth passed through the Filipino congress. Here, Ramos not only paid more attention to achieving economic reform, but also focused on including domestic growth strategies into economic development policies.\textsuperscript{13}

Shutting down the Subic Bay project exemplifies Ramos’ policies. Subic Bay was previously the largest U.S. naval base in foreign territory, contributing to 47,000 Filipino jobs. The Ramos government closed the project under the assertion that jobs belonged solely to Filipinos and converted the area into an economic center creating 65,000 for Filipino people.\textsuperscript{14} This is telling of the thought process behind Ramos’ decision making. The state focused on increasing their capacity to ward off foreign

\textsuperscript{11} Merriam-Webster, (2011) sub verbo “constitution” online: https://www.merriam-webster.com/dictionary/constitution.
\textsuperscript{12} Daniel Ringuet and Elsa Estrada, supra note 5 at 243.
\textsuperscript{13} Ibid at 241.
\textsuperscript{14} Ibid at 238.
predatory behaviour by strengthening the domestic resources, which in turn lowered poverty across the country. The Ramos legacy is based in reforming state/business relations through generating sustainable economic growth for Filipino people, by Filipino people.\textsuperscript{15}

Through these actions, the Ramos government re-engaged the Philippines on the world stage, not as a country under a dictatorship, but one with a renewed democratic spirit that had been hidden for years.\textsuperscript{16} From this renewal, economic reform provided for more just distribution among the different regions of the country. As a result, between 1985 and 1997, economic growth went from 0.5 percent to 7 percent,\textsuperscript{17} and the incidence of poverty in the Philippines was reduced from 44.2 percent to 31.8 percent\textsuperscript{18} but this governance strategy did not last for long.

\textit{Return to FDI}

After Ramos, President Estrada (1998 – 2001) returned to Aquino’s strong FDI agenda and again, sought for constitutional changes to allow foreigners to own land and more than 40 percent of stakes in utility, media and advertising, education, mining and exploration companies. He claimed that the constitutional prohibition on foreign ownership had discouraged foreign investment\textsuperscript{19} and needed to be changed to boost economic growth.

In their article focused on the return of democracy in 1986, Ringuet and Estrada argue that the Aquino government was very intentional with their political policies focused on economic liberalization and deregulation to stimulate the growth of foreign direct investment. During this time FDI was the main source of income contributing to the Philippines GDP\textsuperscript{20} and seen as the key to economic growth.

\textsuperscript{15} Ibid.
\textsuperscript{16} Ibid at 234.
\textsuperscript{17} Ibid at 237.
\textsuperscript{18} Ibid at 234.
\textsuperscript{19} Miriam Ferrer, supra note 10 at 248.
\textsuperscript{20} Ibid at 241.
FDI Values Still Hold True Today

A 2013 article in The Atlantic titled “The Grim Reality Behind the Philippines’ Economic Growth” shows the dichotomy between economic growth and governance gaps in poverty creation. In 2013, the country had the second highest period of economic growth at 6.6% in Asia, only behind China. As a result, the country received a ten-point boost on the country monitors at the World Economic Forum. Furthermore, the World Bank country director made a statement that “the Philippines is no longer the sick man of East Asia, but the rising tiger.” While the article discusses the economic achievements in the Philippines it also recognizes how economic growth in 2013 did not necessarily translate to economic stability. Many Filipinos were still vulnerable to poverty and income inequalities. Additionally, a report from the National Statistical Coordination Board noted that for the first half of 2012 there had been no statistical improvement in national poverty levels since 2006 with tens of millions of Filipinos still living in poverty. This article shows how local and global perceptions of economic growth in the Philippines, as recent as 2013, do not necessarily translate to economic stability.

A 2018 news post by the Philippines Institute for Development Studies looks at the realities of economic policy and poverty creation from both global and local lenses as well. The post explores the gap between the international perception of economic growth in the Philippines and the local reality. They find that most of the news sources reporting on economic stability in the country are funded by government agencies warping the truth about economic growth. Furthermore, government agents and officials are increasingly becoming the beneficiaries of government spending where the government has been compensating these officials with “hundreds of millions of dollars

22 Ibid.
23 Ibid.
in finder’s fees.”\textsuperscript{25} This is suggestive of the same trend alluded to in the 2013 article by The Atlantic which speaks to the disparity in global and local perceptions of economic stability in the country.

In a contrasting 2018 article in the Philstar Global titled “Destabilization moves set back the economy”, the author holds that “while there is inflation and a slowdown in growth, the Philippines is still one of the best performing [countries] in the region with a strong outlook.”\textsuperscript{26} The structural reforms are seen to promote inclusivity, reduce poverty incidence and create more jobs for the next generation of Filipinos.\textsuperscript{27} While this narrative may not hold true for the entire population, the author also suggests that while values may be different amongst various groups in the Philippines, thoughts about the need for economic stability resonate the same for people on both sides of the political spectrum. Of utmost importance is economic stability in the country and finding ways to attract investors.

\textbf{The True Cost of Economic Growth}

Ferrer suggests that the Philippine state remains weak and unable to assert autonomy from various societal groups. One can thus see it stagnating as a pseudo-democracy, steeped in foreign investment, with variations in leadership from one administration to another, but the same degree of effectiveness.\textsuperscript{28} While there have been many different turnovers of government, the same narrative has held true: economic growth has been a forethought for all presidents in the past five decades. This is only a positive outcome if experienced in a silo. In reality, the focus on economic growth mainly through FDI has led to major governance oversight in poverty reduction, the next foundational pillar to understanding this issue.

\begin{flushleft}
\textsuperscript{25} Ibid.
\textsuperscript{26} Babe Romualdez “Destabilization moves set back the economy”, Philstar Global (30 September 2018), online: \url{https://www.philstar.com/opinion/2018/09/30/1855857/destabilization-moves-set-back-economy}.
\textsuperscript{27} Ibid.
\textsuperscript{28} Miriam Ferrer, supra note 10 at 254.
\end{flushleft}
Poverty Resulting from Economic Growth

In this section I will analyse how poverty is directly linked to economic growth as both poverty alleviation and economic growth rely on inclusive governance strategies. This analysis lays the groundwork to understand the effects of poverty in coastal communities, and what this means in relation to maritime terrorism.

In the Philippines, economic growth is tied to poverty. From the 1970s through the 1980s, the Filipino government developed poverty reduction strategies to stabilize the economy through their engagement in economic reform.29 Even with the international recognition of growth over the years, poor Filipino people are still a third of the Filipino population with limited access to financial markets.30

Poverty is exemplified through the day-to-day lives of coastal communities. These communities are frequented by typhoons and prone to flooding, creating situations where communities become vulnerable not only to environmental degradation, but to the accompaniment of chronic poverty.31 The 2009 Asian Development Bank (ADB) Report titled: “Poverty in the Philippines: Causes, Constraints and Opportunities” analyses causes of poverty and suggested recommendations for its accelerated alleviation. One of the main findings was that economic growth does not translate to poverty reduction where inequality remains high.32

Further, the ADB Report stated that the frequency of typhoons is a statistically significant determinant of the average lifestyle and welfare of the poor. Without an efficient social protection system comprising various kinds of insurance or economic safety nets, these households are prone to being

30 Ibid at 54.
31 Ibid at 58.
32 Ibid at 2.
trapped in chronic poverty.\textsuperscript{33} This speaks to the environmental impact on the poor, but also speaks to the lack of financial safety nets the government has provided to equip poor communities to be more resilient.

Contrary to government initiatives to grow the economy and alleviate poverty, the poverty gap is stifling economic growth. As of 2009, poverty was the biggest inhibitor to the country’s economic growth. In a section of the ADB report titled: How Poverty Constrains Economic Growth, the writer explains how the causes of poverty in the Philippines directly relate to economic policy:

“The poor remain poor because they cannot borrow against future earnings to invest in education, skills, new crops, and entrepreneurial activities. They are cut off from economic activity because many collective goods (such as property rights, public safety, and infrastructure) are under-provided, and people lack information about market opportunities.”\textsuperscript{34}

Another key finding in the ADB Report concluded that an effective poverty reduction strategy must incorporate social protection for vulnerable families who have no social or economic safety nets.\textsuperscript{35} The empirical evidence of investment and economic growth gives a false impression of success, not accounting for the impacts of high inequality among the population.\textsuperscript{36} The report concludes that if economic integration between leading and lagging regions in the country remain weak, then the possibilities of improving the welfare of the poor will also be weak.\textsuperscript{37} While poverty is the biggest inhibitor to economic growth, the history of economic development and poverty reduction show previous government efforts to alleviate poverty, at least the efforts of Ramos, have been valiant, but not good enough.

Maritime terrorist groups have taken advantage of the compounded issues of weak governance and poverty in the

\textsuperscript{33} Ibid at 58.
\textsuperscript{34} Ibid at 55.
\textsuperscript{35} Ibid at 3.
\textsuperscript{36} Ibid at 59.
\textsuperscript{37} Ibid at 55.
Philippines, using these factors as an incubator for executing extra-judicial governance and violence. Therefore, the modern-day reality shows that instability and gaps in government action do not go unnoticed by insurgent groups. As Acemoglu and Robinson state in “Why Nations Fail”: “[w]hen the state fails to achieve almost any political centralization, sooner or later the state will descend into chaos.” The next step in this exploration is understanding how maritime terrorists have filled the governance gap of poverty management, carving out a new reality for Filipino people today.

Understanding Maritime Terrorism in the Philippines

When the state fails to govern effectively, non-state actors will show up to fill the gaps of the state. Whereas non-state actors are often thought of as grassroots organizations based on the objectives of morality and dignity for all, non-state actors can also be labelled as pirates and terrorists.

Brief History of (Maritime) Terrorism in the Philippines

Around South East Asia and specifically in the Philippines, there are many different maritime terrorist groups that profit from governance gaps created through economic instability and poverty.

In the article titled “What is the ‘Abu Sayyaf’? How Labels Shape Reality”, Ugarte and Turner argue that terrorist groups have the following characteristics in common: having clear identities and boundaries, systems of interrelated parts that rationally pursue set goals, relatively enduring campaigns, structures designed and implemented to divide tasks and coordinate them to achieve goals and adjusted internal structures and processes to adapt to their environments.

Of these groups, the Moro Islamic Liberation Front (MILF), Moro National Liberation Front (MNLF), Maute group and Abu Sayyaf Group are most active in the Philippines. These groups work individually and together to fulfil their goals, mostly aligned around the broader goals of the Islamic State to create autonomous Muslim regions in the country. Over the years, there have been some government initiatives to counteract various terrorist initiatives lead by these groups, but for the most part they have not panned out.

For instance, in 1997 the Ramos administration negotiated with the MNLF on a separatist deal in the Southern Philippines which resulted in the 1997 peace agreement between the two parties. This was followed by government action on a later agreement with the MILF based on the same premise. The negotiations speak to the government’s willingness to engage with third-party, non-state actors. While peace was a promising trend, it was overcome with violence in recent years as different terrorist groups took center stage.

In 2017, the ASG and Maute Group joined forces and took siege of Marawi city for five months. During this period, the

42 BBC Monitoring, supra note 40.
45 Daniel Ringuet and Elsa Estrada, supra note 5 at 242.
46 Maxine Betteridge-Moes, “What happened in Marawi? Why was the city in the southern Philippines captured by ISIL fighters and how did the military take back Marawi?”, Al Jezeera, (29 October 2017) online:
Filipino government as well as foreign allies took measures to regain control of the city. The battle resulted in the death of Isnilon Hapilon, the known leader of the ASG, but did not shut down the group’s activities completely. This is a telling narrative of terrorism efforts in the region and how these groups work together against the government to employ terrorist activity.

Ugarte and Turner state that the presence of these groups is most common on the impoverished islands of Basilan, Sulu and in the Zamboanga Peninsula (all on the Southwestern coast of the Philippines). They also verify the connection between the ASG and the MNLF. While the ASG is known as an independent, Islamist, militant group, many ASG members were former MNLF members, speaking to the supportive roles these groups have for each other. While this collaboration between groups is important for a holistic understanding of terrorism in the Philippines, the leader of maritime terrorism in the region is the ASG, a group devoted to maritime terrorism in the Southern region of the country, known for its extremism and militancy.

Abu Sayyaf Group – A Maritime Threat

Active since the early 1990s, the ASG is best known for acts of piracy and security threats around the Sulu Sea between Malaysia and the Philippines. Scholars argue that the ASG constitutes “a distinct social entity, separate from other non-state armed groups carrying out ongoing military operations in the region.” In particular, scholars have written about the ASG in relation to the Islamic State. The group is regarded by the US and the Philippines governments as a terrorist organization with links to Al-Qaeda and Jemaah Islamiyah, known ISIS groups in the Middle East. Therefore, the ASG is seen as an embodiment of the


47 Ibid.
48 Euan McKirdy and Ivan Watson, supra note 43.
50 Eduardo Ugarte and Mark Turner, supra note 39 at 402.
51 Ibid.
Islamic State threat in the Southern Philippines.\textsuperscript{52} The ASG engages in taking tourists from resorts, committing beheadings and demanding multi-million-dollar ransom payments to fund their activities.\textsuperscript{53} Amongst other groups of people, the ASG have targeted Canadian and German citizens.

The recorded timeline of the ASG’s violence starts in 2004 with the bombing of the passenger ferry Super Ferry 14 that killed over 100 people in the Philippines capital of Manila. A report from the Modern War Institute by Kevin Duffy states that this remains the single deadliest act of maritime terrorism in recent history and speaks to the group’s strong maritime force.\textsuperscript{54}

In January 2008, the group seized three International Red Cross workers from the island.\textsuperscript{55}

In February 2017, the group released a video showing its members beheading a German man that they had been holding hostage for three months after abducting him and his partner (whom they had already killed) from a boat around the Sulu Sea.\textsuperscript{56}

In March 2017, the ASG was thought to be holding more than thirty hostages, the majority kidnapped at gunpoint from vessels on the ocean.\textsuperscript{57} They have also captured and killed Vietnamese sailors from a merchant ship in the Sulu Sea.\textsuperscript{58} There is no denying that the ASG is carrying out acts of terror in and around the Sulu Sea, negatively impacting communities inland and on the water.

\textsuperscript{52} Ibid.
\textsuperscript{54} Kevin Duffy, “Swords of the Sulu Sea: Countering the World’s most Maritime Terrorist Group”, Modern War Institute, (30 March 2017) online: https://mwi.usma.edu/swords-sulu-sea-countering-worlds-maritime-terrorist-group/.
\textsuperscript{55} Ibid.
\textsuperscript{56} Ibid.
\textsuperscript{57} Ibid.
\textsuperscript{58} Ibid.
While their violence is undisputed, an in-depth look at ASG activities become a bit more controversial. The ASG has both exploited and aided coastal communities on Sulu Island through their activities. Therefore, the ASG should not only be framed as terrorists, they should also be framed as quasi-activists, gaining legitimacy through local community action. This is a trend seen in weak governance states around the world.

Abu Sayyaf Group v Armed Revolutionary Forces of Colombia – Extra-Judicial Governance as Exploitation and Activism

As Max Weber suggests in “Why Nations Fail,” “the state is described as having a monopoly on legitimate violence in society. Without such a monopoly…the state cannot play its role to enforce law and order, let alone provide public services or encourage the regulation of economic activity.”\(^5^9\) Since Duterte assumed office in 2016, extra-judicial state violence has increased, giving leeway to other groups to commit extra-judicial violent offences, in the name of law and order, without repercussion. This state-non-state actor relationship has also happened in Colombia.

The Colombian government lacked the ability to extend its authority to the countryside for most of the state’s existence due in part to the country’s mountainous and densely hooded rainforest, and poor infrastructure connecting rural communities.\(^6^0\)

In practice, the real power in the countryside was held by local landowners who supported peasants in a partly feudal social relationship.\(^6^1\) This left the population vulnerable to an assortment of dangers, including persecution by rich landowners, paramilitary groups, and narcotic traffickers leaving rural Colombians in desperate need of government.\(^6^2\) Weak governance invited conflict because the government was unable to maintain its monopoly on the enforcement of law and order.\(^6^3\)

\(^{59}\) Daron Acemoglu and James Robinson, supra note 38 at 80 - 81.
\(^{61}\) Ibid.
\(^{62}\) Ibid.
\(^{63}\) Ibid.
In their piece on terrorists and governance, Hamid et al. assert that “the security that government provides is so valuable that if people can’t get the leadership they crave from the state, they’ll find somebody else to do the job.”\textsuperscript{64} Aligned with this understanding, the Revolutionary Armed Forces of Colombia (FARC) persisted in gaining more and more control over a fifty-year period because they gained legitimacy from local communities when the Colombian state failed to maintain its authority in the countryside.

The FARC took on the role of the state and established law and order. They taxed the population and protected the people from other armed groups in return. With the profits from their taxation scheme, they invested in various social projects in local communities and provided infrastructure improvements in these areas. The group built hundreds of miles of roads to connect rural communities, erected massive bridges that spanned mountain chasms, and even established electrical grids. Most importantly, the FARC established a judicial system that provided citizens with an avenue to mediate non-violent disputes. The outcome of this was de-facto, legitimate governance in the Colombian countryside lead by what some would call an insurgent group, and others would call saviours.\textsuperscript{65}

\textit{Returning to the actions of the ASG}

Similar to the preconditions that lead to the uprising of the FARC in Colombia, the geography of the Southern Philippines is also a factor contributing to poor governance on the Southern coast. The ASG is based in the archipelago stretching from the southwest of the Philippines toward the Malaysian and Indonesian territories of the island of Borneo, dividing the Sulu Sea from the Sulawesi Sea. This area is inundated with small islands, and quick access to boats, allowing the group to take advantage of their


surroundings and take advantage of the coastline that the
government is not adequately controlling.\textsuperscript{66}

Whereas they have been recently criticized for putting
profit first, Kevin Duffy points out that it can also be argued that
the group “blurs the line between violence for political ends and
violence for profit.”\textsuperscript{67} Again, similar to Colombia, the ASG took
up issues in local communities as their own like quasi-activists.
There are instances where the ASG has requested government
funding in their ransom demands to aid local communities.\textsuperscript{68} After
two kidnappings in March and April 2000, the demand letter that
an ASG spokespersons sent to the Filipino government, among
other points, demanded (1) the removal of all foreign fishing
vessels from the waters of Sulu, Basilan and Tawi-Tawi, and (2) a
ban on large fishing boats in the area to protect local fishermen.\textsuperscript{69}
Whereas reporters and government actors thought the demands
in the letter were “detached from reality,”\textsuperscript{70} this bargaining based
in local fishery prosperity shows how the group also advocates
for local interests. The ASG nuanced the core ideas of terrorist
groups as being self-interested actors for profit. This shows how
complex and different extra-judicial methods to approach a
problem and alleviate poverty appear in practice.

Therefore, although the ASG is a religious fundamentalist
group, it seems as though the plight of poverty in local
communities is also their raison d’être. They purport ideas aligned
with the Ramos government’s Filipino-first policies and can also be
labelled as drivers of inclusive economic growth.

Other factors contributing the proliferation of the ASG

The ASG’s extra-judicial, extra-state governance is
amplified by a variety of other factors associated with the
government’s inability and/or lack of capacity to provide for
stable economic growth and poverty reduction. Beyond
understanding the link between economic growth and poverty, it
is also important to examine the extra-judicial actions of the

\begin{itemize}
\item \textsuperscript{66} Kevin Duffy, supra note 54.
\item \textsuperscript{67} Ibid.
\item \textsuperscript{68} Ibid.
\item \textsuperscript{69} Ibid.
\item \textsuperscript{70} Ibid.
\end{itemize}
current government that contribute to the rise of maritime terrorism.

Tusalem speaks to the general understanding of extra-judicial killings by the state, using the Philippines as an example. He suggests that it is common practice for the state itself to initiate state-sponsored violence or human rights violations based on a rational calculation of incurred costs and potential benefits that often involve reputation building exercises between state authorities and aggrieved citizens. Therefore, the extra-judicial killings by the Duterte government are similar to the acts of violence carried out by the ASG. They are both based in politics of power.

Ugarte and Turner also nuance the influence that the ASG has on the Southern coast of the Philippines by bringing in the local government’s structural pitfalls. The authors do not deny the impact that the group has on the area, but also think prudent to recognize that they are not the sole source of exploitation for the complex reality that exists on the Southern Filipino coast. The authors expose how state officials directly contribute to the proliferation of maritime terrorism in the area through the selling of arms to militant groups. MILF officials have admitted to previously purchasing armed goods from the Filipino military. Additionally, materials used in ASG abductions can also be traced back to military materials. This extends beyond the Filipino military as known militant commanders of terrorist groups have divulged that they have received weapons from US providers as well. Overall, Ugarte and Turner suggest that by only assigning the ASG with the title ‘terrorist’ is a misnomer of an official terrorist organization, and a convenient way to cover the government induced power imbalances in the Southern region of the country.

In Grindle’s article titled “Good Enough Governance: Poverty Reduction and Reform in Developing Countries,” she highlights that not all change has to be orchestrated by the state

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71 Rollin Tusalem, supra note 2 at 6.
72 Eduardo Ugarte and Mark Turner, supra note 39 at 398.
73 Ibid.
74 Ibid.
75 Ibid.
76 Ibid.
or demanded by international financial institutions. He says that “[c]areful observation of what is occurring in particular countries can indicate governance issues that are being addressed unexpectedly.”\textsuperscript{77} The ASG is a maritime terrorist group carrying out unexpected governance. Whereas they carry out acts of violence in the name of the Islamic State, they are also a supporter of local economic growth, protectionist policy and support local communities through their ransom.

**Bringing it All Together: Understanding Poverty Through a Human Rights Lens**

Now that the connection is made between economic policy, poverty, and the rise of maritime terrorism, it’s important to frame potential solutions. The crux of this problem is poverty, and while the actions of the ASG are nuanced, for the violence alone, the group needs to be reined in. Therefore, combatting maritime terrorism means combatting poverty.

The link between the government’s focus on economic growth, poverty creation and understanding poverty as a human right is necessary to understand how maritime terrorists are produced. While there is an active debate on poverty’s role in producing terrorists it is important to remember that many come from impoverished backgrounds, and understand their destitution to be at the hands of the state.\textsuperscript{78} Referring to child recruitment for terrorist efforts in Somalia, Fartun Weli says that “[w]e have to talk about the root causes that make Somali kids vulnerable…we have to make sure there are opportunities created for our community to exit poverty.”\textsuperscript{79} Impoverished areas are incubators for extra-judicial governance. These areas are made up of the most vulnerable people in society, in need of the most assistance.

*Poverty alleviation starts with dignity as a human right*

Poverty alleviation is grounded in human rights to dignity, therefore the government’s failure to achieve an inclusive growth

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\textsuperscript{79} Ibid.
agenda perpetuates poverty and hinders dignity for all. Christopher McCrudden understands that human dignity plays a central role in human rights discourse. He maintains that dignity is becoming commonplace in legal texts and is frequently cited in judicial decisions to provide human rights protections in many jurisdictions. Dignity provides a convenient “language” in approaching human rights, especially the judicial interpretation and adjudication of human rights.

McCrudden describes a “thin” view and “thick” view of dignity. The thin view holds that “dignity is viewed as simply another way of expressing the idea of a catalogue of human rights.” Therefore, dignity neither adds to, nor detracts from, but rather it is coterminous with human rights and adds little to the debate on what rights there are or how they should be interpreted.

The thick approach holds that dignity expresses a value unique to itself, on which human rights are built. This is the view that appears to be at work in judicial decisions. Through the thick view, the role of dignity primarily helps to identify the catalogue of specific rights, which are non-exhaustive. All rights can be seen through the lens of dignity. Ultimately, McCrudden argues that the thick approach to dignity is context/jurisdiction specific and cannot be approached in the same way in different places.

This understanding of dignity as a human right gives a good basis for understanding how the Filipino government’s poor efforts in achieving inclusive economic growth amounts to human rights violations by both state and non-state actors. Government actors are not addressing rampant poverty on the Southern coast of the country and terrorists are exploiting these vulnerable communities with acts of violence. This framework reaffirms that a governance-based solution is necessary.

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80 Christopher McCrudden, Human Dignity and Judicial Interpretation of Human Rights” (2008) 19:4 The European Journal of International Law 655 at 656.
81 Ibid at 660.
82 Ibid at 680.
83 Ibid.
84 Ibid at 656.
85 Ibid.
Solutions

There are complex, interwoven issues combining maritime terrorism and state failure to produce economic stability and poverty alleviation in the Philippines. Gérard-Roland who writes about fast and slow-moving institutions, holds that:

“whatever group holds power will use that power in its own best interest. Thus, ruling elites who have a vested interest in maintaining their power in societies with inefficient institutions may not agree to give up that power because the winners of institutional change may not be able to commit to compensation schemes for the losers. Inefficient institutions may therefore persist because of the combined effect of social conflict and lack of commitment.”

Gérard-Roland understands that may it be the state or non-state actors; a group will use power for their own self-interest. Therefore, government institutions must become more efficient to curb these powers to hold state and non-state actors accountable for their actions. The solution starts with better governance.

Solution I: Good Enough Governance

Good governance in the Philippines is seemingly unattainable. Grindle suggests that good governance is deeply problematic as a guide to development as performing good governance practices calls for improvements that touch virtually all aspects of the public sector. Moreover, good governance comes with the expectation of strong government actors, which is not the case for lower developed countries, creating an unattainable goal. For example, as of 2002 there were 116 items listed as factors of good governance in the World Development Report. This number is too high, especially for countries where poverty levels are so high. The Philippines should instead be seeking good enough governance.

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87 Marilee Grindle, supra note 77 at 526.
88 Ibid at 527.
Good enough governance is a more realistic agenda to achieve poverty alleviation. Good enough governance is “a condition of minimally acceptable government performance and civil society engagement that does not significantly hinder economic and political development. It permits poverty reduction initiatives for a country to develop better.”\(^9\) Much like the reality of the Philippines today, good enough governance strategies are designed to be implemented in the midst of conflict, confusion, cross-purposes, inefficiencies, and learning-by-doing. Ultimately, good enough governance is a better tool to assess capacities and feasibility more carefully, targeting fewer changes, and working towards ideal governance expectations.\(^9\)

If the Filipino government took on a “good enough governance” approach, it would be able to have a clear focus on poverty reduction strategies to bridge the governance gap in the Southern regions of the country. In turn, this would stifle terrorist activity and allow for stable economic growth.

**Solution II: Inclusive Institutions**

A second solution to this problem is the implementation of inclusive institutions. As Acemoglu and Robinson argue, political and economic institutions, which are ultimately the choice of society, can be inclusive and encourage economic growth.\(^9\) In turn, they also alleviate poverty, and fill governance gaps. Acemoglu and Robinson note that inclusive economic institutions are forged on the foundations of inclusive political institutions. These institutions make power broadly distributed in society and constrain its arbitrary exercise.\(^9\) Having inclusive institutions makes it harder for non-state groups, such as the ASG, to usurp power and undermine the foundations of these institutions.

Additionally, inclusive economic institutions create a more equitable distribution of resources among the population and facilitate sustainable inclusion.\(^9\) This counteracts those in power who set up extractive economic institutions for their own benefit.\(^9\)

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\(^8\) Ibid at 526.  
\(^9\) Ibid at 545.  
\(^9\) Daron Acemoglu and James Robinson, supra at 83.  
\(^9\) Ibid at 82.  
\(^9\) Ibid.  
\(^9\) Ibid.
While this currently seems like a utopian ideal, it is achievable if the Filipino government recognizes the importance of the rule of law over the impacts of law and order, which in turn will legitimize state actors over non-state actors and counteract maritime terrorists. The upshot is that inclusive economic institutions should be one of the main goals of the Filipino government, working in tandem with efforts to provide good enough governance.

**Solution III: Encourage Local Activism in the Philippines**

Historically, there has always been a strong capacity for Filipino people to come together in the face of government inaction on poverty and violence reduction to promote economic stability. As noted by Grindle, the mobilization of the poor into political parties, interest groups, unions, and non-government organizations may be a condition under which judicial reform, civil service reform, decentralization, and other kinds of changes can significantly impact the poor.95

Parvanova and Pichler’s editorial titled: “Activism and Social Movements in South-East Asia” supports this through examining local activism in South-East Asia. They report that in the Philippines, social movements and collective activism have played a crucial role in authoritarian government upheaval in the past.96 They also report that the region has seen an emergence of various forms of collective action and social activism ranging from small-scale mobilization to mass movements concerned with social justice, political and democratic freedom, gender, minorities, and the environment as well as civic, ethnic, indigenous, and human rights.97

As exemplified by Ringuet and Estrada, the People Power I movement of 1986 that ultimately forced Marcos out of office, enlivened the Filipino democratic spirit and cleared the passage for economic recovery.98 A strong grounding in fair, just civil society will create a more stable economic environment that

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95 Marilee Grindle, supra note 77 at 535.
97 Ibid.
98 Daniel Ringuet and Elsa Estrada, supra note 5 at 240.
foster’s growth and betters the livelihoods of people on the Southern coast of the country.

Solution IV: Co-operative International Governance Strategies

It is worth mentioning that the ASG’s maritime terrorism also affects surrounding coastal nations off the Southern coast of the Philippines. A 2017 article in the ABS-CBN News discussed President Duterte’s call for international help from China to launch patrols in Filipino waters, citing Beijing’s dispatch of a naval convoy to the Gulf of Aden in 2009 to protect Chinese ships from Somali pirates. 99 While this call for action was inconclusive, other regional neighbours have come together to aid the Philippines in fighting the threat of piracy in shared waters.

The Philippines, Malaysia and Indonesia have come together and produced a trilateral agreement to patrol their shared waters, in an effort to stop the pirates’ abilities to retreat to the high seas. 100 In June 2017, the three countries formed a trilateral agreement with the objective of naval military personnel from these countries to coordinate efforts to patrol their shared waters. The goal of the project is to track down pirates who navigate the seas between these nations. This patrol efforts also uses aerial patrols to monitor the seas, with a specific focus on securing the Sulu Sea. 101

According to Gatot Nurmantyo, the head of Indonesia’s military forces, “the series of piracy attacks accompanied by kidnappings that occurred frequently in the Sulu (Sea) waters have had a huge security impact on surrounding coastal countries.” 102 The arrangement provides for naval personnel from any of the three nations to enter the maritime waters of the others.

101 Ibid.
102 Ibid.
in pursuit of suspected militants and criminals responsible for illegal activities such as piracy, terrorism and kidnappings. Command centers in the three countries have been set up to coordinate operations so that the nearest ship from any of these nations responds to distress calls, allowing them to pursue criminals in a more effective manner. This shows how poor governance in one nation affects governance decisions in other nations. Whereas the ASG is a Philippines based maritime terrorist organization, their terrorism goes beyond the Philippines boarders, but can be partially alleviated through international co-operation.

By focusing on more productive strategies to elicit change at a governance level, putting more government resources into the creation of inclusive institutions to combat poverty, bolstering the work of fair, just civil society groups, and providing more resources towards international co-operation, progress can be made to combat the Loch Ness monster that is the proliferation of poverty and maritime terrorism.

**Conclusion**

The mythological story of Alexander the Great and the Gordian Knot tells the story of an impossible knot that cannot be unravelled through conventional means. In the first conclusion of the story, Alexander the Great slices the knot in half with his sword; in an alternative conclusion, he pulls the linchpin holding the knot together and it seamlessly unravels. The first ending is analogous to Duterte and the ASG’s brute force and violence to achieve economic stability and power in the Philippines. The second ending uses a creative solution to solve the complex problem of economic stability and poverty in the country.

A new age of better governance in the Philippines necessitates the need for creative solutions to solve complex issues. Creative solutions can start with the implementation of inclusive economic development strategies, based in an understanding of good enough governance, to bring about sustainable growth and poverty alleviation is the country.

103 Ibid.
In the face of strong state and non-state actors, smarter governance must be the end goal in an accountable state to shut down extra-judicial violence committed by state and non-state actors alike. Governance must start with realistic expectations, based in poverty alleviation to fulfil human rights standards, and with a focus on alleviating maritime terrorism. Only then, will the international perceptions of economic growth in the Philippines in the past five decades align with the everyday needs of impoverished Filipino people to bring about real, lasting justice.
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